

STATE OF ILLINOIS



Department of Insurance

IN THE MATTER OF
THE EXAMINATION OF:

MASSACHUSETTS MUTUAL LIFE
INSURANCE COMPANY
1295 STATE STREET
SPRINGFIELD, MASSACHUSETTS 01111

MARKET CONDUCT EXAMINATION WARRANT

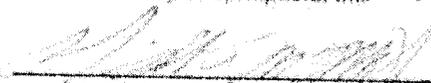
I, the undersigned, Director of Insurance of the State of Illinois, pursuant to Sections 5/131.21, 5/132, 5/401, 5/402, 5/403 and 5/425 of the Illinois Insurance Code (215 ILCS 5/131.21, 5/132, 5/401, 5/402 and 5/425) do hereby appoint Mike Hager, Examiner-In-Charge, Pat Hahn, John Staples and associates as the proper persons to examine the insurance business and affairs of Massachusetts Mutual Life Insurance Company of Springfield, Massachusetts, and to make a full and true report to me of the examination made by them of Massachusetts Mutual Life Insurance Company with a full statement of the condition and operation of the business and affairs of Massachusetts Mutual Life Insurance Company with any other information as shall in their opinion be requisite to furnish me a statement of the condition and operation of its business and affairs and the manner in which it conducts its business.

The persons so appointed shall also have the power to administer oaths and to examine any person concerning the business, conduct, or affairs of Massachusetts Mutual Life Insurance Company.

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of my office.

Done at the City of Springfield, this *2nd* day of *March*, 2011


Michael T. McKeith

Director



MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

MARKET CONDUCT EXAMINATION REPORT

DATE OF EXAMINATION	April 18, 2011 through July 22, 2011
EXAMINATION OF:	Massachusetts Mutual Life Insurance Co. NAIC # 65935
LOCATION OF EXAMINATION:	1295 State Street Springfield, Massachusetts 01111
PERIOD COVERED BY EXAMINATION:	July 1, 2009 through June 30, 2010 Department of Insurance Complaints July 1, 2007 through April 15, 2011
EXAMINERS:	Mike Hager -- Examiner-in-Charge Pat Hahn John Staples

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1. Department of Insurance Complaints
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I. SUMMARY

1. The Company was criticized under 215 ILCS 5/154.6(d) for three (3) underpayments totaling \$1,966.23 for failing to pay the policyowner a refund of premiums being waived. The company issued payment for the underpayments prior to the completion of the examination.
2. The Company was criticized under 215 ILCS 5/224(2) for failing to notify the existing insurer of possible replacement of a life insurance policy or an annuity.
3. The Company was criticized under 215 ILCS 5/226(1) for use of a policy form containing a two (2) year contestability period for annuities issued without health questions. Since completion of health questions is not required as a condition to issuing the policy, the annuities should be incontestable at issue.
4. The Company was criticized under 215 ILCS 5/234.1 for failing failure to refer the policyowner to the other available options under the provision of the provisions of the policy upon enactment of the non-forfeiture option.
5. The Company was criticized for Title 50 Ill. Adm. Code 919.50(a)(1) for failing to include "notice of availability" of the Department of Insurance on the denial letters.
6. The Company was criticized under Title 50 Ill Adm. Code 919.70(a)(2) for failure to include the "notice of availability" of the Department of Insurance on the 45 day delay letters.
7. The Company was criticized under Title 50 Ill. Adm. Code 1407.20 for policy language that does not meet current standards. The policy form defined terminal illness as a medical condition which, in the opinion of a physician who is licensed to practice medicine in all branches, would generally result in the insured's death within 12 months. Title 50 Ill. Adm. Code 1407.20 requires that the definition utilize twenty-four (24) month.

II. BACKGROUND

Massachusetts Mutual Life Insurance company ("MassMutual") was founded in 1851 in Springfield, Massachusetts. MassMutual Financial Group ("MMFG") is a fleet name used to refer to MassMutual and its affiliates and subsidiaries. MMFG is a global, diversified financial services organization providing life insurance, disability income insurance, long-term care insurance, annuities, retirement and income products, investment management, mutual funds, and trust services to individual and institutional customers. MassMutual is organized as a mutual life insurance company. MassMutual is governed by a Board of Directors who maintain frequent and direct contact with management. Members – generally, insureds under a life insurance policy issued by MassMutual – may attend and elect members of the Board of Directors at MassMutual's Annual Meeting. In 1996 MassMutual merged with Connecticut Mutual Life Insurance Company.

MassMutual's 2009 and 2010 Annual Statement Schedules T reflect the following Illinois premium:

	Life Insurance Premiums Direct	Annuity Considerations Direct	Accident and Health Insurance Premiums Direct	Other Considerations Direct
2009	116,206,169	103,345,143	22,388,973	441,189,921
2010	129,932,215	75,262,831	22,468,593	281,719,736

III. METHODOLOGY

The Market Conduct Examination places emphasis on evaluating an insurer's systems and procedures used in dealings with insureds and claimants.

The following categories are the general areas examined:

1. Producer Licensing and Production Analysis
2. Non-Forfeiture Analysis
3. Claims analysis
4. Policy Forms and Advertising Material Analysis
5. Replacement Policy Analysis
6. Underwriting Analysis
7. Complaint Analysis

The review of these categories is accomplished through examination of producer files, claim files, Insurance Department complaint files, policy forms, endorsements and advertising materials. Each of these categories is examined for compliance with selected Department of Insurance Rules and Regulations and applicable State laws. The Market Conduct Examination did not examine compliance with the Uniform Disposition of Unclaimed Property Act, 765 ILCS 1025/1.

The report concerns itself with improper practices performed with such frequency as to indicate general business practices. Individual criticisms are identified and communicated to the insurer but are not cited in the report if not indicative of a general trend, except if there were underpayments and/or overpayments in claims surveys or undercharges and/or overcharges in underwriting surveys.

The following methods were used to obtain the required samples to assure a methodical selection:

Producer Licensing and Production Analysis

Populations for the producer file reviews were determined by whether or not the producers were licensed by the State of Illinois. New business listings were retrieved from Company records selecting newly solicited insurance applications which reflected Illinois addresses for the applicants.

Non-Forfeiture Analysis

Listings were requested of all life policies that were cash surrendered, placed on extended term insurance status or converted to reduced paid-up insurance during the examination period. These listings were retrieved by a search of Illinois policies either lapsed for nonpayment of premium or were requested non-forfeiture option conversions made by policyholders.

Claims Analysis

Claim surveys were selected using the following criteria:

1. Paid Claims – Payments for coverage made during the examination period.
2. Denied Claims – Denial of benefits for losses not covered by policy provisions during the survey period.
3. Individual or Franchise Claims – Determine whether the contracts were issued to an individual or on a franchise basis.

All median payment periods were measured from the date all necessary proofs of loss were received to the date of payment or denial to the insured or the beneficiary.

Policy Forms and Advertising Material Analysis

The Company was requested to provide specimen copies of all policy forms and samples of all advertising material in use during the survey period.

Replacement Policy Analysis

The Company was requested to provide listings of all annuity and life policies, both internal and external, transacted during the survey period. A sample of each category was compiled and the policy files were requested for review to determine compliance with Department of Insurance Rules and Regulations and applicable State Laws.

Underwriting Analysis

Listings were requested of all life applications rejected by the company during the survey period. These listings were retrieved by a search of Illinois life applications submitted but, denied issuance by the company.

Department of Insurance Complaints

The Company was requested to provide all files relating to complaints which had been received via the Department of Insurance as well as those received directly by the Company from the insured or his/her representative. A copy of the Company's complaint register was also reviewed.

Median periods were measured from the date of notification of the complaint to the date of response to the Department of Insurance.

The examination period for Department of Insurance complaints was July 1, 2007 through April 15, 2011.

SELECTION OF SAMPLE

SURVEY	POPULATION	# REVIEWED	% REVIEWED
Producer Licensing and Production Analysis			
Terminated Producers	222	222	100
Producer Production	695/4664	695/4664	100
Non-Forfeiture Analysis			
Life Cash Surrenders Group	105	105	100
Life Cash Surrenders Individual	1346	100	7
Extended Term and Reduced Paid Up	266	80	30
Annuity Cash Surrender	449	100	22
Approved Individual Waiver of Premium	31	31	100
Rejected Individual Waiver of Premium	16	16	100
Claims Analysis			
Paid Individual Life	1401	108	8
Paid Group Life	18	18	100
Annuity Death Settlements	60	60	100
Paid Individual Disability	46	46	100
Denied Individual Disability	15	15	100
Paid Long Term Care	2	2	100
Denied Long Term Care	3	3	100
Underwriting			
Declined Group Life Applications	2	2	100
Declined Individual Life Applications	116	116	100
Policy Forms and Advertising Material Analysis			
Policy Forms and Advertising Review	1235	1235	100
Replacement Policy Analysis			

Replacements Life Internal & External	505	100	20
Replacements Annuity Internal & External	132	79	60
Complaint Analysis			
Department of Insurance Complaints	21	21	100
Consumer Complaints	58	58	100

IV. FINDINGS

A. Producer Licensing and Production Analysis

1. Terminated Producer Review

A review of 222 terminated producer files revealed no producers terminated for a cause.

2. Producer Production

A review of all 5359 producer production files produced no criticisms.

B. Non-Forfeiture Analysis

1. Life Cash Surrenders Group

A review of 105 group life cash surrender policy files produced no criticisms.

The median for surrender was 18 days.

2. Life Cash Surrenders Individual

A review of the 100 individual life cash surrenders produced no criticisms.

The median for surrender was five (5) days

3. Extended Term Insurance and Reduced Paid-Up

A review of 80 extended term and reduced paid-up policy files produced one (1) criticism. A general criticism was made under 215 ILCS 5/234.1 for failure to provide all the available options to the insured prior to enactment of the non-forfeiture provision. MassMutual states that it believes its procedures were satisfactory but will nonetheless develop an enhanced notice.

No median could be established.

4. Annuity Cash Surrenders

A review of 100 annuity cash surrender policy files produced no criticisms.

The median for surrender was one (1) day.

5. Approved Individual Waiver of Premium

A review of the 31 approved waiver of premium policy files produced two (2) criticisms. Two (2) individual criticisms were made under 215 ILCS 5/154.6(d) for the underpayment of 2 claims totaling \$1320.39 for failure to return the refundable premium. The company made the payments with statutory interest prior to the completion of the examination.

The median for approval was nine (9) days.

6. Rejected Individual Waiver of Premium

A review of three 16 rejected group waiver of premium claim files produced two (2) general criticisms. One (1) criticism was made under 50 Ill Adm. Code 919.70(a)(2) for failure to include "Notice of Availability" of the Department of Insurance on the 45 day delay letters. A second criticism was made under 50 Ill Adm. Code 919.50 (a)(1) for failure to include "Notice of Availability" of the Department of Insurance on denial letters. MassMutual states that, subsequent to the examination, it has revised its procedures and conducted employee training to address the Notice of Availability issues.

The median for denial was one (1) day.

C. Claims Analysis.

1. Paid Individual Life

The review of 108 paid individual life claim files produced one (1) criticism. A general criticism was made under 50 Ill. Adm. Code 919.70(a)(2) for failure to include "notice of availability" of the Department of Insurance on the 45 day delay letters. Twelve (12) of the 108 files (or 11%) were found to be in violation. MassMutual states that, subsequent to the examination, it has revised its procedures and conducted employee training to address the Notice of Availability issues.

The median for payment was four (4) days.

2. Paid Group Life

A review of 18 paid group life claim files produced one general criticism. A general criticism was made under 50 Ill Adm. Code 919.70(a)(2) for failure to include "notice of availability" of the Department of Insurance and using the an incorrect address on the letters. MassMutual states that, subsequent to the examination, it has revised its procedures and conducted employee training to address the Notice of Availability issues.

The median for payment was eight (8) days.

3. Annuity Death Settlements

A review of 60 annuity death settlement files produced no criticisms.

The median for payment was three (3) days.

4. Paid Individual Disability

A review of 46 paid group disability claim files produced two (2) criticisms. One general criticism was made under 50 Ill. Adm. Code 919.70(a)(2) for failure to include "notice of availability" of the Department of Insurance on the 45 day delay letters. A second individual criticism was made under 215 ILCS 5/154.6(d) for an underpayment of \$645.84 for failing to refund premiums being waived. MassMutual states that, subsequent to the examination, it has revised its procedures and conducted employee training to address the Notice of Availability issues.

The median for payment was 11 days. The mean was 13 days.

5. Denied Individual Disability

A review of 15 denied individual disability claim files produced one (1) criticism. A general criticism was made under 50 Ill. Adm. Code 919.70(a)(2) for failure to include notice of available of the Department of Insurance on the 45 day delay letters. MassMutual states that, subsequent to the examination, it has revised its procedures and conducted employee training to address the Notice of Availability issues.

The median for payment was one (1) day.

6. Paid Long Term Care

A review of two (2) paid long term care claim files produced no criticisms.

No median for payment could be established.

7. Denied Long Term Care

A review of three (3) denied long term care claim files produced no criticisms.

A median for denial could not be established.

D. Underwriting Analysis

1. Declined Group Life Applications

A review of two (2) declined group life applications produced no criticisms.

A median for declination could not be established.

2. Declined Individual Life Applications

A review of 116 declined individual life applications files produced no criticisms.

The median for declination was 20 days.

E. Policy Forms and Advertising

1. Policy Forms and Advertising Review

A review of the 1235 policy forms and advertising materials produced two (2) criticisms. An individual criticism was made under 50 Ill Adm. Code 1407.20 for the use of a policy form not meeting the current standards. The Accelerated Benefit Rider (ABR) form defines Terminal Illness as a medical condition which in the opinion of a physician who is licensed to practice medicine in all of its branches, would generally result in the insured's death within . months. It should be 24 months. MassMutual notes that (i) the 12 month period is consistent with the Interstate Insurance Compact standards and that (ii) the Illinois Department of Insurance had approved the form in question. MassMutual further notes that, subsequent to the examination, it filed revised policy forms with a 24 month definition which filing was approved by the Illinois Department of Insurance on September 14, 2011. Mass Mutual states that it will issue revised ABR forms with the 24 month definition to all affected policies by April 30, 2012.

A general criticism was made under 215 ILCS 5/226(1)(b) for policy forms not meeting the current standards. The forms required a two (2) year contestability provision for annuities issued without health questions and should be incontestable at issue. MassMutual states that it no longer uses the form, TMLS.1(H), and no longer issues annuities with health questions. MassMutual also states that it has never contested an annuity.

F. Replacement Policy Analysis

1. Internal and External Life Replacement

A review of 100 internal and external life replacement files produced no criticisms.

A median for replacement could not be established.

2. Internal and External Annuity Replacement

A review of 79 internal and external annuity replacement policy files produced one (1) general criticism. A criticism was made under 215 ILCS 5/224(2) for failure to notify the previous insurer of the possible replacement. MassMutual has advised the Department that, subsequent to the examination, MassMutual has reviewed and revised as necessary its procedures to address this issue.

A median for replacement could not be established.

G. Complaint Analysis

1. Department of Insurance Complaints

A review of 21 Department of Insurance complaints produced no criticisms.

The median for response was 13 days.

2. Consumer Complaints

A review of 58 consumer complaint files produced no criticisms.

The median for response was 26 days.

V. TECHNICAL APPENDICES

None



Illinois Department of Insurance

PAT QUINN
Governor

ANDREW BORON
Director

February 8, 2012

Roger William Crandall
President
Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, MA 01111

**sent via US Postal Service
mail certified return
receipt requested**

Re: **Market Conduct Examination**

Dear Mr. Crandall,

A draft Market Conduct Examination Report was sent to your attention on December 15, 2011. The draft Report related to a Market Conduct Examination of Massachusetts Mutual Life Insurance Company ("your company") conducted by authorized examiners designated by the Director of Insurance pursuant to Illinois Insurance Code Sections 132, 401, 402, 403 and 425 of the Illinois Insurance Code. The examination covered the period July 1, 2009 through June 30, 2010.

On January 27, 2012, your company provided comments concerning the draft Report. Those comments have been considered. Attached is a final Market Conduct Examination Report on your company. Also attached are two copies of a Stipulation and Consent Order resulting from this examination.

I request that an appropriate officer of your company execute **both copies** of the Stipulation and Consent Order and return them to my attention by March 16, 2012. I will then request that the Director of Insurance execute both copies one of which will be provided to your company.

Please contact me if you have any questions.

Yours Truly,

James J. Morris
Assistant Deputy Director
Market Conduct and Analysis
Illinois Department of Insurance
320 West Washington Street
Springfield IL 62767
312-833-5582 mobile
217-557-8463 fax
james.j.morris@illinois.gov

cc: Antonio Scibelli, Asst. VP & General Counsel

This Market Conduct Examination was conducted pursuant to Sections 5/132, 5/402 and 5/425 of the Illinois Insurance Code (215 ILCS 5/132, 5/402 and 5/425). It was conducted in accordance with standard procedures of the Market Conduct Examination Section by duly qualified examiners of the Illinois Department of Insurance.

This report is divided into five parts. They are as follows: Summary, Background, Methodology, Findings and Technical Appendices. All files reviewed were reviewed on the basis of the files' contents at the time of the examination. Unless otherwise noted, all overcharges (underwriting) and/or underpayments (claims) were reimbursed during the course of the examination.

No company, corporation, or individual shall use this report or any statement, excerpt, portion, or section thereof for any advertising, marketing or solicitation purpose. Any company, corporation or individual action contrary to the above shall be deemed a violation of Section 149 of the Illinois Insurance Code (215 ILCS 5/149).

The Examiner-in-Charge was responsible for the conduct of this examination. The Examiner-in-Charge did approve of each criticism contained herein and has sworn to the accuracy of this report.

James J. Morris

A handwritten signature in black ink, appearing to read "James J. Morris". The signature is written in a cursive style with a horizontal line above it.

Assistant Deputy Director
Market Conduct and Analysis Section

May 18, 2012

VIA EXPRESS DELIVERY

James J. Morris
Assistant Deputy Director
Market Conduct and Analysis
Illinois Department of Insurance
320 West Washington Street
Springfield, IL 62767

Re: Massachusetts Mutual Life Insurance Company
Market Conduct Examination Report

Dear Mr. Morris:

This letter responds to your letter dated April 13, 2012 to Massachusetts Mutual Life Insurance Company ("MassMutual") in which you provided MassMutual with a Stipulation and Consent Order (the "Order") related to the examination of MassMutual for the period July 1, 2009 through June 30, 2010. In connection with the Order, please find (i) two copies of the Order signed by Christine Frederick, Senior Vice President and Chief Compliance Officer, (ii) proof of compliance with the Order, as described more fully below and (iii) a check for \$7,500.00.

Each of the orders is copied below, followed by MassMutual's response.

1. *Maintain procedures to refund any premiums being waived consistent with the requirements of 215 ILCS 5/154.6(d) and reinforce such procedures with appropriate Company personnel.*

MassMutual maintains procedures to refund waived premiums consistent with 215 ILCS 5/154.6(d). Reinforcement of these procedures was carried out as described in the memorandum attached hereto as "Attachment 1."

2. *Maintain procedures to notify the existing insurer of possible replacement of a life insurance policy or annuity as required by 215 ILCS 5/224(2).*

In a correspondence to Examiner Hager dated July 5, 2011, incorporated herein by reference, MassMutual informed Mr. Hager that it would conduct a review of applicable policies and procedures and would update them as needed. In addition, MassMutual committed to enhancing its Quality Assurance program by November 1, 2011. We have completed both of these corrective actions. MassMutual maintains policies and

procedures to notify an existing insurer of possible replacements. Those procedures are attached hereto as "Attachment 2."

- 3. Maintain procedures consistent with 215 ILCS 5/226(1)(b) whereby annuity and pure endowment policy forms do not contain contestability periods relating to statements which are not required as a condition to issuing the policy and revise any form which is not consistent with such statute.*

The examination identified that policy form TMLS(IL).1 contained a contestability provision. As noted in MassMutual's June 22, 2011 letter to Examiner Hager, which is incorporated herein, MassMutual updated TMLS(IL).1 on or about March 24, 2011 (prior to the date of the Criticism) replacing the contestability provision with an incontestability provision. Please see page 18 of the March 24, 2011 refiled TMLS(IL).1, attached hereto as "Attachment 3."

- 4. Revise and maintain procedures consistent with 215 ILCS 5/234.1 so that when MassMutual enacts a non-forfeiture option, MassMutual will give a notice to the policyowner which explains the action and refers the policyowner to the other available options, if any, under the provisions of the policy. Evidence of this notice shall be maintained by MassMutual.*

As noted in our January 27, 2012, MassMutual has committed to develop an enhanced notice to policyowners that explains non-forfeiture options, if any, under the provisions of the policy. The development efforts are underway and the expected completion date, as communicated in our letter, is December 31, 2012. Upon completion MassMutual will maintain evidence of the notice and will make such evidence available to the Department upon request.

- 5. Maintain procedures to advise the claimant of the Availability of the Department of Insurance when MassMutual denies a claims as required by Title 50 Illinois Administrative Code 919.50(a)(1) and reinforce such procedures with appropriate Company personnel.*

MassMutual maintains procedures to advise claimants of the Availability of the Department of Insurance when denying claims. Reinforcement of existing procedures was carried out as described in the memorandum attached hereto as "Attachment 4."

- 6. Revise and maintain procedures whereby when a claim remains unresolved for 45 days from the date it is reported, MassMutual shall provide the insured or, when applicable, the insured's beneficiary, with a reasonable written explanation for the delay. Notice of availability of the Department of Insurance shall accompany this explanation as required by Title 50 Illinois Administrative Code 919.70(a)(2).*

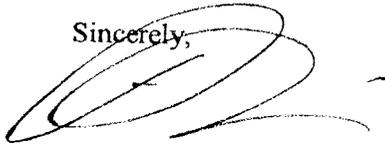
MassMutual maintains procedures whereby when a claim remains unresolved for 45 days from the date it is reported, MassMutual provides the insured or, when applicable, the insured's beneficiary, with a written explanation for the delay in compliance with Title 50 Illinois Administrative Code 919.70(a)(2). These procedures were reinforced as described in the memorandum attached hereto as "Attachment 5."

7. *Maintain procedures so that its individual and group life insurance policies, contracts, riders, endorsements or amendments comply with the requirements of Title 50 Illinois Administrative Code Part 1407 to include the definition of "terminal illness" and refile any forms which do not utilize such definition.*

Despite the fact that Illinois approved the forms in question, MassMutual refiled all applicable accelerated benefit riders to include the definition of terminal illness to be consistent with Part 1407 of the Illinois Administrative Code's 24 month definition. An example of the letter sent to impacted policy holders is attached hereto as "Attachment 6." In addition, prior to the 24 month definition being approved by the Department of Insurance, MassMutual used a non-filed Disclosure Statement for Accelerated Death Benefit Rider that reinforced the 24 month definition. A copy of the Disclosure Form as well as training and communication on the Disclosure Form is attached hereto as "Attachment 7."

Please contact me if you have any questions or need additional information. Thank you.

Sincerely,



Antonio Scibelli
Assistant Vice President & Counsel

attachments

Attachment 1



Memo

To: Paul Proko
Vice President
Health Benefits and New Business

From: Robert Miles
Assistant Vice President
Health Benefits and New Business

MIP: M125

MIP: M125 EXT: 23969

Cc: Barbara Dutram, Jason Paine

Re: Illinois Market Conduct Examination (MCE) Criticisms
and Corrective Actions

Original Date: September 15, 2011
Updated: January 18, 2012

The Criticisms of the DI Benefit Department's claim practices alleged by the Illinois MCE fall into two broad categories. These categories, the Criticisms and the steps taken thus far to rectify the identified concerns are described below.

Category I – Notification of the availability of the Department of Insurance (DOI)

Illinois law requires that a claimant be notified of the availability of the state DOI as a resource during various stages of the claim. These stages are:

- o When providing written communications regarding status for claims that have remained pending for at least 45 days from the date of notice; and
- o In claim determination letters when a claim has been denied in whole or in part.

Criticism No.	Claim Type	Allegation	Claim Volume
PH-32-81	Denied Life Waiver of Premium	Notice of availability of the IL Dept. of Insurance for assistance not provided to claimant on adverse claim decision.	5 of 16 claims examined (31%) reportedly in violation. Diversity of jurisdiction may be an issue (The 5 insureds weren't IL residents at claim time).
PH-33-81	Denied Life Waiver of Premium	Same as immediately above	2 policies (same insured) involved; 2 of 16 files (1 policy = 1 file) examined (13%) reportedly in violation.
PH-34-81	Denied Life Waiver of Premium	Notice of availability of the IL Dept. of Insurance for assistance not provided to claimant on a claim that is unresolved 45 days after it was reported.	14 of 16 files examined (88%) reportedly in violation. Diversity of jurisdiction may be an issue on 5 of the 14 files thought to be in violation.
PH-35-41	Denied Disability Insurance	Same as immediately above	12 of 15 files examined (80%) reportedly in violation.
PH-38-40	Paid Disability Insurance	Same as immediately above	15 of 46 files examined (33%) reportedly in violation.

September 15, 2011 Corrective Actions

- 1) Illinois Claim Handling Guidelines – These guidelines have been revised to conform to IL law. While the guidelines previously addressed the notification requirement on an adverse claim decision, they did not contain information regarding the requirement for those claims remaining in a pending status at least 45 days from the date of notice.
- 2) Review of Other States' Notification Requirements – The laws of the five states other than IL (CA, NH, NY, RI and WV) that have notification requirements relating to the DOI during claim adjudication have been initially reviewed. As a result of this review, our NH claim handling guidelines have also been revised. Somewhat similar to IL, NH law

requires that not only must a claimant be notified of the availability of the DOI when a claim is denied in whole or in part, but also after a claim has been pending more than 30 days from the date of notice. The prior version of the NH guidelines made reference only to the notification requirements surrounding an adverse claim determination. No additional steps are necessary for CA and RI. Further research on the laws is necessary for NY and WV.

3) Claim Examiner Training

a) On September 13, 2011, the Best Practices Trainers conducted training on a row-by-row basis for the entire DI Benefits staff on the IL and NH laws regarding claimant notification of the availability of the DOI and to which claimants the rules apply (the rules apply to both contract state and residence state).

b) On September 14, 2011, a training e-mail on the IL and NH claimant notification requirements was sent to the entire DI Benefits Department in follow up to the prior day's training.

4) Template Letters in GenWord – All claimant template letters in the GenWord function of the DI Benefits System have been reviewed and revised as necessary to include instructions and appropriate text regarding DOI contact information to simplify claim examiner compliance with the claimant notification requirements.

Updated January 18, 2012 Corrective Actions

Letter Revisions - Additional steps are being taken to simplify the process by which appropriate claimants are given the required notification regarding the states' Department of Insurance (DOI) contact information. For all claimant template letters in GenWord that deal with claim status or claim decisions, an additional page is being created within each letter that contains the DOI contact information for all six states that currently require such notification and directs appropriate claimants to this information. This approach eliminates the need for the claim examiners to identify claims specific to the six states and also to remember to insert the special notification text in the letter.

Category II – Processing of Waiver of Premium Refunds for Life Waiver and Disability Income Claims

Three Criticisms focused on the waiver of premium processes within the DI Benefits Department.

Criticism No.	Claim Type	Allegation	Claim Volume
JS-07-80	Approved Life Waiver of Premium	Miscalculation (underpayment) of the waiver of premium refund amount.	Single claim.
MH-35-80	Approved Life Waiver of Premium	Waiver of premium process not initiated by claim examiner.	Single claim.
PH-45-40	Paid Disability Insurance	Waiver of premium process for EDS policy, although apparently initiated, not completed.	Single claim.

September 15, 2011 Corrective Actions

1) Claim Audit - A three month audit from June 1, 2011 though August 31, 2011 was conducted of waiver of premium processing for life insurance policies. The results showed a 14% error rate.

2) Stakeholder Meeting Scheduled - A meeting is scheduled for September 28, 2011 with stakeholders in the DI and life waiver of premium processes to hold initial discussions on:

- a) the life waiver audit results and potential corrective steps;
- b) action steps to close workflow gaps in the DI waiver of premium process.

Updated January 18, 2012 Corrective Actions

1) *DI and Life Waiver of Premium Process Map – A 5 person team lead by Dave Jackson has completed the process map for DI waiver; SMEs have signed off on the document. Work continues on the more complex Life waiver process with weekly meetings presently scheduled into early February 2012.*

2) *Life Waiver audit results and potential corrective steps – J. Cebulla has completed 98% of the audit (almost every fourth MM refund from 1/1/10-9/29/11). Carol made 12 mistakes and Mike made 2 out of 204 files audited thus far; a*

93.1% pass rate vs. the 86% pass rate on the smaller sampling associated with the IL market conduct exam. Information regarding the nature of the errors is being accumulated and will be passed to M. McDonough for additional training of her Operation associates. Additional preventive measures will also be considered as part of the process map output.

Please let me know if you have any questions.

Attachment 2

ANB 3-Day Replacement Letters to Transfer Companies

Updated 9/4/2010

Description

These procedures are designed to satisfy the requirement of 10 states to mail a replacement letter to transfer companies within 3 days of receipt of a "Company to Company Transfer of Assets" form involving replacement of a life or annuity contract. The states with this requirement are: CA, FL, GA, IL, IN, KS, NE, NV, WA, WY.

Procedure

Review the status of each NB queue, including Blue Chip Services, TPD and STP to determine the age of the items and follow the appropriate procedure below and send an e-mail to the RINB Mail Team mailbox to inform the Mail Team if review is on day 2 or greater:

Day 0 or 1:

1. A Mail Team associate will go into the Public Folder 'RINB Mail Team'
2. Open emails with one of the affected states in the subject line.
 - a. Contract number will be in the body of the email.
 - b. These cases are all replacements and NIGO.
 - c. Leave any NY emails as the Reg 60 team will handle these.
3. Call transfer company to obtain a fax # or mailing address or use the transfer company list to get mailing address and any transfer requirements (initial call).
4. For replacement items prepare and print 2 replacement letters for each transfer company we have a Transfer of Assets form for.
5. Send one copy of replacement letter to each transfer company via UPS
6. Send the other copy "scan to queue, work already processed."
7. Note in FileNet "Replacement letter mailed to (transfer company name)" for each letter sent.

Day 2 or greater:

1. A Mail Team associate will go into the Annuity Workflow NB queues each morning and:
 - a. Put a date filter on with yesterday's date.
 - b. Sort by state.
 - c. Scan all NB queues, including Blue Chip Services, TPD and STP. Identify all items from the states with this requirement.
 - d. Open these items and check if a replacement.

- e. If replacement status is in question, consider the item a replacement
2. Call transfer company to obtain a fax # or mailing address or use the transfer company list to get mailing address and any transfer requirements (initial call).
3. For replacement items prepare and print 2 replacement letters for each transfer company we have a Transfer of Assets form for.
4. Send one copy of replacement letter to each transfer company via UPS
5. Send the other copy "scan to queue, work already processed."
6. Note in FileNet "Replacement letter mailed to (transfer company name)" for each letter sent.

Document History Table	
2009	Documented 4/23/09
9/24/2009	Removed South Carolina (SC) from the list of states that this procedure applies. South Carolina adopted the NAIC Replacement Model effective 9/24/09 so the NAIC procedure for the replacement letter applies.
10/29/2009	Updated Description to "9 states"
8/5/2010	Added Nebraska (NE) to the list of states where we are required to mail a replacement letter to transfer companies within 3 days of receipt of a "Company to Company Transfer of Assets" form involving replacement of a life or annuity contract.
9/4/2010	Procedure Reviewed 8/23/2010 - Minor updates made throughout Procedure.

To request updates, changes, Index term suggestions or to ask questions about this document, click [here](#).

ANB Replacement Overview Updated 10/1/2011

For Internal Use Only. Not For Use With The Public.

Description

Replacement is the process of any withdrawal; full or partial surrender, conversion or reduction of an existing life or annuity contract to purchase a new policy or contract, where the producer is aware, or should be aware, that replacement is involved. The State Insurance Department in each state governs the rules concerning replacement, in states that have adopted replacement regulations.

Note: A MassMutual business decision was made to define the term new, in the replacement definition above, as a contract that has been in force for less than 13 months. Transfers into contracts that are less than 13 months old are still considered a new contract. If a contract has been in existence for more than 13 months, legal has indicated that the risk is low if MassMutual does not notify the existing insurer.

Procedure

1. The contract state will determine which state replacement rules will apply.
2. See replacement grid for specific state requirements*

*In states that list form F6487, refer to the NAIC procedures under ANB Replacement - NAIC States

Note: The following states do not have replacement regulations (Connecticut, North Dakota, and District of Columbia). The rep may use form F6415, but this form is not required.

Annuity New Business will accept older versions of replacement forms meeting state requirements. This includes forms containing the older MassMutual logos.

3. Compare the answers to the replacement questions under the client and producer sections of the application. If the answers conflict, the application is not in good order. This will require a call to the producer to clarify and obtain corrections. See the NIGO Resolution Grid.

NOTE: If the state does not have replacement regulations, the questions on the application are not relevant. The New Business Analyst does not have to call out and correct these questions.

The new business analyst must make sure that the questions on the application are correct in the states that have replacement regulations, regardless if the transaction is exempt.

4. If New Business receives documentation with the application that clearly indicates the application is or is not a replacement, the application is not in good order if the information conflicts with how the replacement questions were answered on the application. This does not apply to states without regulations.
 1. If the transaction is a replacement, check to see if it is EXEMPT.

NOTE: In the case of joint owners, both owners must answer the replacement questions. Each owner may submit his/her own replacement form or it is acceptable for both owners to sign one replacement form providing that they are both owners on all policies listed on the form. In either situation, the replacement forms(s) must be signed by the owner(s) on or before the application signature date and should also be signed by the agent on or before the application signature date (it is allowable however for the agent to sign the replacement form after the application sign date).

If a correction to a replacement form is required**, the corrected form must be initialed and dated by the client. The application page must be re-signed and dated by the client on or after the correction date of the replacement form in the following instances:

- The original replacement form was not dated
- The replacement question was changed from "no" to "yes"

** Managers have discretion to make business decisions to allow minor fields on the replacement form to be corrected by the agent if the intent of the client is clear. Examples of this would be if the client lists their name in the section for the name of the current carrier but this information is contained on the transfer form, or if the "R" or "F" (replaced or financed) was overlooked. These types of minor corrections would not require the application to be resigned.

5. The following notes are required in FileNet:
 1. Enter replacement notes. Refer to notes section for approved notes.
 2. If a replacement letter is required, a FileNet note must be included to indicate that the replacement letter has been created and sent to be scanned.
6. If this transaction is a replacement, regardless of whether the transaction is exempt, the New Business Analyst must track this transaction for replacements by using the correct replacement code in NBU. When the business is processed on Polaris, this tracking is automatically done for the analyst when the correct radio buttons are selected on the front-end screens. However, in situations where a contract is processed using the backend screens, a manual process must be performed. The following link will provide the steps in this manual process: **[ANB Replacement Database - Tracking Replacements](#)**.
7. Subtrans/Sub1035x transfers must be reviewed for replacement regulations as outlined the above items, 2, 4, and 5.
 1. If a subtrans/sub1035 transfer form is received with an address that differs from the existing contract state, the replacement rules of the contract state will apply.
 2. If a replacement form is required but not submitted or is not in good order, the replacement form must be corrected or a new form obtained. If a correction is needed on the replacement form, the corrected form must be re-signed and dated or the changes initialed and dated by the owner(s). A copy of the subtrans/sub1035x signature page will need to be resigned and dated in the following instances:
 - The original replacement form was not dated
 - The replacement question was changed from "no" to "yes"
 - These corrections can be returned by fax. The resigned pages are not sent to the transferring company, but are retained for our records.

- o If a replacement form is required but submitted with a sign date that is after the signature date of the subtrans/sub1035x form, a copy of the transfer form will need to be resigned and dated by the owner(s) and returned by fax. The resigned page is not sent to the transferring company, but is retained for our records.
- o Subtrans/sub1035x transfers that are replacements to an existing contract less than 13 months old must be entered into the New Business Replacement database for replacement tracking. A designated associate will pull an access report from the New Business Replacement database and forward to Distribution Compliance on a monthly basis. The processing analyst must enter notes into FileNet history to indicate that the information was entered into the replacement database. See **Replacement Database**

NOTE: WE do not need to track replacements in states that do not have replacement regulations.

For specifics on how a replacement form should be completed, click on the following link: **Completing Replacement Forms.**

Replacement Exemptions

Replacement regulations do not apply in all situations. Please refer to the **Replacement Grid** for specific state exemptions. The following are transactions that are generally exempt from replacement regulations:

1. Mutual Funds/Certificates of Deposit (CD)

A transfer of assets from either a certificate of deposit (CD) or mutual fund is not a replacement since the investments are not considered insurance products

2. Group Plans

New Business Management has made a decision to require replacement paperwork on all group plan cases coming from an existing group life insurance or annuity contract, where state replacement regulations require it. Please refer to the **Replacement Grid** for specific state exemptions.

A group plan is defined as a group of individuals who participate in a common plan i.e. employee retirement plan or organization plan. Generally, these plans are tax qualified plans such as a 401(k), PSP or Keogh.

3. Immediate Annuities purchased with the proceeds of an existing annuity contract.

Note: Immediate annuities purchased with the proceeds of existing annuity are exempt only in those states that have adopted the NAIC replacement regulation. See ANB Replacements-NAIC States.

4. Contractual Conversion privilege is being exercised.

If an insurance company makes a change to their policy that is of a material nature, a client can move the assets to another policy with the same insurance company without having to follow replacement regulations. **Note:** This does not include Internal Replacements.

5. A transfer from a non-renewable, non-convertible term life policy within 5 years or less to its expiration date.
6. Transfer from a life or annuity policy where the cost is borne wholly by the employer or association. For example, an owner works for ABC Company. In order to attract this employee, ABC purchased a Life policy and the employee receives all the benefits without having to pay any of the premiums.

NOTE: This is not an all-inclusive list. For specific exempt transactions, please refer to the **replacement grid** for specific state requirements.

Application Received Indicating Replacement, but Can Not Determine Existing Insurer

If we receive an application that indicates that a replacement is being conducted or the supporting documentation indicates that the transaction is a replacement, but we do not know where the funds are coming from, a phone call to the agent is needed to obtain company information. Once we have established where the funds are coming from and have received the appropriate replacement form, the new business analyst must complete the following tasks:

- A replacement letter(s) must be sent to the transferring company(s) within 3 business days of receipt of a completed in good order application*. The appropriate state letter can be found on ConCorr. When sending this letter, please include a copy of the replacement form.

In NY, the replacement letter must be sent within 10 business days of receipt of an application, regardless of IGO/NIGO status. See **Reg. 60 Procedures**.

Note: For contracts issued in Tennessee, the replacement letter will be sent to the transferring company(s) by certified mail. Once proof of receipt is received at MassMutual, it will be sent Scan to File Special under the contract number.

- Send a copy of the Replacement letter Scan to Queue/Match Work.
- If the existing company requests, mail a copy of the policy summary for the proposed policy to the existing company within 5 business days of the request.

Note: For fixed contracts issued in California (replacements only), a contract summary will be sent to the transfer company with the replacement letter and replacement form.

- Enter replacement notes in FileNet. Specifically include documentation that the replacement letter was sent out and a copy was sent scan to queue/match work.
- All replacement business that is processed on the New Business Front End is automatically tracked and reported via a monthly feed to Distribution Compliance. Therefore, if Polaris is not being used to process the application, the New Business Replacement database must be utilized for replacement tracking. A designated associate will pull an access report from the New Business Replacement database and forward to Distribution Compliance on a monthly basis. The processing analyst must enter notes into FileNet history to indicate that the information was entered into the replacement database. See **Replacement Database - Tracking Replacements**

**** 3 Day Replacement Letters to Transfer Companies:***

In the following states, the replacement letter must be sent out within 3 business days of receipt of the application, regardless of IGO/NIGO status: California, Florida, Georgia, Illinois, Indiana, Kansas, Nebraska, Nevada, Washington and West Virginia.

Internal Replacements

For internally replaced annuity contracts outside of the formal internal exchange program, the **Exchange/Replacement Disclosure and Redemption Request** form (F9710) is required in addition to any applicable state replacement form. When applying the payment, commission must be reduced: **ANB Initial Payments Internally Replaced.**

For internally replaced annuity contracts, a replacement letter and replacement form will not need to be mailed out with the transfer.

REPLACEMENT NOTES

The following are replacement notes that must be added on the system

Enter history comment

Action: **APPCASH (NOT A REPLACEMENT)**

Comment:

This is not a replacement.

Ok Cancel

Enter history comment

Action: **APPCASH [w/replacement paperwork]**

Comment:

This is a replacement. Replacement letter has been created and attached to the transfer paperwork, with a copy sent scan to queue/match work.

Ok Cancel

Enter history comment

Action: APPLICATION (NOT A REPLACEMENT)

Comment:

This is not a replacement.

OK Cancel

Enter history comment

Action: APPLICATION (Replacement)

Comment:

This is a replacement. Replacement letter has been created and mailed to the transfer company, with a copy sent soon to queue/match work.

OK Cancel

Enter history comment

Action: APPLIQ (NOT A REPLACEMENT)

Comment:

This is not a replacement.

OK Cancel

Enter history comment

Action: **App1035 (Replacement)**

Comment:

This is a replacement. Replacement letter has been created and attached to the transfer paperwork, with a copy sent scan to queue/match work.

OK Cancel

Enter history comment

Action: **APPTRANS (NOT A REPLACEMENT)**

Comment:

This is not a replacement |

OK Cancel

Enter history comment

Action: **AppTrans (Replacement)**

Comment:

This is a replacement. Replacement letter has been created and attached to the transfer paperwork, with a copy sent scan to queue/match work.

OK Cancel

Enter history comment

Action: **No State Regulations**

Comment:

If a state has "no state replacement regulations" enter:

The state of has no state replacement regulations.

Enter history comment

Action: **REPLACEMENT (exempt transaction)**

Comment:

This is a replacement however, XXX are exempt in the state of XXX. No replacement form or letter is required.

Enter history comment

Action: **SUBTRANS/SUB1035 (over 13 mo old)**

Comment:

This is not a replacement. Existing contract is over 13 months old.

Document History Table	
2007	For previous updates, see archive 5/3/07, 11/22/07, and 12/20/07
2008	For previous updates, see archive 5/1/08, 6/12/08, 7/24/08, 8/28/08, 10/2/08
2009	For previous updates, see archive 3/5/09, 5/25/09. Procedure Reviewed 7/23/09 - No Changes, 9/24/09
8/5/2010	Added Nebraska to the list of states where the replacement letter must be sent out

	within 3 business days of receipt of the application, regardless of IGO/NIGO status
8/19/2010	Procedure Reviewed 8/3/2010 - Minor update made to Procedure step # 4 to link to Replacement Notes section.
6/30/2011	Minor update made to Procedure step # 5.
10/1/2011	Procedure Reviewed 8/31/2011 - Minor update made to Procedure step # 5.

To request updates, changes, index term suggestions or to ask questions about this document, click [here](#).

ANB Replacement Review 2012

CTQ

1) Replacement questions on application answered correctly?	
• Answers on application and replacement form match	6
• Client and agent answers on the application match	6
2) Correct replacement form submitted and completed correctly?	
• state version correct	6
• replacement form submitted	6
• version is not outdated	6
• Replacement form completed	6
• Replacement form signed/dated on or before the application	6
3) Reg 60 paperwork submitted and complete? (NY only)	
• Definition of replacement submitted/correct/complete	6
• Disclosure form submitted/correct/complete	6
• Signed on or before the application signature date	6
4) Replacement code correct in NBU?	
• The replacement code has been entered in NBU correctly	6
5) Replacement letter workflow correct?	
• History notes completed	3
• Replacement letter imaged	5
6) Replacement letter mailed within required timeframe	
• Replacement letter mailed within 3 business days of IGO application.	3
• Replacement letter mailed within 3 business days of receipt of an application, regardless of IGO/NIGO status: California, Florida, Georgia, Illinois, Indiana, Kansas, Nebraska, Nevada, Washington and West Virginia.	3
• NY- Replacement letter mailed within 10 business days of receipt of an application, regardless of IGO/NIGO status.	3
• TN – Replacement letter needs to be sent by certified mail	1
• CA – (fixed contracts only) a contract summary needs to be sent to the transfer company along with the replacement letter and replacement form.	1
7) ISA letter workflow correct? (TSA contracts only)	
• History notes completed	3
• Replacement letter imaged	5
8) Correct replacement company code	
• The company code is correct	6
• Company code can be determined within grid	No points

QTP

9) History notes are correct/complete?	
History notes state this is or is not a replacement	1

Attachment 3

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
Springfield, MA 01111-0001

Massachusetts Mutual Life Insurance Company (Company) will make annuity payments, in accordance with the provisions of this Contract.

This Contract is issued by the Company at its Home Office, 1295 State Street, Springfield, Massachusetts 01111-0001, on the Issue Date. The Contract is issued in exchange for the payment of the initial Purchase Payment.

RIGHT TO EXAMINE CONTRACT: [The Contract Owner has the right to return this Contract. This Contract may be returned to the Company for any reason within ten (10) calendar days after its receipt by the Contract Owner. It may be returned by delivering or mailing it to the Company at its Annuity Service Center. When this Contract is received by the Company it will be voided as if it had never been in force. Upon its return, the Company will refund, within seven days, the Contract Value next computed after receipt of this Contract by the Company at its Annuity Service Center. This may be more or less than the Purchase Payment(s).]

THIS IS A LEGAL CONTRACT BETWEEN
THE CONTRACT OWNER AND THE COMPANY

READ YOUR CONTRACT CAREFULLY

[*Christine C. Peaslee*] [*My W. [unclear]*]

SECRETARY

PRESIDENT

INDIVIDUAL VARIABLE DEFERRED ANNUITY CONTRACT
WITH FLEXIBLE PURCHASE PAYMENTS
Nonparticipating

ANNUITY PAYMENTS, WITHDRAWAL VALUES AND THE DEATH BENEFITS PROVIDED BY THIS CONTRACT, WHEN BASED ON THE INVESTMENT EXPERIENCE OF THE SEPARATE ACCOUNT, ARE VARIABLE AND ARE NOT GUARANTEED AS TO DOLLAR AMOUNT.

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INSERT SCHEDULE PAGES 4A+ HERE

DEFINITIONS

ACCUMULATION PERIOD	The period during which Purchase Payments may be made.
ACCUMULATION UNIT	A unit of measure used to determine the value of the Contract Owner's interest in a Sub-Account of the Separate Account during the Accumulation Period.
AGE	The age of any Contract Owner or Annuitant on his/her birthday nearest the date for which age is being determined.
ANNUITANT	The primary person upon whose life Annuity Payments are to be made. On or after the Annuity Date, the Annuitant shall also include any Joint Annuitant.
ANNUITY DATE	The date on which any Annuity Payments begin. The Annuity Date is shown on the Contract Schedule.
ANNUITY PAYMENTS	The series of payments that will be made pursuant to any Annuity Option selected.
ANNUITY OPTIONS	Options available for Annuity Payments.
ANNUITY PERIOD	The period which begins on the Annuity Date and ends with the last Annuity Payment.
ANNUITY SERVICE CENTER	The office indicated on the Contract Schedule of this Contract, or other location(s) specified by the Company to which notices, requests and Purchase Payments must be sent. All sums payable by the Company under this Contract are payable only from the Annuity Service Center, or other location(s) specified by the Company.
ANNUITY UNIT	A unit of measure used to determine the amount of each Variable Annuity Payment after the Annuity Date.
BENEFICIARY	The person(s) or entity(ies) designated to receive the death benefit provided by this Contract.
CONTRACT ANNIVERSARY	An anniversary of the Issue Date of this Contract.
CONTRACT SCHEDULE DATE	The effective date of any Contract Schedule. A Contract Schedule bearing the latest Schedule Date will supersede all previous Contract Schedules.
CONTRACT OWNER	The person(s) or entity(ies) entitled to the ownership rights stated in this Contract.

CONTRACT VALUE	The sum of the Contract Owner's interest in the Sub-Accounts of the Separate Account during the Accumulation Period.
CONTRACT YEAR	The first Contract Year is the annual period which begins on the Issue Date. Subsequent Contract Years begin on each anniversary of the Issue Date.
ELIGIBLE INVESTMENT	An investment entity shown on the Contract Schedule into which assets of the Separate Account will be invested.
FIXED ANNUITY	A series of payments made during the Annuity Period which are guaranteed as to dollar amount by the Company.
GENERAL ACCOUNT	The Company's general investment account which contains all the assets of the Company with the exception of the Separate Account and other segregated asset accounts.
ISSUE DATE	The date on which this Contract became effective.
NET PURCHASE PAYMENT	A Purchase Payment less any Premium Tax assessed by any state or other jurisdiction.
PREMIUM TAX	A tax imposed by certain states and other jurisdictions when a Purchase Payment is made, when Annuity Payments begin, or when the Contract is surrendered.
PURCHASE PAYMENT	During the Accumulation Period, a payment made by or on behalf of a Contract Owner with respect to this Contract.
RIDER EFFECTIVE DATE	The effective date of any Rider as indicated on the Contract Schedule.
SEPARATE ACCOUNT	The Company's Separate Account(s) designated on the Contract Schedule.
SERIES	A segment of an Eligible Investment which constitutes a separate and distinct class of shares into which assets of a Sub-Account will be invested.
SUB-ACCOUNT	Separate Account assets are divided into Sub-Accounts which are listed on the Contract Schedule. Assets of each Sub-Account will be invested in shares of an Eligible Investment or a Series of an Eligible Investment.
VALUATION DATE	Each day on which the Company, the New York Stock Exchange ("NYSE") and the Eligible Investments are open for business.
VALUATION PERIOD	The period of time beginning at the close of business of the NYSE on each Valuation Date and ending at the close of business for the next succeeding Valuation Date.

VARIABLE ANNUITY

An annuity with payments which vary as to dollar amount in relation to the investment performance of specified Sub-Accounts of the Separate Account.

WRITTEN REQUEST

A request in writing, in a form satisfactory to the Company, which is received by the Annuity Service Center.

PURCHASE PAYMENT PROVISIONS

PURCHASE PAYMENTS

The initial Purchase Payment is due on the Issue Date. The minimum and maximum subsequent and total Purchase Payments are shown on the Contract Schedule. The Company reserves the right to reject any Purchase Payment.

SUBSEQUENT PURCHASE PAYMENTS

Subject to the minimum subsequent and maximum total shown on the Contract Schedule, the Contract Owner may make subsequent Purchase Payments.

ALLOCATION OF PURCHASE PAYMENTS

The allocation of the initial Net Purchase Payment is made in accordance with the selection made by the Contract Owner at the time the Contract is issued. Unless otherwise changed by Written Request by the Contract Owner, subsequent Net Purchase Payment(s) are allocated in the same manner as the initial Net Purchase Payment. Allocation of the Net Purchase Payments is subject to the Allocation Guidelines shown on the Contract Schedule. The Company has reserved the right to allocate initial Purchase Payments to the Money Market Sub-Account until the expiration of the Right to Examine Contract period.

SEPARATE ACCOUNT PROVISIONS

THE SEPARATE ACCOUNT

The Separate Account is designated on the Contract Schedule and consists of assets set aside by the Company, which are kept separate from that of the general assets and all other separate account assets of the Company. The assets of the Separate Account equal to reserves and other liabilities will not be charged with liabilities arising out of any other business the Company may conduct.

The Separate Account assets are divided into Sub-Accounts. The Sub-Accounts which are available under this Contract are listed in the Contract Schedule. The assets of the Sub-Accounts are allocated to the Eligible Investment(s) and the Series, if any, within an Eligible Investment shown on the Contract Schedule. The Company may, from time to time, add additional Eligible Investments or Series to those shown on the Contract Schedule. The Contract Owner may be permitted to transfer Contract Values or allocate Net Purchase Payments to the additional Eligible Investments or Series. However, the right to make such transfers or allocations will be limited by the terms and conditions imposed by the Company.

Should the shares of any such Eligible Investment(s) or any Series within an Eligible Investment become unavailable for investment by the Separate Account, or the Company deems further investment in these shares inappropriate, the Company may limit further purchase of such shares or may substitute shares of another Eligible Investment or Series for shares already purchased under this Contract.

VALUATION OF ASSETS

The assets of the Separate Account are valued at their fair market value in accordance with procedures of the Company.

ACCUMULATION UNITS

During the Accumulation Period, Accumulation Units shall be used to account for all amounts allocated to or withdrawn from the Sub-Accounts of the Separate Account as a result of Purchase Payments, withdrawals, transfers, or fees and charges. The Company will determine the number of Accumulation Units of a Sub-Account purchased or cancelled once it receives the necessary information to completely process the transaction. This will be done by dividing the amount allocated to (or the amount withdrawn from) the Sub-Account by the dollar value of one Accumulation Unit of the Sub-Account as of the end of the Valuation Period during which the request for the transaction is received at the Annuity Service Center.

ACCUMULATION UNIT VALUE

The Accumulation Unit Value for each Sub-Account was arbitrarily set initially at \$10. Subsequent Accumulation Unit Values for each Sub-Account are determined by multiplying the Accumulation Unit Value for the immediately preceding Valuation Period by the Net Investment Factor for the Sub-Account for the current Valuation Period.

The Net Investment Factor for each Sub-Account is determined by dividing A by B and subtracting C where:

- A is
- (i) the net asset value per share of the Eligible Investment or Series of an Eligible Investment held by the Sub-Account for the current Valuation Period; plus
 - (ii) any dividend per share declared on behalf of such Eligible Investment or Series that has an ex-dividend date within the current Valuation Period; less
 - (iii) the cumulative charge or credit for taxes reserved which is determined by the Company to have resulted from the operation or maintenance of the Sub-Account.
- B is
- the net asset value per share of the Eligible Investment or Series of an Eligible Investment held by the Sub-Account for the immediately preceding Valuation Period.
- C is
- the cumulative unpaid charge for the Mortality and Expense Risk Charge, and the Administrative Charge which are shown on the Contract Schedule.

The Accumulation Unit Value may increase or decrease from Valuation Period to Valuation Period.

MORTALITY AND EXPENSE RISK CHARGE

Each Valuation Period, the Company deducts a Mortality and Expense Risk Charge from each Sub-Account of the Separate Account which is equal, on an annual basis, to the amount shown on the Contract Schedule. The Mortality and Expense Risk Charge compensates the Company for assuming the mortality and expense risks under this Contract.

ADMINISTRATIVE CHARGE

Each Valuation Period, the Company deducts an Administrative Charge from each Sub-Account of the Separate Account which is equal, on an annual basis, to the amount shown on the Contract Schedule. The Administrative Charge compensates the Company for the costs associated with the administration of this Contract and the Separate Account.

MORTALITY AND EXPENSE GUARANTEE

The Company guarantees that the Annuity Rates after the first Annuity Payment will not be affected by variations in mortality experience.

ANNUAL CONTRACT MAINTENANCE CHARGE

DEDUCTION FOR ANNUAL CONTRACT MAINTENANCE CHARGE

The Company deducts an Annual Contract Maintenance Charge from the Contract Value or Annuity Payments to reimburse it for expenses relating to maintenance of this Contract. The Annual Contract Maintenance Charge is shown on the Contract Schedule.

TRANSFER PROVISIONS

TRANSFERS DURING THE ACCUMULATION PERIOD

Subject to any limitations imposed by the Company on the number of transfers, shown on the Contract Schedule, that can be made during the Accumulation Period, the Contract Owner may transfer all or part of the Contract Owner's interest in a Sub-Account by Written Request without the imposition of any fee or charge if there have been no more than the number of free transfers shown on the Contract Schedule. All transfers are subject to the following:

1. If more than the number of free transfers have been made, the Company will deduct a Transfer Fee, shown on the Contract Schedule, for each subsequent transfer permitted. The Transfer Fee will be deducted from the Contract Owner's interest in the Sub-Account from which the transfer is made. However, if the Contract Owner's entire interest in a Sub-Account is being transferred, the Transfer Fee will be deducted from the amount which is transferred. If Contract Values are being transferred from more than one Sub-Account, any Transfer Fee will be allocated to those

Sub-Accounts on a pro-rata basis in proportion to the amount transferred from each Sub-Account.

2. The minimum amount which can be transferred is shown on the Contract Schedule. The minimum amount which must remain in a Sub-Account is shown on the Contract Schedule.
3. The Company reserves the right, at any time and without prior notice to any party, to terminate, suspend or modify the transfer privilege described above.

If the Contract Owner elects to use this transfer privilege, the Company will not be liable for transfers made in accordance with the Contract Owner's instructions. All amounts and Accumulation Units will be determined as of the end of the Valuation Period during which the Written Request for transfer is received at the Annuity Service Center.

TRANSFERS DURING THE ANNUITY PERIOD

During the Annuity Period, the Contract Owner may make transfers, by Written Request, as follows:

1. The Contract Owner may make transfers between Sub-Accounts, subject to any limitations imposed by the Company on the number of transfers, shown on the Contract Schedule, that can be made. If more than the number of free transfers have been made, the Company will deduct a Transfer Fee, shown on the Contract Schedule, for each subsequent transfer permitted. The Transfer Fee will be deducted from the next payment to be made.
2. The Contract Owner may, once each Contract Year, make a transfer from one or more Sub-Accounts to the General Account. The Contract Owner may not make a transfer from the General Account to the Separate Account.
3. Transfers between Sub-Accounts will be made by converting the number of Annuity Units being transferred to the number of Annuity Units of the Sub-Account to which the transfer is made, so that the next Annuity Payment if it were made at that time would be the same amount that it would have been without the transfer. Thereafter, Annuity Payments will reflect changes in the value of the new Annuity Units.

The amount transferred to the General Account from a Sub-Account will be based on the value of the payments being transferred from that Sub-Account. Transfers to the General Account will be made by converting the Annuity Units being transferred to purchase fixed Annuity Payments under the Annuity Option in effect and based on the Age of the Annuitant at the time of the transfer.

4. The minimum amount which can be transferred is shown on the Contract Schedule. The minimum amount which must remain in a Sub-Account is shown on the Contract Schedule. The minimum transfer amount and the minimum amount remaining are based on the value of the payments, the Annuity Option in effect and the Age of the Annuitant at the time of the transfer.
5. The Company reserves the right, at any time and without prior notice to any party, to terminate, suspend or modify the transfer privilege described above.

If the Contract Owner elects to use this transfer privilege, the Company will not be liable for transfers made in accordance with the Contract Owner's instructions. All amounts and Annuity Unit Values will be determined as of the end of the Valuation Period during which the request for transfer is received at the Annuity Service Center.

WITHDRAWAL PROVISIONS

WITHDRAWAL

During the Accumulation Period, the Contract Owner may, upon Written Request, make a total or partial withdrawal of the Contract Withdrawal Value. The Contract Withdrawal Value is:

1. the Contract Value as of the end of the Valuation Period during which a Written Request for a withdrawal is received; less
2. any applicable Premium Taxes not previously deducted; less
3. the Contingent Deferred Sales Charge, if any; less
4. the Withdrawal Charge, if any; less
5. the Annual Contract Maintenance Charge, if any; less
6. any Purchase Payments credited to the Contract when based upon payments that have not cleared the drawer bank.

A withdrawal will result in the cancellation of Accumulation Units from each applicable Sub-Account in the ratio that the Contract Owner's interest in the Sub-Account bears to the total Contract Value. The Contract Owner must specify by Written Request in advance which Sub-Account Units are to be canceled if other than the above method is desired. If the Contract Owner makes a total withdrawal, all of the Contract Owner's rights and interests in the Contract will terminate.

The Company will pay the amount of any withdrawal within seven (7) calendar days of receipt of a request in good order unless the Suspension or Deferral of Payments Provision is in effect.

Each partial withdrawal must be for an amount which is not less than the minimum amount shown on the Contract Schedule. The Contract Value which must remain in the Contract after a partial withdrawal is shown on the Contract Schedule. The Company reserves the right to limit the number of partial withdrawals that can be made from a Contract. The current number of partial withdrawals permitted is shown on the Contract Schedule.

CONTINGENT DEFERRED SALES CHARGE

A Contingent Deferred Sales Charge (CDSC) may be deducted in the event of a withdrawal of all or a portion of the Contract Value. The Free Withdrawal Amount is an amount which is not subject to the CDSC. The CDSC and Free Withdrawal Amounts are shown on the Contract Schedule.

WITHDRAWAL CHARGE

A service fee (Withdrawal Charge) may be deducted in the event of a withdrawal. The Withdrawal Charge is shown on the Contract Schedule.

PROCEEDS PAYABLE ON DEATH

DEATH OF CONTRACT OWNER DURING THE ACCUMULATION PERIOD

Upon the death of the Contract Owner or a Joint Contract Owner during the Accumulation Period, the death benefit will be paid to the Beneficiary designated by the Contract Owner. Upon the death of a Joint Contract Owner, the surviving Joint Contract Owner, if any, will be treated as the Primary Beneficiary. Any other Beneficiary designation on record at the time of death will be treated as a Contingent Beneficiary.

A Beneficiary may request that the death benefit be paid under one of the Death benefit payout options below. If the primary Beneficiary is the spouse of the Contract Owner, he or she may elect to continue the Contract at the then current Death Benefit Amount in his or her own name and exercise all the Contract Owner's rights under the Contract. The right to continue the Contract by a surviving spouse can only be exercised once while the Contract is in effect. If no election is made within 60 days of receipt of due proof of death, the surviving spouse will be considered to have continued the Contract in his or her own name.

DEATH BENEFIT AMOUNT DURING THE ACCUMULATION PERIOD

The death benefit during the Accumulation Period will be the Contract Value determined and paid as of the end of the Valuation Period during which the Company receives both due proof of death and an election of the payment method.

DEATH BENEFIT PAYOUT OPTIONS DURING THE ACCUMULATION PERIOD

A non-spousal Beneficiary must elect the death benefit to be paid under one of the following options in the event of the death of the Contract Owner during the Accumulation Period:

Option 1 - lump sum payment of the death benefit; or

Option 2 - payment of the entire death benefit within 5 years of the date of the death of the Contract Owner; or

Option 3 - payment of the death benefit under an Annuity Option over the lifetime of the Beneficiary or over a period not extending beyond the life expectancy of the Beneficiary with distribution beginning within one year of the date of death of the Contract Owner or any Joint Contract Owner.

Any portion of the death benefit not applied under Option 3 within one year of the date of the Contract Owner's death must be distributed within five years of the date of death.

A spousal Beneficiary may elect to continue the Contract in his or her own name, or elect option 1 or 3 above.

If a lump sum payment is requested, the amount will be paid within seven (7) calendar days of receipt of proof of death and the election, unless the Suspension or Deferral of Payments Provision is in effect.

Payment to the Beneficiary, other than in a lump sum, may only be elected during the sixty-day period beginning with the date of receipt of proof of death by the Company.

DEATH OF CONTRACT OWNER DURING THE ANNUITY PERIOD

If the Contract Owner or a Joint Contract Owner, who is not the Annuitant, dies during the Annuity Period, any remaining payments under the Annuity Option elected will continue at least as rapidly as under the method of distribution in effect at such Contract Owner's death. Upon the death of a Contract Owner during the Annuity Period, the Beneficiary becomes the Contract Owner.

DEATH OF ANNUITANT

Upon the death of the Annuitant, who is not a Contract Owner, during the Accumulation Period, the Contract Owner may designate a new Annuitant, subject to the Company's underwriting rules then in effect. If no designation is made within 30 days of the death of the Annuitant, the Contract Owner will become the Annuitant. If the Contract Owner is a non-natural person, the death of the Annuitant will be treated as the death of the Contract Owner and a new Annuitant may not be designated.

Upon the death of the Annuitant on or after the Annuity Date, the death benefit, if any, will be as specified in the Annuity Option elected. Death benefits will be paid at least as rapidly as under the method of distribution in effect at the Annuitant's death.

PAYMENT OF DEATH BENEFIT

The Company will require due proof of death before any death benefit is paid. Due proof of death will be:

1. a certified death certificate; or
2. a certified decree of a court of competent jurisdiction as to the finding of death; or
3. any other proof satisfactory to the Company.

All death benefits will be paid in accordance with applicable laws or regulations governing death benefit payments.

BENEFICIARY

The Beneficiary designation in effect on the Issue Date will remain in effect until changed. Unless the Contract Owner provides otherwise, the death benefit will be paid in equal shares to the survivor(s) as follows:

1. to the Primary Beneficiary(ies) who survive the Contract Owner's and/or the Annuitant's death, as applicable; or if there are none
2. to the Contingent Beneficiary(ies) who survive the Contract Owner's and/or the Annuitant's death, as applicable; or if there are none
3. to the estate of the Contract Owner.

In the event no Beneficiary designation is on record at the time of death, the beneficiary will be the estate of the Contract Owner. Beneficiaries may be named irrevocably. A change of Beneficiary requires the consent of any irrevocable Beneficiary. If an irrevocable Beneficiary is named, the Contract Owner retains all other contractual rights.

CHANGE OF BENEFICIARY

Subject to the rights of any irrevocable Beneficiary(ies), the Contract Owner may change the Primary Beneficiary(ies) or Contingent Beneficiary(ies). Any change must be made by Written Request. The change will take effect as of the date the notice is signed. The Company will not be liable for any payment made or action taken before it records the change.

SUSPENSION OR DEFERRAL OF PAYMENTS PROVISION

The Company reserves the right to suspend or postpone payments for a withdrawal or transfer for any period when:

1. the New York Stock Exchange is closed (in addition to customary weekend and holiday closings);
2. trading on the New York Stock Exchange is restricted;
3. an emergency exists as a result of which disposal of securities held in the Separate Account is not reasonably practicable or it is not reasonably practicable to determine the value of the Separate Account's net assets; or
4. during any other period when the Securities and Exchange Commission, by order, so permits for the protection of Contract Owners;

provided that applicable rules and regulations of the Securities and Exchange Commission will govern as to whether the conditions described in 2 and 3 exist.

ANNUITANT, OWNERSHIP, ASSIGNMENT PROVISIONS

ANNUITANT

The Annuitant is the person on whose life Annuity Payments are based. The Annuitant is the person designated by the Contract Owner at the Issue Date, unless changed prior to the Annuity Date. The Annuitant may not be changed in a Contract which is owned by a non-natural person. Any change of Annuitant is subject to the Company's underwriting rules then in effect.

CONTRACT OWNER

The Contract Owner has all rights under this Contract. The Contract Owner is designated as such on the Issue Date, unless changed.

The Contract Owner may change owners at any time prior to the Annuity Date by Written Request. A change of Contract Owner will automatically revoke any prior designation of Contract Owner. The change will become effective as of the date the Written Request is signed. A new designation of Contract Owner will not apply to any payment made or action taken by the Company prior to the time it was received.

JOINT CONTRACT OWNERS

The Contract can be owned by Joint Contract Owners. Any other Beneficiary designation will be treated as a Contingent Beneficiary unless otherwise indicated in a Written Request.

If the Contract is owned by Joint Contract Owners, the Age of the oldest Joint Contract Owner will be used to determine all applicable benefits.

Both Joint Contract Owner signatures will be required to exercise any contractual right.

ASSIGNMENT OF THE CONTRACT

A Written Request by the Contract Owner specifying the terms of an assignment of this Contract must be provided to the Annuity Service Center. Until the Written Request is received, the Company will not be required to take notice of or be responsible for any transfer of interest in this Contract by assignment, agreement, or otherwise.

The Company will not be responsible for the validity or tax consequences of any assignment. Any assignment made after the death benefit has become payable will be valid only with the Company's consent.

If this Contract is assigned, the Contract Owner's rights may only be exercised with the consent of the assignee of record.

GENERAL PROVISIONS

THE CONTRACT

The entire Contract consists of this Contract, the application if any, and any riders, amendments or endorsements attached to this Contract.

CONTRACT CHANGES BY THE COMPANY

The Company reserves the right to amend this Contract to meet the requirements of any applicable federal or state laws or regulations, or as otherwise provided in this Contract. The Company will notify the Contract Owner in writing of such amendments.

Any changes to this Contract by the Company must be signed by an authorized officer of the Company. Agents of the Company have no authority to alter or modify any of the terms, conditions, agreements of this Contract, or to waive any of its provisions.

CONTRACT CHANGES BY THE CONTRACT OWNER

The Contract Owner may, subject to the Company's underwriting rules then in effect and in accordance with the provisions of this Contract, by Written Request:

1. change the Contract Owner;
2. change the Annuity Date and/or the Annuity Option at any time up to thirty (30) calendar days before the current Annuity Date, provided the Annuitant is then living;
3. change the Beneficiary; or
4. change the Annuitant, prior to the Annuity Date.

A change of Annuitant, Annuity Date and Annuity Option will take effect on the date the Written Request is received.

The Company will not be responsible for the tax consequences of any Contract Owner change.

CONTRACT TERMINATION

This Contract will terminate upon the occurrence of any of the following events:

1. the date of the last Annuity Payment;
2. the date payment is made of the entire Contract Value;
3. the date of the last death benefit payment to the last Beneficiary;
4. the date the Contract is returned under the Right to Examine Contract provision.

In addition, the Company reserves the right to terminate this Contract if:

- No Purchase Payment has been made for at least two consecutive years measured from the date we received the last Purchase Payment; and
- Each of the following amounts is less than \$2,000 on the date we send notice of our election to terminate this Contract:
 1. The Contract Value less any Premium Tax deducted;
 2. The Contract Withdrawal Value; and
 3. The sum of all Purchase Payments made into the Contract adjusted for any partial withdrawals.

If the Company exercises this right, a written notice of termination will be sent to the Contract Owner at the last known address shown in our records. This notice will state that the Contract will terminate 30 days after we have mailed the notice unless we receive a Purchase Payment that brings the Contract Value (less any Premium Tax) to at least \$2,000 before that time. If the Contract is terminated pursuant to the reserved right to terminate this Contract, we will pay the Contract Withdrawal Value to the Contract Owner.

INCONTESTABILITY

The Company cannot contest this Contract during the lifetime of the Contract Owner or Annuitant.

MISSTATEMENT OF AGE OR SEX

If the Annuitant's Age or sex has been incorrectly stated, the Annuity Payment payable will be that which the Contract Value, reduced by any applicable Premium Tax, Annual Contract Maintenance Charge, and Contingent Deferred Sales Charge, would have purchased at the correct Age and sex. After correction, the Annuitant will receive the sum of any underpayments made by the Company within thirty (30) calendar days. The amount of any overpayments made by the Company will be charged against the payment(s) following the correction. For any other Contract Value for which Age or sex has been incorrectly stated, such values will be adjusted to reflect the correct Age and sex.

NON-BUSINESS DAYS

If the due date or Valuation Date for any activity required by the Contract falls on a non-business day for the Company, performance will be rendered on the first business day following such due date or Valuation Date.

NON-PARTICIPATING

This Contract is non-participating and will not share in any surplus earnings of the Company. No dividends are payable on this Contract.

PROTECTION OF PROCEEDS

To the extent permitted by law, all payments under this Contract shall be free from legal process and the claim of any creditor if the person is entitled to them under this Contract. No payment and no amount under this Contract can be taken or assigned in advance of its payment date unless the Company receives the Contract Owner's written consent.

REGULATORY REQUIREMENTS

All values payable under this Contract will not be less than the minimum benefits required by the laws and regulations of the state for which the Contract is issued.

REPORTS

Each year the Company will provide to the Contract Owner an accounting of Purchase Payments, transfers, withdrawals, charges applicable to this Contract, and any other information required under state or federal law.

PREMIUM AND OTHER TAXES

Any Premium Taxes relating to this Contract may be deducted from the Purchase Payments or Contract Value when incurred. The Company will, in its sole discretion, determine when Premium Taxes have resulted from the investment experience of the Separate Account, receipt by the Company of the Purchase Payments, or commencement of Annuity Payments. The Company may, at its sole discretion, pay such Premium Taxes when due and deduct that amount from the Contract Value at a later date. Payment at an earlier date does not waive any right the Company may have to deduct amounts at a later date.

The Company will deduct any withholding taxes required by applicable law. The Company reserves the right to establish a provision for federal income taxes if it determines, in its sole discretion, that it will incur a tax as a result of the operation of the Separate Account. The Company will deduct for any income taxes incurred by it as a result of the operation of the Separate Account whether or not there was a provision for taxes and whether or not it was sufficient.

ANNUITY PROVISIONS

ANNUITY GUIDELINES

Once the Contract reaches the Annuity Date, the following guidelines apply:

1. The Contract Owner may elect to have all or part of the Contract Value applied to provide a Variable Annuity, a Fixed Annuity, or a combination Fixed and Variable Annuity. If a combination is elected, the Contract Owner must specify what part of the Contract Value is to be applied to the Fixed and Variable options.
2. The amount applied to an Annuity Option on the Annuity Date, excluding any death benefit proceeds applied to an Annuity Option, is equal to the Contract Value minus any applicable Premium Tax, Annual Contract Maintenance Charge and Contingent Deferred Sales Charge shown on the Contract Schedule.
3. The minimum amount that may be applied under any Annuity Option, and the minimum periodic Annuity Payment allowed, are set forth on the Contract Schedule in the Annuity Guideline Parameters.
4. The Contract Owner may select an Annuity Date at the Issue Date. The Contract Owner may change the Annuity Date at any time up to thirty (30) calendar days prior to the current Annuity Date by Written Request. Any Annuity Date selected is subject to the Annuity Guideline Parameters set forth on the Contract Schedule.
5. If no Annuity Option has been chosen at least thirty (30) calendar days before the Annuity Date, the Company will make payments to the Annuitant under Option B, with 10 years of payments guaranteed. Unless specified otherwise, the Contract Value shall be used to provide a Variable Annuity.

ANNUITY PAYMENTS

The Company will make Annuity Payments beginning on the Annuity Date, provided no death benefit has become payable and the Contract Owner has by Written Request selected an available Annuity Option and payment schedule. Except as otherwise agreed to by the Contract Owner and the Company, Annuity Payments will be payable monthly. The Annuity Option and frequency of Annuity Payments may not be changed by the Contract Owner after Annuity Payments begin. Unless the Contract Owner specifies otherwise, the payee of the Annuity Payments shall be the Annuitant.

If the amount of the Annuity Payment will depend on the Age or sex of the Annuitant, the Company reserves the right to ask for satisfactory proof of the Annuitant's (or Joint Annuitant's, if any) Age and sex. The Company reserves the right to delay Annuity Payments until acceptable proof is received.

FIXED ANNUITY

A Fixed Annuity provides for payments which do not fluctuate based on investment performance.

The Fixed Annuity shall be determined by applying the Annuity Purchase Rates set forth in the Fixed Annuity Rate Tables below to the portion of the Contract Value allocated to the Fixed Annuity Option selected by the Contract Owner.

VARIABLE ANNUITY

A Variable Annuity provides for payments which may fluctuate based on the investment performance of the Sub-Accounts of the Separate Account. Variable Annuity Payments will be based on the allocation of the Contract Value among the Sub-Accounts.

ANNUITY UNITS AND PAYMENTS

The dollar amount of each Variable Annuity payment depends on the number of Annuity Units credited to that Annuity Option, and the value of those Units. The number of Annuity Units is determined as follows:

1. The number of Annuity Units credited in each Sub-Account will be determined by dividing the product of the portion of the Contract Value to be applied to the Sub-Account and the Annuity Purchase Rate by the value of one Annuity Unit in that Sub-Account on the Annuity Date. The purchase rates are set forth in the Variable Annuity Rate Tables.
2. For each Sub-Account, the amount of each Annuity Payment equals the product of the Annuitant's number of Annuity Units and the Annuity Unit Value on the payment date. The amount of each payment may vary.

ANNUITY UNIT VALUE

The value of any Annuity Unit for each Sub-Account of the Separate Account was arbitrarily set initially at \$10.

The Sub-Account Annuity Unit Value at the end of any subsequent Valuation Period is determined as follows:

1. The Net Investment Factor for the current Valuation Period is multiplied by the value of the Annuity Unit for the Sub-Account for the immediately preceding Valuation Period.
2. The result in (1) is then divided by an assumed investment factor. The assumed investment rate factor equals 1.00 plus the assumed investment rate for the number of days since the preceding Valuation Date. The assumed investment rate is based on an effective annual rate of 4%.

The value of an Annuity Unit may increase or decrease from Valuation Period to Valuation Period.

ANNUITY OPTIONS

The Contract Owner may choose periodic fixed and/or variable Annuity Payments under any of the Annuity Options described below. The Company may consent to other plans of payment in addition to those described.

The following Annuity Options are available:

Annuity Option A - Life Income

Periodic payments will be made as long as the Annuitant lives.

Annuity Option B - Life Income with Period Certain

Periodic payments will be made for a guaranteed period, or as long as the Annuitant lives, whichever is longer. The guaranteed period may be five (5), ten (10) or twenty (20) years. If the Beneficiary does not desire payments to continue for the remainder of the guaranteed period, he/she may elect to have the present value of the guaranteed annuity payments remaining commuted and paid in a lump sum.

Annuity Option C - Joint and Last Survivor Annuity

Periodic payments will be made during the joint lifetime of two Annuitants continuing in the same amount during the lifetime of the surviving Annuitant.

Annuity Option D - Joint and 2/3 Survivor Annuity

Periodic payments will be made during the joint lifetime of two Annuitants. Payments will continue during the lifetime of the surviving Annuitant and will be computed on the basis of two-thirds of the annuity payment (or Units) in effect during the joint lifetime.

Annuity Option E - Period Certain Annuity

Periodic payments will be made for a specified period. The specified period must be at least five (5) years and cannot be more than thirty (30) years. If the Contract Owner does not desire payments to continue for the remainder of the guaranteed period, he/she may elect to have the present value of the remaining payments commuted and paid in a lump sum or as an Annuity Option purchased at the date of such election.

ANNUITY RATES

FIXED ANNUITY RATES

Notes to Tables

- Table 1 - Annuity Options A and B
- Table 2 - Annuity Option C
- Table 3 - Annuity Option D
- Table 4 - Annuity Option E

- Note 1:** If the single premium immediate annuity rates offered by the Company and designated by the Company for this purpose on the Annuity Date are more favorable than the minimum guaranteed rates used to develop Tables 1, 2, 3 or 4, those rates will be used.
- Note 2:** The 1983 Table "a" mortality table, projected to the year 2040 with 100% of Projection Scale G for males and 80% of Projection Scale G for females, applies to all Annuity Options which include life contingent payments. Where applicable, unisex mortality rates and projection factors are based on a 30%/70% male/female weighting.
- Note 3:** The Annuity Option rates shown in Tables 1, 2, 3, and 4 are based on an effective annual interest rate of 2%.
- Note 4:** Rates will be determined based on the age(s) of any Annuitant(s) on his/her birthday nearest the Annuity Date. The following tables show Annuity Option rates based on age nearest birthday.
- Note 5:** The purchase rate for any age or combination of ages not shown in the tables below will be calculated on the same basis as the payments for those shown and may be obtained by Written Request.

**FIXED ANNUITY RATES
TABLE 1 - OPTIONS A & B
MONTHLY PAYMENT PER \$1,000**

FIXED ANNUITY RATES									
TABLE 1 - OPTIONS A & B									
MONTHLY PAYMENT PER \$1,000									
MALE					FEMALE				
Age	Life Only	Years Certain & Life			Life Only	Years Certain & Life			Age
		5	10	20		5	10	20	
50	3.17	3.17	3.16	3.12	2.98	2.98	2.98	2.96	50
51	3.23	3.22	3.21	3.17	3.03	3.03	3.03	3.00	51
52	3.28	3.28	3.27	3.22	3.08	3.08	3.07	3.05	52
53	3.34	3.34	3.33	3.27	3.13	3.13	3.12	3.10	53
54	3.41	3.40	3.39	3.33	3.19	3.18	3.18	3.15	54
55	3.47	3.47	3.45	3.38	3.24	3.24	3.23	3.20	55
56	3.54	3.54	3.52	3.44	3.30	3.30	3.29	3.25	56
57	3.62	3.61	3.59	3.50	3.37	3.36	3.35	3.31	57
58	3.69	3.69	3.67	3.56	3.43	3.43	3.42	3.36	58
59	3.78	3.77	3.75	3.62	3.50	3.50	3.49	3.42	59
60	3.86	3.86	3.83	3.68	3.58	3.57	3.56	3.48	60
61	3.96	3.95	3.92	3.75	3.65	3.65	3.63	3.55	61
62	4.05	4.04	4.01	3.81	3.74	3.73	3.71	3.61	62
63	4.16	4.15	4.10	3.88	3.82	3.82	3.80	3.68	63
64	4.27	4.25	4.20	3.95	3.92	3.91	3.89	3.75	64
65	4.39	4.37	4.31	4.02	4.02	4.01	3.98	3.82	65
66	4.51	4.49	4.42	4.09	4.12	4.11	4.08	3.90	66
67	4.65	4.62	4.54	4.16	4.23	4.22	4.18	3.97	67
68	4.79	4.76	4.66	4.23	4.35	4.34	4.29	4.04	68
69	4.94	4.90	4.79	4.30	4.48	4.46	4.41	4.12	69
70	5.10	5.06	4.92	4.36	4.61	4.60	4.53	4.19	70
71	5.26	5.21	5.06	4.43	4.76	4.74	4.66	4.27	71
72	5.44	5.38	5.20	4.49	4.92	4.89	4.80	4.34	72
73	5.63	5.56	5.35	4.55	5.09	5.06	4.95	4.41	73
74	5.83	5.75	5.50	4.61	5.27	5.23	5.10	4.48	74
75	6.04	5.94	5.66	4.66	5.46	5.42	5.26	4.54	75
76	6.26	6.15	5.82	4.71	5.67	5.61	5.42	4.60	76
77	6.51	6.38	5.98	4.75	5.89	5.82	5.59	4.66	77
78	6.76	6.61	6.16	4.80	6.13	6.05	5.77	4.71	78
79	7.04	6.86	6.33	4.83	6.39	6.28	5.95	4.76	79
80	7.34	7.12	6.51	4.87	6.66	6.54	6.14	4.80	80
81	7.65	7.39	6.69	4.90	6.96	6.81	6.33	4.84	81
82	7.99	7.68	6.87	4.93	7.28	7.09	6.53	4.88	82
83	8.35	7.98	7.05	4.95	7.62	7.40	6.72	4.91	83
84	8.73	8.30	7.22	4.97	7.99	7.72	6.92	4.94	84
85	9.14	8.64	7.39	4.99	8.39	8.05	7.10	4.96	85

**FIXED ANNUITY RATES
TABLE 2 - OPTION C
MONTHLY PAYMENT PER \$1,000**

MALE / FEMALE - JOINT AND LAST SURVIVOR ANNUITY											
MALE AGE	FEMALE AGE										MALE AGE
	40	45	50	55	60	65	70	75	80	85	
40	2.46	2.53	2.58	2.63	2.67	2.69	2.71	2.72	2.73	2.73	40
45	2.51	2.59	2.68	2.75	2.80	2.84	2.88	2.90	2.91	2.92	45
50	2.54	2.65	2.76	2.86	2.94	3.02	3.07	3.11	3.13	3.15	50
55	2.57	2.69	2.83	2.96	3.09	3.20	3.29	3.36	3.40	3.43	55
60	2.58	2.72	2.88	3.05	3.22	3.38	3.53	3.64	3.73	3.78	60
65	2.60	2.74	2.92	3.11	3.33	3.55	3.77	3.96	4.11	4.22	65
70	2.60	2.76	2.94	3.16	3.42	3.70	4.00	4.30	4.55	4.75	70
75	2.61	2.77	2.96	3.19	3.48	3.81	4.20	4.61	5.01	5.35	75
80	2.61	2.77	2.97	3.21	3.52	3.89	4.35	4.89	5.45	6.00	80
85	2.61	2.77	2.98	3.23	3.54	3.95	4.46	5.10	5.84	6.64	85
MALE / FEMALE - JOINT AND LAST SURVIVOR ANNUITY WITH 10 YEARS CERTAIN											
MALE AGE	FEMALE AGE										MALE AGE
	40	45	50	55	60	65	70	75	80	85	
40	2.46	2.53	2.58	2.63	2.67	2.69	2.71	2.72	2.73	2.73	40
45	2.51	2.59	2.68	2.75	2.80	2.84	2.88	2.90	2.91	2.92	45
50	2.54	2.65	2.76	2.86	2.94	3.02	3.07	3.11	3.13	3.15	50
55	2.57	2.69	2.83	2.96	3.09	3.20	3.29	3.35	3.40	3.43	55
60	2.58	2.72	2.88	3.05	3.22	3.38	3.52	3.64	3.72	3.77	60
65	2.60	2.74	2.92	3.11	3.33	3.55	3.77	3.96	4.10	4.20	65
70	2.60	2.76	2.94	3.16	3.41	3.70	4.00	4.28	4.53	4.71	70
75	2.61	2.77	2.96	3.19	3.47	3.81	4.19	4.59	4.96	5.26	75
80	2.61	2.77	2.97	3.21	3.51	3.89	4.33	4.85	5.37	5.83	80
85	2.61	2.77	2.97	3.22	3.54	3.93	4.43	5.04	5.70	6.33	85

**FIXED ANNUITY RATES
TABLE 3 - OPTION D
MONTHLY PAYMENT PER \$1,000**

MALE / FEMALE - JOINT AND 2/3 SURVIVOR ANNUITY

MALE AGE	FEMALE AGE										MALE AGE
	40	45	50	55	60	65	70	75	80	85	
40	2.60	2.68	2.76	2.85	2.94	3.04	3.15	3.28	3.40	3.53	40
45	2.67	2.76	2.86	2.96	3.07	3.19	3.31	3.45	3.59	3.74	45
50	2.75	2.85	2.96	3.08	3.21	3.35	3.50	3.66	3.82	3.99	50
55	2.83	2.94	3.07	3.21	3.36	3.53	3.71	3.90	4.10	4.30	55
60	2.92	3.04	3.19	3.35	3.53	3.73	3.95	4.19	4.43	4.67	60
65	3.01	3.15	3.31	3.50	3.71	3.96	4.23	4.52	4.83	5.14	65
70	3.12	3.27	3.44	3.65	3.90	4.19	4.53	4.90	5.30	5.71	70
75	3.22	3.38	3.58	3.81	4.09	4.43	4.83	5.30	5.82	6.36	75
80	3.33	3.50	3.71	3.97	4.28	4.67	5.15	5.72	6.39	7.11	80
85	3.43	3.62	3.84	4.12	4.47	4.90	5.45	6.14	6.97	7.91	85

MALE / FEMALE - JOINT AND 2/3 SURVIVOR ANNUITY WITH 10 YEARS CERTAIN

MALE AGE	FEMALE AGE										MALE AGE
	40	45	50	55	60	65	70	75	80	85	
40	2.60	2.68	2.76	2.84	2.94	3.03	3.14	3.25	3.35	3.44	40
45	2.67	2.76	2.85	2.95	3.06	3.18	3.30	3.42	3.54	3.64	45
50	2.75	2.85	2.96	3.07	3.20	3.34	3.48	3.62	3.76	3.87	50
55	2.83	2.94	3.06	3.20	3.35	3.51	3.68	3.86	4.02	4.15	55
60	2.91	3.03	3.18	3.34	3.52	3.71	3.92	4.13	4.33	4.50	60
65	3.00	3.14	3.29	3.48	3.69	3.92	4.18	4.44	4.70	4.91	65
70	3.09	3.24	3.41	3.62	3.86	4.14	4.45	4.78	5.11	5.39	70
75	3.18	3.34	3.53	3.75	4.02	4.34	4.72	5.13	5.54	5.91	75
80	3.26	3.43	3.63	3.87	4.17	4.53	4.96	5.45	5.97	6.44	80
85	3.33	3.51	3.72	3.97	4.29	4.68	5.16	5.72	6.34	6.91	85

**FIXED ANNUITY RATES
TABLE 4 - OPTION E
MONTHLY PAYMENT PER \$1000**

YEARS	MONTHLY INCOME
5	\$17.49
6	14.72
7	12.74
8	11.25
9	10.10
10	9.18
11	8.42
12	7.80
13	7.26
14	6.81
15	6.42
16	6.07
17	5.77
18	5.50
19	5.26
20	5.04
21	4.85
22	4.67
23	4.51
24	4.36
25	4.22
26	4.10
27	3.98
28	3.87
29	3.77
30	3.68

ANNUITY RATES

VARIABLE ANNUITY RATES

Notes to Tables

Table 5 - Annuity Options A and B

Table 6 - Annuity Option C

Table 7 - Annuity Option D

Table 8 - Annuity Option E

- Note 1:** The 1983 Table "a" mortality table, projected to the year 2025 with Projection Scale G, applies to all Annuity Options which include life contingent payments. Where applicable, unisex mortality rates and projection factors are based on a 30%/70% male/female weighting.
- Note 2:** The Annuity Option rates shown in Tables 5, 6, 7 and 8 are based on an assumed effective annual interest rate of 4%.
- Note 3:** Rates will be determined based on the age(s) of any Annuitant(s) on his/her birthday nearest the Annuity Date. The following tables show Annuity Option rates based on age nearest birthday.
- Note 4:** The purchase rate for any age or combination of ages not shown in the tables below will be calculated on the same basis as the payments for those shown and may be obtained by Written Request.

VARIABLE ANNUITY RATES									
TABLE 5 - OPTIONS A & B									
MONTHLY PAYMENT PER \$1,000									
Age	MALE					FEMALE			
	Life Only	Years Certain & Life			Life Only	Years Certain & Life			Age
		5	10	20		5	10	20	
50	4.45	4.45	4.43	4.36	4.18	4.17	4.17	4.14	50
51	4.51	4.50	4.48	4.41	4.22	4.22	4.21	4.18	51
52	4.57	4.56	4.54	4.45	4.27	4.26	4.26	4.22	52
53	4.63	4.63	4.60	4.50	4.32	4.31	4.30	4.26	53
54	4.70	4.69	4.66	4.55	4.37	4.36	4.35	4.31	54
55	4.77	4.76	4.73	4.61	4.42	4.42	4.41	4.35	55
56	4.84	4.83	4.80	4.66	4.48	4.48	4.46	4.40	56
57	4.92	4.91	4.88	4.72	4.54	4.54	4.52	4.45	57
58	5.01	4.99	4.95	4.77	4.61	4.60	4.58	4.50	58
59	5.10	5.08	5.04	4.83	4.67	4.67	4.65	4.56	59
60	5.19	5.17	5.12	4.89	4.75	4.74	4.72	4.62	60
61	5.29	5.27	5.21	4.95	4.82	4.82	4.79	4.68	61
62	5.40	5.38	5.31	5.02	4.91	4.90	4.87	4.74	62
63	5.52	5.49	5.41	5.08	4.99	4.98	4.95	4.80	63
64	5.64	5.61	5.52	5.14	5.09	5.07	5.04	4.86	64
65	5.77	5.74	5.63	5.20	5.19	5.17	5.13	4.93	65
66	5.92	5.88	5.75	5.27	5.29	5.28	5.23	5.00	66
67	6.07	6.02	5.87	5.33	5.41	5.39	5.33	5.06	67
68	6.23	6.17	6.00	5.39	5.53	5.51	5.44	5.13	68
69	6.40	6.33	6.14	5.45	5.66	5.63	5.56	5.20	69
70	6.58	6.50	6.27	5.50	5.80	5.77	5.68	5.27	70
71	6.77	6.68	6.42	5.56	5.95	5.92	5.81	5.34	71
72	6.97	6.87	6.56	5.61	6.11	6.07	5.95	5.40	72
73	7.19	7.07	6.72	5.66	6.29	6.24	6.09	5.46	73
74	7.42	7.27	6.87	5.70	6.48	6.42	6.24	5.52	74
75	7.66	7.50	7.03	5.74	6.68	6.61	6.40	5.58	75
76	7.93	7.73	7.20	5.78	6.90	6.82	6.56	5.63	76
77	8.21	7.97	7.36	5.81	7.14	7.04	6.73	5.68	77
78	8.51	8.23	7.52	5.84	7.39	7.27	6.91	5.73	78
79	8.83	8.51	7.70	5.87	7.66	7.51	7.09	5.77	79
80	9.17	8.79	7.87	5.90	7.95	7.77	7.27	5.81	80
81	9.53	9.09	8.04	5.92	8.26	8.05	7.46	5.84	81
82	9.92	9.40	8.21	5.94	8.60	8.34	7.64	5.87	82
83	10.34	9.73	8.37	5.95	8.96	8.66	7.83	5.89	83
84	10.79	10.07	8.53	5.96	9.36	8.99	8.01	5.92	84
85	11.26	10.42	8.68	5.97	9.78	9.33	8.19	5.94	85

**VARIABLE ANNUITY RATES
TABLE 6 - OPTION C
MONTHLY PAYMENT PER \$1,000**

MALE / FEMALE - JOINT AND LAST SURVIVOR ANNUITY											
MALE AGE	FEMALE AGE										MALE AGE
	40	45	50	55	60	65	70	75	80	85	
40	3.71	3.77	3.82	3.87	3.91	3.94	3.96	3.98	3.99	4.00	40
45	3.74	3.82	3.89	3.96	4.03	4.08	4.12	4.15	4.17	4.18	45
50	3.77	3.86	3.96	4.06	4.15	4.23	4.30	4.35	4.39	4.41	50
55	3.79	3.90	4.02	4.15	4.28	4.40	4.50	4.59	4.66	4.70	55
60	3.81	3.93	4.07	4.22	4.39	4.57	4.73	4.87	4.98	5.06	60
65	3.82	3.95	4.10	4.29	4.50	4.73	4.96	5.19	5.38	5.52	65
70	3.83	3.96	4.13	4.33	4.58	4.87	5.19	5.52	5.82	6.08	70
75	3.83	3.97	4.15	4.36	4.64	4.98	5.38	5.83	6.29	6.71	75
80	3.84	3.98	4.16	4.39	4.68	5.05	5.53	6.10	6.73	7.37	80
85	3.84	3.98	4.16	4.40	4.71	5.11	5.63	6.31	7.12	8.02	85
MALE / FEMALE - JOINT AND LAST SURVIVOR ANNUITY WITH 10 YEARS CERTAIN											
MALE AGE	FEMALE AGE										MALE AGE
	40	45	50	55	60	65	70	75	80	85	
40	3.71	3.77	3.82	3.87	3.91	3.94	3.96	3.98	3.99	4.00	40
45	3.74	3.82	3.89	3.96	4.03	4.08	4.12	4.15	4.17	4.18	45
50	3.77	3.86	3.96	4.06	4.15	4.23	4.30	4.35	4.38	4.41	50
55	3.79	3.90	4.02	4.15	4.28	4.40	4.50	4.59	4.65	4.69	55
60	3.81	3.93	4.07	4.22	4.39	4.57	4.73	4.87	4.97	5.04	60
65	3.82	3.95	4.10	4.29	4.50	4.72	4.95	5.18	5.36	5.48	65
70	3.83	3.96	4.13	4.33	4.58	4.86	5.18	5.49	5.78	6.00	70
75	3.83	3.97	4.14	4.36	4.63	4.97	5.36	5.79	6.21	6.55	75
80	3.84	3.98	4.15	4.38	4.67	5.04	5.50	6.03	6.59	7.10	80
85	3.84	3.98	4.16	4.39	4.70	5.09	5.59	6.21	6.90	7.56	85

**VARIABLE ANNUITY RATES
TABLE 7 - OPTION D
MONTHLY PAYMENT PER \$1,000**

MALE / FEMALE - JOINT AND 2/3 SURVIVOR ANNUITY												
MALE AGE	FEMALE AGE										MALE AGE	
	40	45	50	55	60	65	70	75	80	85		
40	3.85	3.92	4.00	4.09	4.19	4.31	4.45	4.62	4.80	4.99	40	
45	3.92	4.00	4.09	4.19	4.31	4.44	4.59	4.77	4.97	5.18	45	
50	4.00	4.09	4.19	4.30	4.44	4.59	4.76	4.97	5.19	5.42	50	
55	4.09	4.19	4.30	4.43	4.59	4.76	4.97	5.20	5.45	5.72	55	
60	4.19	4.30	4.42	4.58	4.76	4.96	5.20	5.48	5.78	6.09	60	
65	4.31	4.43	4.57	4.74	4.95	5.19	5.48	5.82	6.19	6.57	65	
70	4.45	4.58	4.73	4.93	5.16	5.45	5.80	6.21	6.67	7.17	70	
75	4.60	4.74	4.91	5.12	5.39	5.72	6.14	6.64	7.22	7.86	75	
80	4.76	4.91	5.09	5.35	5.62	6.00	6.49	7.10	7.82	8.65	80	
85	4.92	5.08	5.28	5.53	5.86	6.28	6.84	7.56	8.45	9.50	85	

MALE / FEMALE - JOINT AND 2/3 SURVIVOR ANNUITY WITH 10 YEARS CERTAIN												
MALE AGE	FEMALE AGE										MALE AGE	
	40	45	50	55	60	65	70	75	80	85		
40	3.85	3.92	3.99	4.08	4.18	4.30	4.43	4.57	4.71	4.83	40	
45	3.92	3.99	4.08	4.18	4.29	4.42	4.56	4.72	4.87	5.00	45	
50	3.99	4.08	4.18	4.29	4.42	4.57	4.73	4.90	5.07	5.22	50	
55	4.08	4.17	4.28	4.42	4.56	4.73	4.92	5.12	5.32	5.49	55	
60	4.18	4.28	4.40	4.55	4.73	4.92	5.15	5.39	5.62	5.82	60	
65	4.29	4.40	4.54	4.70	4.90	5.14	5.40	5.69	5.98	6.23	65	
70	4.40	4.53	4.68	4.86	5.09	5.35	5.67	6.03	6.38	6.70	70	
75	4.52	4.65	4.81	5.01	5.26	5.57	5.94	6.37	6.80	7.20	75	
80	4.63	4.77	4.94	5.15	5.42	5.76	6.18	6.68	7.21	7.69	80	
85	4.72	4.86	5.04	5.27	5.55	5.92	6.38	6.94	7.54	8.12	85	

VARIABLE ANNUITY RATES TABLE 8 - OPTION E MONTHLY PAYMENT PER \$1000	
YEARS	MONTHLY INCOME
5	\$18.32
6	15.56
7	13.59
8	12.12
9	10.97
10	10.06
11	9.31
12	8.69
13	8.17
14	7.72
15	7.34
16	7.00
17	6.71
18	6.44
19	6.21
20	6.00
21	5.81
22	5.64
23	5.49
24	5.35
25	5.22
26	5.10
27	5.00
28	4.90
29	4.80
30	4.72

Notice of Annual Meeting:

The Contract Owner is hereby notified that by virtue of this Contract he or she is a member of Massachusetts Mutual Life Insurance Company and is entitled to vote either in person or by proxy at any and all meetings of said Company. The annual meetings are held at its Home Office, in Springfield, Massachusetts, on the second Wednesday of April in each year at 2 o'clock p.m.

**INDIVIDUAL VARIABLE DEFERRED ANNUITY CONTRACT
WITH FLEXIBLE PURCHASE PAYMENTS
Non-participating**

ANNUITY PAYMENTS, WITHDRAWAL VALUES AND THE DEATH BENEFITS PROVIDED BY THIS CONTRACT, WHEN BASED ON THE INVESTMENT EXPERIENCE OF THE SEPARATE ACCOUNT, ARE VARIABLE AND ARE NOT GUARANTEED AS TO DOLLAR AMOUNT.

Attachment 4



Memo

To: Paul Proko
Vice President
Health Benefits and New Business

From: Robert Miles
Assistant Vice President
Health Benefits and New Business

MIP: M125

MIP: M125 EXT: 23969

Cc: Barbara Dutram, Jason Paine

Re: Illinois Market Conduct Examination (MCE) Criticisms
and Corrective Actions

Original Date: September 15, 2011
Updated: January 18, 2012

The Criticisms of the DI Benefit Department's claim practices alleged by the Illinois MCE fall into two broad categories. These categories, the Criticisms and the steps taken thus far to rectify the identified concerns are described below.

Category I – Notification of the availability of the Department of Insurance (DOI)

Illinois law requires that a claimant be notified of the availability of the state DOI as a resource during various stages of the claim. These stages are:

- o When providing written communications regarding status for claims that have remained pending for at least 45 days from the date of notice; and
- o In claim determination letters when a claim has been denied in whole or in part.

Criticism No.	Claim Type	Allegation	Claim Volume
PH-32-81	Denied Life Waiver of Premium	Notice of availability of the IL Dept. of Insurance for assistance not provided to claimant on adverse claim decision.	5 of 16 claims examined (31%) reportedly in violation. Diversity of jurisdiction may be an issue (The 5 insureds weren't IL residents at claim time).
PH-33-81	Denied Life Waiver of Premium	Same as immediately above	2 policies (same insured) involved; 2 of 16 files (1 policy = 1 file) examined (13%) reportedly in violation.
PH-34-81	Denied Life Waiver of Premium	Notice of availability of the IL Dept. of Insurance for assistance not provided to claimant on a claim that is unresolved 45 days after it was reported.	14 of 16 files examined (88%) reportedly in violation. Diversity of jurisdiction may be an issue on 5 of the 14 files thought to be in violation.
PH-35-41	Denied Disability Insurance	Same as immediately above	12 of 15 files examined (80%) reportedly in violation.
PH-38-40	Paid Disability Insurance	Same as immediately above	15 of 46 files examined (33%) reportedly in violation.

September 15, 2011 Corrective Actions

- 1) Illinois Claim Handling Guidelines – These guidelines have been revised to conform to IL law. While the guidelines previously addressed the notification requirement on an adverse claim decision, they did not contain information regarding the requirement for those claims remaining in a pending status at least 45 days from the date of notice.
- 2) Review of Other States' Notification Requirements – The laws of the five states other than IL (CA, NH, NY, RI and WV) that have notification requirements relating to the DOI during claim adjudication have been initially reviewed. As a result of this review, our NH claim handling guidelines have also been revised. Somewhat similar to IL, NH law

requires that not only must a claimant be notified of the availability of the DOI when a claim is denied in whole or in part, but also after a claim has been pending more than 30 days from the date of notice. The prior version of the NH guidelines made reference only to the notification requirements surrounding an adverse claim determination. No additional steps are necessary for CA and RI. Further research on the laws is necessary for NY and WV.

3) Claim Examiner Training

a) On September 13, 2011, the Best Practices Trainers conducted training on a row-by-row basis for the entire DI Benefits staff on the IL and NH laws regarding claimant notification of the availability of the DOI and to which claimants the rules apply (the rules apply to both contract state and residence state).

b) On September 14, 2011, a training e-mail on the IL and NH claimant notification requirements was sent to the entire DI Benefits Department in follow up to the prior day's training.

4) Template Letters in GenWord – All claimant template letters in the GenWord function of the DI Benefits System have been reviewed and revised as necessary to include instructions and appropriate text regarding DOI contact information to simplify claim examiner compliance with the claimant notification requirements.

Updated January 18, 2012 Corrective Actions

Letter Revisions - Additional steps are being taken to simplify the process by which appropriate claimants are given the required notification regarding the states' Department of Insurance (DOI) contact information. For all claimant template letters in GenWord that deal with claim status or claim decisions, an additional page is being created within each letter that contains the DOI contact information for all six states that currently require such notification and directs appropriate claimants to this information. This approach eliminates the need for the claim examiners to identify claims specific to the six states and also to remember to insert the special notification text in the letter.

Category II – Processing of Waiver of Premium Refunds for Life Waiver and Disability Income Claims

Three Criticisms focused on the waiver of premium processes within the DI Benefits Department.

Criticism No.	Claim Type	Allegation	Claim Volume
JS-07-80	Approved Life Waiver of Premium	Miscalculation (underpayment) of the waiver of premium refund amount.	Single claim.
MH-35-80	Approved Life Waiver of Premium	Waiver of premium process not initiated by claim examiner.	Single claim.
PH-45-40	Paid Disability Insurance	Waiver of premium process for EDS policy, although apparently initiated, not completed.	Single claim.

September 15, 2011 Corrective Actions

1) Claim Audit - A three month audit from June 1, 2011 through August 31, 2011 was conducted of waiver of premium processing for life insurance policies. The results showed a 14% error rate.

2) Stakeholder Meeting Scheduled -- A meeting is scheduled for September 28, 2011 with stakeholders in the DI and life waiver of premium processes to hold initial discussions on:

- a) the life waiver audit results and potential corrective steps;
- b) action steps to close workflow gaps in the DI waiver of premium process.

Updated January 18, 2012 Corrective Actions

1) *DI and Life Waiver of Premium Process Map -- A 5 person team lead by Dave Jackson has completed the process map for DI waiver; SMEs have signed off on the document. Work continues on the more complex Life waiver process with weekly meetings presently scheduled into early February 2012.*

2) *Life Waiver audit results and potential corrective steps – J. Cebulla has completed 98% of the audit (almost every fourth MM refund from 1/1/10-9/29/11). Carol made 12 mistakes and Mike made 2 out of 204 files audited thus far; a*

93.1% pass rate vs. the 86% pass rate on the smaller sampling associated with the IL market conduct exam. Information regarding the nature of the errors is being accumulated and will be passed to M. McDonough for additional training of her Operation associates. Additional preventive measures will also be considered as part of the process map output.

Please let me know if you have any questions.

ILLINOIS

Note: The following information may be paraphrased from the language in the state guidelines. It is advised to seek guidance from Counsel or the Best Practices Coordinator for any questions regarding the rules and regulations or when referencing in any communication.

Notice of Claims 215 ILCS 5/357.6

- Notice given to the insurer or to any authorized agent of the insurer, with information sufficient to identify the insured, should be deemed notice to the insurer.

Claim Forms 215 ILCS 5/357.7

- Upon receipt of notice of claim, the insurer will send to the claimant **within 15 calendar days**, forms for filing proof of loss. If forms are not furnished **within 15 days**, the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss.

Pertinent Communications 215 ILCS 5/154.6(b)

- Shall include all correspondence, regardless of source or type, that is materially related to the handling of the claim. Reasonable promptness shall mean a maximum of 15 working days from receipt of communication from a claimant or insured.

Status Notification 215 ILCS 5/357.9 and ILAC § 919.70(a)(2)

- A claimant shall be notified by the insurer of any failure to provide sufficient documentation for due proof of loss **within 30 days** after receipt of the claim.
- If a claim remains unresolved for 45 days from the date it is reported, the company shall provide the claimant with a reasonable written explanation for the delay. *Notice of the availability of the Department of Insurance shall accompany the written explanation to the claimant.*

Time Limits for Claim Payment 215 ILCS 5/357.9 and 357.9a

- Benefits for any loss, other than loss for which this policy provides any periodic payment, will be paid **immediately** upon receipt of due written proof of loss.
- All claims and indemnities payable under the terms of this policy **must be paid within 30 days** following receipt of due proof of loss. Failure to pay within such period shall entitle the insured to interest at the rate of **9% per year** from the 30th day after receipt of such proof of loss to the date of late payment. Interest amounting to less than one dollar need not be paid. Any required interest payments shall be **made within 30 days** after the payment.
- Benefits for loss for which this policy provides periodic payment will be paid **not less frequently than monthly**. Any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of due written proof.

Recipients of Claim Payments 215 ILCS 5/357.10

- Disability benefits are paid to the Recipient of Benefits or an assignee, if applicable.
- If benefits are payable to the insured's estate or to an insured or beneficiary who cannot execute a valid release, the insurer can pay benefits not exceeding \$1,000 to someone related to the insured or beneficiary by blood or marriage who is considered by the insurer to be entitled to the benefits.
- Illinois allows civil unions between different and same sex partners. (Specific law not referenced here.)

Adverse Decision Notification Requirement ILAC § 919.50(a)(1)

- On first party claims if a settlement of a claim is less than the amount claimed, or if the claim is denied, the company shall provide the claimant a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed. This explanation shall clearly set forth the policy definition, limitation, exclusion or condition upon which denial was based. *Notice of availability of the Department of Insurance shall accompany this explanation.*

Required Text for Claim Status and Adverse Claim Determination Communications ILAC § 919.40

Part 919 of the Rules of the Illinois Department of Insurance requires that our company advise you that if you wish to take this matter up with the Illinois Department of Insurance, it maintains a Consumer Division in Chicago at 100 West Randolph Street, Suite 15-100, Chicago, Illinois 60601, and in Springfield at 320 West Washington Street, Springfield, Illinois 62767.

Attachment 5



Memo

To: Paul Proko
Vice President
Health Benefits and New Business

From: Robert Miles
Assistant Vice President
Health Benefits and New Business

MIP: M125

MIP: M125 EXT: 23969

Cc: Barbara Dutram, Jason Paine

Re: Illinois Market Conduct Examination (MCE) Criticisms
and Corrective Actions

Original Date: September 15, 2011
Updated: January 18, 2012

The Criticisms of the DI Benefit Department's claim practices alleged by the Illinois MCE fall into two broad categories. These categories, the Criticisms and the steps taken thus far to rectify the identified concerns are described below.

Category I – Notification of the availability of the Department of Insurance (DOI)

Illinois law requires that a claimant be notified of the availability of the state DOI as a resource during various stages of the claim. These stages are:

- o When providing written communications regarding status for claims that have remained pending for at least 45 days from the date of notice; and
- o In claim determination letters when a claim has been denied in whole or in part.

Criticism No.	Claim Type	Allegation	Claim Volume
PH-32-81	Denied Life Waiver of Premium	Notice of availability of the IL Dept. of Insurance for assistance not provided to claimant on adverse claim decision.	5 of 16 claims examined (31%) reportedly in violation. Diversity of jurisdiction may be an issue (The 5 insureds weren't IL residents at claim time).
PH-33-81	Denied Life Waiver of Premium	Same as immediately above	2 policies (same insured) involved; 2 of 16 files (1 policy = 1 file) examined (13%) reportedly in violation.
PH-34-81	Denied Life Waiver of Premium	Notice of availability of the IL Dept. of Insurance for assistance not provided to claimant on a claim that is unresolved 45 days after it was reported.	14 of 16 files examined (88%) reportedly in violation. Diversity of jurisdiction may be an issue on 5 of the 14 files thought to be in violation.
PH-35-41	Denied Disability Insurance	Same as immediately above	12 of 15 files examined (80%) reportedly in violation.
PH-38-40	Paid Disability Insurance	Same as immediately above	15 of 46 files examined (33%) reportedly in violation.

September 15, 2011 Corrective Actions

- 1) Illinois Claim Handling Guidelines – These guidelines have been revised to conform to IL law. While the guidelines previously addressed the notification requirement on an adverse claim decision, they did not contain information regarding the requirement for those claims remaining in a pending status at least 45 days from the date of notice.
- 2) Review of Other States' Notification Requirements – The laws of the five states other than IL (CA, NH, NY, RI and WV) that have notification requirements relating to the DOI during claim adjudication have been initially reviewed. As a result of this review, our NH claim handling guidelines have also been revised. Somewhat similar to IL, NH law

requires that not only must a claimant be notified of the availability of the DOI when a claim is denied in whole or in part, but also after a claim has been pending more than 30 days from the date of notice. The prior version of the NH guidelines made reference only to the notification requirements surrounding an adverse claim determination. No additional steps are necessary for CA and RI. Further research on the laws is necessary for NY and WV.

3) Claim Examiner Training

a) On September 13, 2011, the Best Practices Trainers conducted training on a row-by-row basis for the entire DI Benefits staff on the IL and NH laws regarding claimant notification of the availability of the DOI and to which claimants the rules apply (the rules apply to both contract state and residence state).

b) On September 14, 2011, a training e-mail on the IL and NH claimant notification requirements was sent to the entire DI Benefits Department in follow up to the prior day's training.

4) Template Letters in GenWord – All claimant template letters in the GenWord function of the DI Benefits System have been reviewed and revised as necessary to include instructions and appropriate text regarding DOI contact information to simplify claim examiner compliance with the claimant notification requirements.

Updated January 18, 2012 Corrective Actions

Letter Revisions - Additional steps are being taken to simplify the process by which appropriate claimants are given the required notification regarding the states' Department of Insurance (DOI) contact information. For all claimant template letters in GenWord that deal with claim status or claim decisions, an additional page is being created within each letter that contains the DOI contact information for all six states that currently require such notification and directs appropriate claimants to this information. This approach eliminates the need for the claim examiners to identify claims specific to the six states and also to remember to insert the special notification text in the letter.

Category II – Processing of Waiver of Premiums Refunds for Life Waiver and Disability Income Claims

Three Criticisms focused on the waiver of premium processes within the DI Benefits Department.

Criticism No.	Claim Type	Allegation	Claim Volume
JS-07-80	Approved Life Waiver of Premium	Miscalculation (underpayment) of the waiver of premium refund amount.	Single claim.
MH-35-80	Approved Life Waiver of Premium	Waiver of premium process not initiated by claim examiner.	Single claim.
PH-45-40	Paid Disability Insurance	Waiver of premium process for EDS policy, although apparently initiated, not completed.	Single claim.

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- If a claim remains **unresolved for 45 days** from the date it is reported, the company shall provide the claimant with a reasonable written explanation for the delay. ***Notice of the availability of the Department of Insurance shall accompany the written explanation to the claimant.***

Time Limits for Claim Payment 215 ILCS 5/257.9 and 357.9a

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- All claims and indemnities payable under the terms of this policy **must be paid within 30 days** following receipt of due proof of loss. Failure to pay within such period shall entitle the insured to interest at the rate of **9% per year** from the 30th day after receipt of such proof of loss to the date of late payment. Interest amounting to less than one dollar need not be paid. Any required interest payments shall be **made within 30 days** after the payment.
- Benefits for loss for which this policy provides periodic payment will be paid **not less frequently than monthly**. Any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of due written proof.

Recipients of Claim Payments 215 ILCS 5/357.10

- Disability benefits are paid to the Recipient of Benefits or an assignee, if applicable.
- If benefits are payable to the insured's estate or to an insured or beneficiary who cannot execute a valid release, the insurer can pay benefits **not exceeding \$1,600** to someone related to the insured or beneficiary by blood or marriage who is considered by the insurer to be entitled to the benefits.
- Illinois allows civil unions between different and same sex partners. (Specific law not referenced here.)

Adverse Decision Notification Requirement ILAC § 919.50(a)(1)

- On first party claims if a settlement of a claim is less than the amount claimed, or if the claim is denied, the company shall provide the claimant a reasonable written explanation of the basis of the lower offer or denial within 30 days after the investigation and determination of liability is completed. This explanation shall clearly set forth the policy definition, limitation, exclusion or condition upon which denial was based. *Notice of availability of the Department of Insurance shall accompany this explanation.*

Required Text for Claim Status and Adverse Claim Determination Communications ILAC § 919.40

Part 919 of the Rules of the Illinois Department of Insurance requires that our company advise you that if you wish to take this matter up with the Illinois Department of Insurance, it maintains a Consumer Division in Chicago at 100 West Randolph Street, Suite 15-100, Chicago, Illinois 60601, and in Springfield at 320 West Washington Street, Springfield, Illinois 62767.

Attachment 6



May 16, 2012

*** MIP W307 IL-ABR *** **000001**

[REDACTED]

000010103005

RE: Policy # [REDACTED]
Insured: [REDACTED]

PLEASE READ CAREFULLY - IMPORTANT INFORMATION REGARDING YOUR LIFE
INSURANCE POLICY

Dear [REDACTED]

The Illinois Department of Insurance informed us of a change that we are required to make to the Accelerated Death Benefit Rider attached to your policy. We therefore have enclosed an updated rider and ask you to replace your current rider with this one.

This new rider is identical to the previously approved riders with the exception that the definition of Terminal Illness has been revised to encompass medical conditions that will result in the death of the insured within 24 months. Because of this change, the form number in the lower left-hand corner of your Rider has changed from ABRVL-99M(IL) to ABRVL-11M(IL).

We thank you for your continued business. If you have any questions, please contact our Service Center at 1-800-272-2216. Representatives are available to help you Monday through Friday from 8 a.m. to 8 p.m., Eastern Time.

Sincerely,

Dan Pouliot
Assistant Vice President
USIG, Product Drafting and State Filing

Your financial professional: JACOB SMITH
Phone: 309-673-3839

Revised Illinois's Disclosure Statement for Accelerated Death Benefit Rider (ABR) effective September 9, 2011
The ABR form used for Illinois life contracts has been revised to comply with the guidelines of the Illinois Department of Insurance. Effective September 9, the updated version, form F7011IL, was implemented.

Overview of change

The definition of terminal illness under the "Condition for Acceleration" section was changed to clarify that accelerated death benefit payments may be made for deaths expected within 24 months for all life insurance products. This change removes the prior "(12 months for some products)" limitation.

Transition period

There will be a 30-day transition period during which the old (309) and new versions of the form will be accepted. Forms signed October 9, 2011 or later must be submitted on the revised (811) version of this form.

Form availability

Effective September 9, 2011, the revised F7011IL will be available in the following environments:

- FieldNet (Forms & Docs search)
- Life App Express
- WarehouseXpress
- iPipeline
- LaserApp
- QuikForms

Also, the following application packages will be updated to include the revised F7011IL:

- Life New Business application package (LNB-IL)
- Vantage Term application package (VTNB-IL)

Further Information

For additional information, please contact the New Business Helpline at (800) 767-1000, ext. 23748.

09/12/11 Internal Procedural Communication for Producer Use Only – Not for Use with Clients

Attachment 7



Disclosure Statement for
Accelerated Death Benefit
For Terminal Illness Rider
Illinois

To the Company as defined below:

Massachusetts Mutual Life Insurance Company
1295 State Street, Springfield, Massachusetts 01111-0001

C.M. Life Insurance Company
100 Bright Meadow Boulevard, Enfield, Connecticut 06082

The policy you are applying for may have an Accelerated Death Benefit For Terminal Illness Rider (ABR) automatically attached to it. For details on the availability of this rider, please consult with your MassMutual representative. This disclosure only applies to the ABR For Terminal Illness. It does not apply to any Accelerated Death Benefit for Long Term Care Services Rider that may be attached to your policy.

Condition for Acceleration

Subject to the terms of the rider, an accelerated death benefit payment will be paid if the Insured (or surviving Insured on a second-to-die policy) has a terminal illness.

A terminal illness is a medical condition that:

- Is first diagnosed by a legally qualified physician; and
- With reasonable medical certainty, will result in the death of the Insured (or surviving Insured on a second-to-die policy) within 24 months after the date the legally qualified physician certifies the diagnosis; and
- Is not curable by any means available to the medical profession.

Limitations of the Accelerated Death Benefit

- The benefit payable under the rider MAY BE TAXABLE. The Owner should seek tax advice prior to requesting an accelerated death benefit payment.
- Receipt of accelerated death benefits under the rider MAY AFFECT MEDICAID and SUPPLEMENTAL SECURITY INCOME ("SSI") eligibility. Exercising the option to accelerate benefits and receiving those benefits before applying for these programs, or while receiving government benefits, may affect initial or continued eligibility. Contact the Medicaid Unit of the local Department of Public Welfare and the Social Security Administration Office for more information.
- An accelerated death benefit payment will not be allowed if the Owner is required to request the payment by any third party (including any creditor, governmental agency, trustee in bankruptcy or any other person) or as the result of a court order.
- The Accelerated Death Benefit Rider does not provide for long-term care insurance or nursing-home care insurance. The Amount payable under this rider may not be enough to cover the insured's medical, nursing-home or other bills.

Accelerated Death Benefit Payment

The accelerated benefit is payable in a lump sum subject to a maximum limit. The maximum amount to be accelerated is equal to the lesser of:

- 75% of the Eligible Amount; and
- \$250,000 minus the total amount accelerated under all other policies issued on the life of the Insured (or surviving Insured on a second-to-die policy) by us and any of our affiliates.

The amount of payment under this rider will be equal to the portion of the Eligible Amount requested for acceleration less:

- A fee of not more than \$250; and
- Twelve months interest on the amount accelerated at one of the annual interest rates that follows, depending on the type of policy:
 - The interest rate we have declared for policies in the same class; or
 - The annual interest rate we have declared for benefits under this rider as of the Acceleration Date. This rate will not exceed the greater of:
 - The effective annual yield on 90-day, U.S. Treasury Bills as of the Acceleration Date; or
 - The maximum adjustable policy loan interest rate in effect on the Acceleration Date, as allowed by law.

Premium for Accelerated Death Benefit

No premium is charged for the Accelerated Death Benefit Rider.

Administrative Expense Charge

In computing the amount of the accelerated death benefit payment, an administrative expense charge, or a fee of not more than \$250 will be deducted.

Termination of the Rider

The rider will end automatically if and when:

- An accelerated death benefit payment is made under this rider or any Accelerated Death Benefit for Long Term Care Services Rider that may be attached to your policy; or
- The policy terminates for any reason; or
- The policy is changed to a different policy on which this rider is not available; or
- Two years before coverage under the policy is scheduled to terminate

Effect on Policy

There are two methods by which an accelerated death benefit payment can impact a policy; one that reduces the face amount of the policy and another that places a lien on the policy. In either case, after the accelerated death benefit payment is made this policy will remain in force.

If the rider reduces the face amount of the policy, any riders not included in determining the Eligible Amount will not be affected; they will continue in accordance with their terms. Additionally, for any other riders and for the base policy, the amounts of insurance and all values will be reduced by the ratio of the amount to be accelerated to the Eligible Amount. Any outstanding policy loans and loan interest will also be reduced by this ratio. After acceleration, premiums for the base policy and any accelerated riders will be based on the reduced amount of insurance and will be based on the rates in effect for the Insured (or surviving Insured on a second-to-die policy) on the Acceleration Date of the policy.

If the rider places a lien on the policy, the amount of the lien will be equal to the amount to be accelerated under the rider. Interest will not be charged on the lien. The Owner may not voluntarily repay all or any portion of the lien. However, the amount of the lien will be deducted from the amount of payment under the policy upon the death of the Insured (or surviving Insured if this policy is a second-to-die policy).

The impact on your policy can be accurately determined only at the time of claim. At that time, the amounts illustrated for the sample policy below will be determined for your policy and supplied to you. Here are two examples of the effect of an accelerated death benefit payment on a sample policy, assuming an interest rate of 6%:

	Reduction Method	Lien Method
Amount of Insurance	\$100,000	\$100,000
Cash/Account Value	\$20,000	\$20,000
Maximum Available for Acceleration	\$75,000	\$60,000
Amount To Be Accelerated	\$60,000	\$60,000
Amount of Payment	\$56,354	\$56,354
Face Amount After Acceleration	\$40,000	\$100,000
Net Surrender Value After Acceleration	\$8,000	\$20,000
Death Benefit Payable	\$40,000	\$40,000

This is a disclosure statement only. Detailed information is contained in the issued rider. The terms of the issued rider take precedence over the information in this disclosure statement.

Signatures

X

Signature of Owner

Date

Printed Name of Owner

X

Signature of Producer

Date

Printed Name of Producer

Policy number(s):

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE



IN THE MATTER OF:

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
1295 STATE STREET
SPRINGFIELD, MA 01111

STIPULATION AND CONSENT ORDER

WHEREAS, the Director (Director) of the Illinois Department of Insurance (Department) is a duly authorized and appointed official of the State of Illinois, having authority and responsibility for the enforcement of the insurance laws of this State; and

WHEREAS, Massachusetts Mutual Life Insurance Company, NAIC # 65935, (Company) is authorized under the insurance laws of the Commonwealth of Massachusetts and by the Director as a foreign mutual insurance company, to engage in the business of soliciting, selling and issuing insurance policies; and

WHEREAS, a Market Conduct Examination of the Company was conducted by duly qualified examiners of the Department pursuant to Sections 132, 401, 402 and 425 of the Illinois Insurance Code (215 ILCS 5/132, 5/401, 5/402 and 5/425); and

WHEREAS, the Department examiners have filed an examination report as an official document of the Department as a result of the Market Conduct Examination; and

WHEREAS, said report identified certain areas in which the Company was not in compliance with the Illinois Insurance Code (215 ILCS 5/1 *et seq.*) and Department Regulations (50 Ill. Adm. Code 101 *et seq.*); and

WHEREAS, notwithstanding the fact that the Company may disagree with some of the findings contained in the examination report, the Company has implemented or agreed to implement corrective actions and to provide the Department with proof of such actions; and

WHEREAS, nothing herein contained, nor any action taken by the Company in connection with this Stipulation and Consent Order, shall constitute, or be construed as, an admission of fault, liability or wrongdoing of any kind whatsoever by the Company, and

WHEREAS, the Company is aware of and understands its various rights in connection with the examination and report, including the right to counsel, notice, hearing and appeal under Sections 132, 401, 402, 407 and 407.2 of the Illinois Insurance Code and 50 Ill. Adm. Code 2402; and

WHEREAS, the Company understands and agrees that by entering into this Stipulation and Consent Order, it waives any and all rights to notice and hearing; and

WHEREAS, the Company and the Director, for the purpose of resolving all matters raised by the report and in order to avoid any further administrative action, hereby enter into this Stipulation and Consent Order.

NOW, THEREFORE, IT IS agreed by and between the Company and the Director as follows:

1. That the Market Conduct Examination identified certain areas in which the Company was not in compliance with provisions of the Illinois Insurance Code and/or Department Regulations; and
2. That the Director and the Company consent to this order requiring the Company to take certain corrective actions to address the areas identified in the report and that the Company will provide the Department with proof of the corrective actions which it has implemented or will implement.

THEREFORE, IT IS HEREBY ORDERED by the undersigned Director that the Company shall:

1. Maintain procedures to refund any premiums being waived consistent with the requirements of 215 ILCS 5/154.6(d) and reinforce such procedures with appropriate Company personnel.
2. Maintain procedures to notify the existing insurer of possible replacement of a life insurance policy or annuity as required by 215 ILCS 5/224(2).
3. Maintain procedures consistent with 215 ILCS 5/226(1)(b) whereby annuity and pure endowment policy forms do not contain contestability periods relating to statements which are not required as a condition to issuing the policy and revise any form which is not consistent with such statute.
4. Revise and maintain its procedures consistent with 215 ILCS 5/234.1 so that when the Company enacts a non-forfeiture option, the Company will give a notice to the policyowner which explains the action and refers the policyowner to the other available options, if any, under the provisions of the policy. Evidence of this notice shall be maintained by the Company.
5. Maintain procedures to advise the claimant of the Availability of the Department of Insurance when the Company denies a claims as required by Title 50 Illinois Administrative Code 919.50(a)(1)) and reinforce such procedures with appropriate Company personnel.
6. Revise and Maintain procedures whereby when a claim remains unresolved for 45 days from the date it is reported, the Company shall provide the insured

or, when applicable, the insured's beneficiary, with a reasonable written explanation for the delay. Notice of availability of the Department of Insurance shall accompany this explanation as required by Title 50 Illinois Administrative Code 919.70(a)(2).

7. Maintain procedures so that its individual and group life insurance policies, contracts, riders, endorsements or amendments comply with the requirements of Title 50 Illinois Administrative Code Part 1407 to include the definition of "terminal illness" and refile any forms which do not utilize such definition.
8. Submit to the Director of Insurance, proof of compliance with the above seven (7) Orders within 30 days of the execution of these Orders.
9. Pay to the Director of Insurance, State of Illinois, a civil forfeiture in the amount of seven thousand five hundred thousand dollars (\$7,500) to be paid within thirty (30) days of receipt of these Orders.

NOTHING contained herein shall prohibit the Director from taking any and all appropriate regulatory action as set forth in the Illinois Insurance Code, including but not limited to levying additional forfeitures, should the Company violate any of the provisions of this Stipulation and Consent order or any provisions of the Illinois Insurance Code or Department Regulations.

On behalf of :

Christine Frederick
Signature

Christine Frederick
Name

Sr. VP + Chief Compliance Officer
Title

Subscribed and sworn to before me this
18th day of May A.D. 2012.



Maureen J. Garner
Notary Public

DEPARTMENT OF INSURANCE of the
State of Illinois;

DATE 5-22-2012

Andrew Boron
Andrew Boron
Director



Illinois Department of Insurance

PAT QUINN
Governor

ANDREW BORON
Director

June 18, 2012

Antonio Scibelli
Assistant Vice President & Counsel
Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, MA 01111

Re: **Massachusetts Mutual Life Insurance Company
Market Conduct Examination Report**

Dear Mr. Scibelli,

This is in response to your May 18, 2012 letter on this subject.

Attached to your letter were two copies of a Stipulation and Consent Order resulting from the captioned Report. Both copies of the Stipulation and Consent Order had been signed by an officer of your company. The Director of Insurance has signed both copies one of which is attached for your records.

Also attached to your letter was a \$7,500 check in payment of the civil forfeiture set forth in Order # 9 as well as proofs of compliance with Order # 1 through Order # 7 in the Stipulation and Consent Order. These proofs of compliance have been reviewed and are satisfactory. Accordingly, this Department is closing its file on this exam.

Yours Truly,

James J. Morris
Assistant Deputy Director
Market Conduct and Analysis
Illinois Department of Insurance
320 West Washington Street
Springfield IL 62767
312-833-5582 mobile
217-557-8494 fax
james.j.morris@illinois.gov