



Transamerica Occidental
Life Insurance Company
1150 South Olive Street
Los Angeles, CA 90015

POLICY FORM NMUL-PC
Individual Life Insurance

| | | | |
|-------------|-----------------|-----------------|---------------|
| INSURED | JOHN E HAYES JR | REDACTED | POLICY NUMBER |
| FACE AMOUNT | \$25,644,698 | MAY 28 1998 | DATE OF ISSUE |

While this policy is in force, Transamerica Occidental Life Insurance Company will pay the death benefit to the Beneficiary if the Insured dies before the policy anniversary nearest the Insured's age 115, or will pay the net cash value, if any, to the Owner on the policy anniversary nearest the Insured's age 115 if the Insured is living on that date. All payments are subject to the provisions of this policy.

Signed for the Company at Los Angeles, California, on the date of issue.

Executive Vice President, General Counsel
And Corporate Secretary

President and CEO

RIGHT TO EXAMINE AND RETURN POLICY WITHIN 10 DAYS -- AT ANY TIME WITHIN 10 DAYS AFTER YOU RECEIVE THIS POLICY, YOU MAY RETURN IT TO US OR TO THE AGENT YOU PURCHASED IT FROM. WE WILL CANCEL THE POLICY AND VOID IT FROM THE BEGINNING. WE WILL REFUND TO YOU ANY PREMIUMS PAID.

Adjustable Life Insurance
Minimum Premium Requirement Shown in the Policy Data
Flexible Premiums Payable Thereafter
During Life of Insured to Age 100
Subject to the Limitations Described
in the Premiums Provision

Death Benefit Payable at Death of
Insured Prior to Age 115
Net Cash Value, if Any, Payable at Policy
Anniversary Nearest Insured's Age 115

Nonparticipating -- No Annual Dividends

**THIS POLICY CONTAINS AN ADDITIONAL CREDIT PROVISION.
THIS ADDITIONAL CREDIT IS RECEIVED BEGINNING THE 6TH POLICY YEAR.
SEE DETAILS ON PAGE 11.**

This policy is a legal contract between you, the Owner of this policy,
and Transamerica Occidental Life Insurance Company.

READ YOUR POLICY CAREFULLY

POLICY SUMMARY

We will pay the death benefit to the Beneficiary if the Insured dies while the policy is in force before the policy anniversary nearest age 115.

You must pay at least the minimum premium per year during the required premium period shown in the Policy Data or your policy will lapse. If you request an increase in the face amount of this policy, you must also pay at least the minimum premium per year for the increased portion for that portion's required premium period following the date of the increase, or your policy will lapse. After that, you may vary the amount of premiums and how often you pay them, within certain limits, as described in the Premiums provision. Generally, you may pay premiums as long as the Insured is living, up to the policy anniversary nearest age 100. If the Insured is living at the policy anniversary nearest age 115, we will pay the net cash value, if any, to you.

Additional benefits, if any, are provided by rider.

This is only a brief description. The insurance is fully described in the various provisions of the policy.

GUIDE TO POLICY PROVISIONS

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P O L I C Y D A T A

CLASS A LOAN
INTEREST RATE 4.30% IN ADVANCE JAN 01, 1998 POLICY DATE

CLASS B LOAN
INTEREST RATE 6.10% IN ADVANCE. 6.00% REINSTATEMENT
INTEREST RATE

POLICY NUMBER **REDACTED** 60 AGE OF INSURED

INSURED JOHN E HAYES JR

FACE AMOUNT \$25,644,698 MAY 28, 1998 DATE OF ISSUE

DEATH BENEFIT
OPTION OPTION 3 **REDACTED** CLASS OF RISK

OWNER WESTERN RESOURCES INC

MINIMUM INITIAL PREMIUM: \$211,410.25
PLANNED PERIODIC PREMIUMS: \$0 ANNUAL

REQUIRED PREMIUM PERIOD: 5 YEARS

REQUIRED PREMIUM PER YEAR FOR THE BASE POLICY: \$362,417.57

REQUIRED PREMIUM PER YEAR FOR THE BASE POLICY AND ALL
ADDITIONAL RIDERS: \$362,417.57

ADDITIONAL CREDIT FACTOR - YEARS 6-15: 1.6319
ADDITIONAL CREDIT FACTOR - YEARS 16+: 0.3956

GUARANTEED MONTHLY POLICY FEE ALL YEARS: \$4.33

GUARANTEED MAXIMUM MONTHLY EXPENSE CHARGE PER THOUSAND
ALL YEARS: \$ 0.5769

GUARANTEED MINIMUM INTEREST RATE: 4.00%

ADMINISTRATIVE CHARGE: 10.40%

NOTE: THIS POLICY MAY TERMINATE PRIOR TO THE INSURED'S AGE 115 IF:

- (1) A LOAN EXISTS AND THE CASH VALUE MINUS THE LOAN(S) IS LESS THAN THE MONTHLY DEDUCTION DUE, OR
- (2) NO LOAN EXISTS AND THE ACCUMULATION VALUE IS LESS THAN THE MONTHLY DEDUCTION DUE, OR
- (3) THE REQUIRED PREMIUMS PER YEAR FOR THE BASE POLICY AND ANY RIDERS AND LAYERS IN THEIR REQUIRED PREMIUM PERIOD ARE NOT PAID.

P O L I C Y D A T A (C O N T I N U E D)

TABLE OF GUARANTEED MAXIMUM MONTHLY DEDUCTION RATES PER \$1,000
FOR BASE POLICY*

| POLICY YEAR | POLICY EXCLUDING RIDERS | POLICY YEAR | POLICY EXCLUDING RIDERS | POLICY YEAR | POLICY EXCLUDING RIDERS |
|----------------|-------------------------------|----------------|-------------------------------|----------------|-------------------------------|
| 1 | 0.47750 | 34 | 22.63583 | | |
| 2 | 0.47750 | 35 | 24.63750 | | |
| 3 | 0.47750 | 36 | 27.49666 | | |
| 4 | 0.47750 | 37 | 32.04583 | | |
| 5 | 0.47750 | 38 | 40.01666 | | |
| 6 | 1.76083 | 39 | 54.83166 | | |
| 7 | 1.95000 | 40 | 83.33333 | | |
| 8 | 2.15500 | 41 | 0.00000 | | |
| 9 | 2.37500 | 42 | 0.00000 | | |
| 10 | 2.61500 | 43 | 0.00000 | | |
| 11 | 2.88583 | 44 | 0.00000 | | |
| 12 | 3.24250 | 45 | 0.00000 | | |
| 13 | 3.54666 | 46 | 0.00000 | | |
| 14 | 3.95333 | 47 | 0.00000 | | |
| 15 | 4.41000 | 48 | 0.00000 | | |
| 16 | 4.90000 | 49 | 0.00000 | | |
| 17 | 5.42166 | 50 | 0.00000 | | |
| 18 | 5.97000 | 51 | 0.00000 | | |
| 19 | 6.53916 | 52 | 0.00000 | | |
| 20 | 7.14333 | 53 | 0.00000 | | |
| 21 | 7.80583 | 54 | 0.00000 | | |
| 22 | 8.54333 | 55 | 0.00000 | | |
| 23 | 9.37666 | | | | |
| 24 | 10.31583 | | | | |
| 25 | 11.34250 | | | | |
| 26 | 12.43333 | | | | |
| 27 | 13.56666 | | | | |
| 28 | 14.73250 | | | | |
| 29 | 15.90750 | | | | |
| 30 | 17.10750 | | | | |
| 31 | 18.34916 | | | | |
| 32 | 19.65333 | | | | |
| 33 | 21.06250 | | | | |

* TO FIND THE AMOUNT OF MONTHLY DEDUCTION DURING EACH POLICY YEAR, SEE THE GUARANTEED VALUES SECTION. A POLICY FEE OF \$4.33 WILL BE ADDED INTO EACH MONTHLY DEDUCTION. A MONTHLY EXPENSE CHARGE PER THOUSAND WILL ALSO BE ADDED TO EACH MONTHLY DEDUCTION. THE GUARANTEED MAXIMUM MONTHLY EXPENSE CHARGE PER THOUSAND IS SHOWN ON POLICY DATA PAGE 2.

TABLE OF SURRENDER PENALTIES PER \$1,000
OF BASE POLICY FACE AMOUNT

| POLICY YEAR | SURRENDER PENALTY FACTOR |
|----------------|-----------------------------|
| 1 | 48.00 |
| 2 | 48.00 |
| 3 | 48.00 |
| 4 | 48.00 |
| 5 | 48.00 |
| 6 | 43.20 |
| 7 | 38.40 |
| 8 | 33.60 |
| 9 | 28.80 |
| 10 | 24.00 |
| 11 | 19.20 |
| 12 | 14.40 |
| 13 | 9.60 |
| 14 | 4.80 |
| 15+ | 0.00 |

TO CALCULATE THE FULL SURRENDER PENALTY FOR THE BASE POLICY, FIND
THE FACTOR FOR THE CURRENT POLICY YEAR. MULTIPLY THIS FACTOR BY
THE NUMBER OF THOUSANDS OF FACE AMOUNT OF THE BASE POLICY.

DEFINITIONS

In this policy:

We, our or us means Transamerica Occidental Life Insurance Company.

You and your means the Owner of this policy.

Accumulation Value is the policy's total value as described in the Accumulation Values provision.

Administrative Office means Transamerica Occidental Life Insurance Company, Box 419521, Kansas City, Missouri 64141-6521.

Age means the Insured's age on the nearest birthday.

The Base Policy is the policy excluding any face increase layers and any riders.

The Beneficiary is the person to whom we will pay the death benefit if the Insured dies.

Cash Value means the accumulation value, less any surrender penalty.

Gross Premium is 100% of any premium you pay.

Home Office means Transamerica Occidental Life Insurance Company, Box 2101, Los Angeles, California, 90051-0101.

Lapse means termination of the policy at the end of the grace period due to insufficient premium or unloaned accumulation value. If there is remaining net cash value at the end of the grace period, it will be applied to the Nonforfeiture Option.

A Layer is the coverage provided by an increase in the base policy.

A Layer Date is the effective date of a layer of coverage.

A Layer Required Premium Per Year is the minimum amount of premium you must pay each year for a layer's Required Premium Period.

The Maturity Date is the policy anniversary nearest the Insured's age 115.

The Maximum Loan Value is the largest amount you may borrow under the loan provisions.

A Monthly Deduction is an amount we withdraw from the accumulation value of the policy (or of each layer, respectively) at the beginning of each policy month.

The Net Accumulation Value is the accumulation value less any existing loans.

The Net Cash Value is the cash value less any existing loans.

A Net Premium is any gross premium less the administrative charge. All net premiums become part of the accumulation value.

The Policy Fee is part of the monthly deduction. The guaranteed policy fee is shown in the Policy Data.

A Policy Loan is indebtedness to us for a loan secured by this policy.

Reinstate means to restore coverage after the policy has lapsed subject to the requirements in the Reinstatement provision.

The Required Premium Per Year for the Base Policy is the minimum amount of premium you must pay each year for the Required Premium Period.

The Required Premium Period is the total number of consecutive years that any required premium must be paid. This period is shown in the Policy Data. For the base policy, this period begins on the Policy Date. For a layer, this period begins on the Layer Date.

A Rider is an attachment to the policy that provides an additional benefit.

Written Request means a signed request in a form satisfactory to us that is received at our Administrative Office.

We will use the Layer Date to determine the layer anniversaries and layer years.

We will send any Notice under the provisions of this policy to your last known address and to any assignee of record.

We will use the Policy Date shown in the Policy Data to determine the monthly policy dates, policy anniversaries and policy years.

OWNERSHIP

Owner of the Policy -- Only you, the Owner, are entitled to the rights granted under this policy while the Insured is living. If you are an individual and you die before the Insured, your rights will pass to the executor or administrator of your estate for disposition unless stated otherwise in this policy. If the Owner is a partnership, the rights belong to the partnership as it exists when a right is exercised.

Assignment of the Policy -- We are not responsible for the adequacy of any assignment. However, if you file the assignment with us and we record it at our Administrative Office, your rights and those of any revocable beneficiary will be subject to it.

THE BENEFICIARY

Who Receives the Death Benefit -- If the Insured dies while this policy is in force, we will pay the death benefit to the Beneficiary. The Beneficiary is as designated in the application, unless changed as shown under "How to Change a Beneficiary" below. If the Beneficiary is a partnership, we will pay the death benefit to the partnership as it existed when the Insured died.

Protection of the Death Benefit -- To the extent permitted by law, no death benefit will be subject to the claims of the Beneficiary's creditors or to any legal process against the Beneficiary.

If the Beneficiary Dies -- If any Beneficiary dies before the Insured, that Beneficiary's interest in the death benefit will end. If any Beneficiary dies at the same time as the Insured, or within 30 days after the Insured, that Beneficiary's interest in the death benefit will end if no benefits have been paid to that Beneficiary. If the interest of all designated Beneficiaries has ended when the Insured dies, we will pay the death benefit to you. If you are not living at that time, we will pay the death benefit to the executor or administrator of your estate.

**PAYMENT OF THE
DEATH BENEFIT**

How to Change a Beneficiary -- You may change the designated Beneficiary while the Insured is living by sending a satisfactory written notice to us. The change will not be effective until we record it at our Administrative Office. Even if the Insured is not living when we record the change, the change will take effect as of the date it was signed. However, any benefits we pay before we record the change will not be subject to the change.

A Beneficiary designated irrevocably may not be changed without the written consent of that Beneficiary.

Proof of Death -- We will pay any benefit payable because of death when we receive due proof of the Insured's death while this policy was in force. The proof must be sent to us at our Administrative Office. We will send appropriate forms to the Beneficiary upon request. Any of our agents will help the Beneficiary fill out the forms without charge.

Death Benefit -- The amount of the death benefit may be affected by other policy provisions such as Policy Loans, Misstatement of Age or Gender and Partial Surrenders.

Death Benefit Option -- The death benefit before policy anniversary nearest age 100 will be based on whether you have chosen Option 1, Option 2 or Option 3 as shown in the Policy Data. If you do not choose an option in the application, Option 1 will automatically take effect. Prior to the policy anniversary nearest age 100, the death benefit is defined as follows:

Option 1: The death benefit will be the greater of:

- (a) the sum of:
 - (i) the total face amount of the base policy; plus,
 - (ii) the total face amount of any layers; or,
- (b) the death benefit factor multiplied by the total accumulation values of the base policy and any layers in effect on the date of the Insured's death.

Option 2: The death benefit will be the greater of:

- (a) the sum of:
 - (i) the total face amount of the base policy; plus,
 - (ii) the total face amount of any layers; plus,
 - (iii) the total accumulation values of the base policy and any layers in effect on the date of the Insured's death; or
- (b) the death benefit factor multiplied by the total accumulation values of the base policy and any layers in effect on the date of the Insured's death.

Option 3: The death benefit will be the greater of:

- (a) the sum of:
 - (i) the total face amount of the base policy; plus,
 - (ii) the total face amount of any layers; plus,
 - (iii) the total amount of all gross premium payments for the base policy and any layers, minus any withdrawals, surrenders, partial withdrawals, partial surrenders, surrender penalty free withdrawals, and premium refunds as of the date of death of the Insured; or,
- (b) the death benefit factor multiplied by the total accumulation values of the base policy and any layers in effect on the date of the Insured's death.

Beginning with the policy anniversary nearest age 100, the death benefit will be: the death benefit factor multiplied by the total accumulation values of the base policy and any layers in effect as of the date of the current policy month.

(See Accumulation Values provision for details.)

We will reduce the death benefit by any existing policy loans and by the portion of any grace period payment necessary to provide insurance to the date of the insured's death.

This policy is intended to qualify under Section 7702 of the Internal Revenue Code as a life insurance contract for federal tax purposes. The death benefit under this policy is intended to qualify for the federal income tax exclusion. The provisions of this policy (including any rider or endorsement) will be interpreted to ensure tax qualification, regardless of any language to the contrary.

At no time will the amount of the death benefit under the policy ever be less than the amount needed to ensure tax qualification. To the extent that the death benefit is increased, appropriate adjustments will be made in any monthly deductions or supplemental benefits as of that time, retroactively or otherwise, that are consistent with such an increase. Such adjustments may be made by right of setoff against any death benefits payable.

DEATH BENEFIT FACTORS

| Insured's Attained Age | Death Benefit Factor | Insured's Attained Age | Death Benefit Factor |
|------------------------------|----------------------------|------------------------------|----------------------------|
| 18-40 | 2.50 | 70 | 1.15 |
| 41 | 2.43 | 71 | 1.13 |
| 42 | 2.36 | 72 | 1.11 |
| 43 | 2.29 | 73 | 1.09 |
| 44 | 2.22 | 74 | 1.07 |
| 45 | 2.15 | 75 | 1.05 |
| 46 | 2.09 | 76 | 1.05 |
| 47 | 2.03 | 77 | 1.05 |
| 48 | 1.97 | 78 | 1.05 |
| 49 | 1.91 | 79 | 1.05 |
| 50 | 1.85 | 80 | 1.05 |
| 51 | 1.78 | 81 | 1.05 |
| 52 | 1.71 | 82 | 1.05 |
| 53 | 1.64 | 83 | 1.05 |
| 54 | 1.57 | 84 | 1.05 |
| 55 | 1.50 | 85 | 1.05 |
| 56 | 1.46 | 86 | 1.05 |
| 57 | 1.42 | 87 | 1.05 |
| 58 | 1.38 | 88 | 1.05 |
| 59 | 1.34 | 89 | 1.05 |
| 60 | 1.30 | 90 | 1.05 |
| 61 | 1.28 | 91 | 1.04 |
| 62 | 1.26 | 92 | 1.03 |
| 63 | 1.24 | 93 | 1.02 |
| 64 | 1.22 | 94-115 | 1.01 |
| 65 | 1.20 | | |
| 66 | 1.19 | | |
| 67 | 1.18 | | |
| 68 | 1.17 | | |
| 69 | 1.16 | | |

PREMIUMS

We will accept any amount you send us as a premium payment while this policy is in force, subject to the Premium Limitation provision and these conditions:

1. The minimum initial premium shown in the Policy Data is payable on or before the Policy Date. Subsequent premiums may be sent to our Administrative Office or you may pay them to an agent we authorize. We will give you a receipt if you ask for one. Premiums received on or before the Policy Date will only begin to earn interest as of the Policy Date.
2. You must pay the Required Premium Per Year for the Base Policy for the Required Premium Period shown in the Policy Data. These premiums may be paid cumulatively in advance. At the end of each year in the Required Premium Period, we will calculate the cumulative total of all gross premiums paid for the base policy, less any partial surrenders and surrender penalty free withdrawals. We will divide this total by the number of years since the Policy Date. This amount must equal or exceed the Required Premium Per Year for the Base Policy for each year in the Required Premium Period, or your policy will enter the grace period. (See Grace Period provision.)

If you request an increase in the face amount of this policy, then you must also pay the Layer Required Premium Per Year for that layer's Required Premium Period; the layer's Required Premium Period begins on the layer effective date. These premiums may be paid cumulatively in advance. At the end of each layer year in the layer's Required Premium Period, we will calculate the cumulative total of all gross premiums paid for that layer, less any partial surrenders and surrender penalty free withdrawals taken from that layer. We will divide this total by the number of years since the layer date. This amount must equal or exceed the Layer Required Premium Per Year for that layer's Required Premium Period. If this amount does not equal or exceed the Layer Required Premium Per Year, we will: (i) determine the cumulative total of all gross premiums paid for the base policy and any other layers, less any partial surrenders and surrender penalty free withdrawals; and, (ii) compare that total to the corresponding required premiums. If there is not enough extra premium to make up the difference, then your policy will enter the grace period. (See Grace Period provision.)

3. You may pay premiums at any time prior to policy anniversary nearest age 100. Each premium must be at least \$25 and may not exceed the limits described in the Premium Limitation provision below.

If you stop paying premiums after the Required Premium Period, your coverage will continue subject to the following:

(a) if there is a loan existing on your policy, then your coverage will continue until the net cash value is insufficient to pay the monthly deduction due. At that time, your policy will enter the grace period (see Grace Period provision); or,

(b) if there is no loan existing on your policy, then your coverage will continue until the accumulation value is insufficient to pay the monthly deduction due. At that time, your policy will enter the grace period (see Grace Period provision).

Beginning with the policy anniversary nearest age 100, billing will cease and no further premium payments will be accepted.

Premium Limitation -- We reserve the right to refund any unscheduled premium during a particular policy year if the total premium paid:

- (a) increases the difference between the death benefit and the accumulation value; and,

(b) is more than \$20 per thousand of face amount and more than three times the total of the monthly deductions for the last year.

We also reserve the right to refund any unscheduled premiums that exceed \$25,000 in any 12-month period.

We will not refund any amount if doing so would cause your policy to enter the grace period before the next anniversary.

As of the end of any policy year, if the premiums paid exceed the amount allowable if this policy is to continue to qualify as a life insurance contract under Section 7702 of the Internal Revenue Code, as such Section in effect at the time this policy is issued, and the regulations thereunder, we will remove the excess amount of premiums paid from the policy, with interest, as of the end of that policy year. We will refund to you this excess amount (including interest) within 60 days after the end of that policy year.

Such an excess amount could occur, for example, as a result of a partial surrender or other change in the benefits or terms of the policy, since the premium amount allowable for the policy may be reduced.

The amount refundable will not exceed the net cash value of the policy. If the entire net cash value is refunded, we will treat the transaction as a full surrender of your policy.

Continuation of Insurance -- If you stop paying premiums, we automatically continue your policy at the same face amount and with any additional benefits provided by rider, subject to the grace period and any minimum premium requirements that may be in effect. Refer to the Premiums provision and the Monthly Deduction provision for further explanation.

Grace Period -- During the Required Premium Period, a grace period is a period of 60 days beginning on: (a) a policy anniversary on which the cumulative Required Premium Per Year for the Base Policy has not been paid (see first paragraph under number 2 of the Premiums provision); or, (b) a monthly policy date when the net accumulation value is less than the monthly deduction due. After the Required Premium Period and prior to the policy anniversary nearest age 100, a grace period is a period of 60 days beginning on a monthly policy date when: (a) there is a loan existing on the policy and the net cash value is less than the monthly deduction due; or, (b) there is no loan existing on the policy and the accumulation value is less than the monthly deduction due.

If you request an increase in the face amount of this policy, then during the layer's Required Premium Period, a grace period is a period of 60 days beginning on: (a) a layer anniversary on which the cumulative Layer Required Premium Per Year has not been paid (see second paragraph under number 2 of the Premiums provision); or, (b) a monthly policy date when the net accumulation value is less than the monthly deduction due. After the layer's Required Premium Period and prior to the policy anniversary nearest age 100, a grace period is a period of 60 days beginning on a monthly policy date when: (a) there is a loan existing on the policy and the net cash value is less than the monthly deduction due for that layer and for all other layers and the base policy; or, (b) there is no loan existing on the policy and the accumulation value is less than the monthly deduction due for that layer and for all other layers and the base policy.

After policy anniversary nearest age 100, a grace period is a period of 60 days beginning on a policy anniversary on which the loan interest due has not been paid in cash and the net accumulation value is less than the loan interest due.

If your policy enters the grace period, we will let you know by sending a notice to your last known address. The notice will tell you the amount you must pay. The amount must be large enough to keep the base policy and any layers in force. You must pay this amount before the grace period ends. If you do not pay enough, your policy will lapse at the end of the 60 days. If there is any net cash value remaining at the end of the grace period, we will apply it to the Nonforfeiture Option. (See Nonforfeiture Option provision.) If there is no net cash value remaining at the end of the grace period, your policy will lapse.

During the grace period, we will not charge interest on the amount due. If the Insured dies during the grace period and before you pay the amount, we will subtract from the death benefit the amount required to provide insurance to the date the Insured died.

Additional Credit -- Beginning on the 6th policy anniversary, and on every policy anniversary thereafter up to policy anniversary nearest the Insured's age 99, we will calculate the total face amount of the base policy in force on that anniversary. We will divide this total face amount by \$1,000 and then multiply the result by the Additional Credit factor shown in the Policy Data for the applicable policy year. Beginning on the policy anniversary, one twelfth of this final result will be credited monthly to your policy's accumulation value during the following policy year, as long as the policy remains in force.

Beginning on the 6th layer anniversary, and on every layer anniversary thereafter up to the layer anniversary nearest the Insured's age 99, we will calculate the total face amount of the layer in force on that anniversary. We will divide this total layer face amount by \$1,000 and then multiply the result by the Additional Credit factor shown in the Policy Data for the applicable layer year. Beginning on the layer anniversary, one twelfth of this final result will be credited monthly to your policy's accumulation value during the following policy year, as long as the policy and layer remain in force.

Reinstatement -- If this policy lapses, it may be reinstated provided it was not surrendered. To reinstate the policy, you must meet the following conditions:

1. You must request reinstatement in writing within three years after the date of lapse and before the Maturity Date.
2. The Insured must still be insurable by our standards.
3. If any loans existed when the policy lapsed, you must repay or reinstate them, with interest. Interest will be compounded annually from the date of lapse. Interest will be at the loan reinstatement interest rate of 4.5% (4.3% in advance) for a Class A loan and 6.5% (6.1% in advance) for a Class B loan.
4. The reinstated policy will be subject to the minimum premium requirement during the Required Premium Period. (See first paragraph under number 2 of the Premiums provision.) Any increase in the face amount of the base policy will also be subject to the minimum premium requirement during the layer's Required Premium Period. (See second paragraph under number 2 of the Premiums provision.) This means that the Required Premium Period will be calculated from the original Policy Date or original layer date; it will not start anew.

If the policy lapsed during any Required Premium Period and is reinstated in a different policy year, you must pay a premium large enough to meet the minimum premium requirement at the time of reinstatement, with interest. Interest will be compounded annually at the reinstatement interest rate of 6%. If the policy lapsed after any Required Premium Period, or if it lapsed during one year of any Required Premium Period and is reinstated in the same policy year, you must pay a premium large enough to cover two monthly deductions due when the policy lapsed and three monthly deductions due when the policy is reinstated.

5. If you reinstate the policy during any Required Premium Period, you must repay any net cash value given to you at the time of lapse, with interest. Interest will be compounded annually at the reinstatement interest rate of 6%.
6. If the policy is reinstated within the first 14 policy or layer years, any applicable surrender penalties in effect for the reinstated policy will be calculated from the original Policy Date or layer date.

The effective date of a reinstatement will be the date of your request. If a person other than the insured is covered by any attached rider, that person's coverage will be reinstated under the reinstatement terms of that rider.

The accumulation value of the reinstated policy will be: the surrender penalty assessed at the time of lapse; plus any net cash value we paid you at the time of lapse; plus any loan repaid or reinstated; plus any net premium you pay at reinstatement; minus any monthly deductions due at the time of lapse.

GUARANTEED VALUES

Accumulation Values -- The accumulation value of the policy (or any layer) on the Policy Date (or layer date) is equal to all net premiums paid for the policy (or layer). The accumulation value of the policy (or any layer) on any monthly policy date after the Policy Date (or the layer date) is equal to:

1. its accumulation value on the last monthly policy date, plus interest on that amount;
- plus
2. any Additional Credit amount deposited to it on the last monthly policy date, plus interest on that amount;
- plus
3. all net premiums paid into it less any refunds since the last monthly policy date, plus interest from the date each premium is received in the Administrative Office to the monthly policy date;
- minus
4. the monthly deduction charged against it on the last monthly policy date, plus interest on that amount;
- minus
5. any partial surrenders and surrender penalty free withdrawals charged against it, including pro rata surrender penalties, since the last monthly policy date, plus interest on that amount from each partial surrender date and/or surrender penalty free withdrawal date to the monthly policy date.

The accumulation value of the policy (or any layer) on any specified date that falls between any two monthly policy dates is equal to:

1. the accumulation value on the last monthly policy date, plus accrued interest from the last monthly policy date to the specified date;

- plus 2. any Additional Credit amount deposited to it on the last monthly policy date, plus accrued interest on that amount;
- plus 3. all net premiums paid into it less any refunds since the last monthly policy date, plus accrued interest from the date each premium is received in the Administrative Office to the specified date;
- minus 4. the monthly deduction charged against it on the last monthly policy date, plus accrued interest on that amount;
- minus 5. any partial surrenders and surrender penalty free withdrawals charged against it, including pro rata surrender penalties, since the last monthly policy date, plus accrued interest on that amount from each partial surrender date and/or surrender penalty free withdrawal date to the specified date.

A Table of Policy Values is included in this policy. It is based on the information you gave us when the policy was issued. The values shown may change as the declared interest rates, your premium payments, and other factors change from the illustrated data. Every year, we will send you a statement of actual policy values.

Guaranteed Interest Rates -- Except for premium received before the Policy Date, the net premium accrues interest from the date we receive it in the Administrative Office. Interest is credited monthly on each monthly policy date.

Premiums received on or before the Policy Date will only begin to earn interest as of the Policy Date. The guaranteed minimum interest rate for all policy years is shown in the Policy Data.

Prior to the policy anniversary nearest age 100, we may declare an interest rate higher than the guaranteed minimum at any time. We will never declare an interest rate that is lower than the guaranteed minimum interest rate. We may change the declared rate at any time without notice.

Beginning at policy anniversary nearest age 100, the policy accumulation value will accrue interest at the guaranteed minimum interest rate.

For Class A loans, the interest rate for any portion of the accumulation value equal to the amount of any existing loan will be no greater than the effective annual loan interest rate less .50%.

For Class B loans, the interest rate for any portion of the accumulation value equal to the amount of any existing loan will be at the effective annual loan interest rate less 2.50%.

Monthly Deduction Rates -- We will determine the monthly deduction rate for each policy month at the beginning of that policy month. The monthly deduction rate for the base policy will depend on: the Insured's gender; the Insured's smoking status; the Insured's class of risk as of the Policy Date; the number of years that the policy has been in force; and the Insured's attained age.

A table of guaranteed maximum monthly deduction rates for the base policy is shown in the Policy Data. We may use rates lower than these guaranteed maximum monthly deduction rates. We will never use higher rates.

If you request an increase in the face amount of this policy, we will determine the monthly deduction rate for that layer at the beginning of each policy month. The monthly deduction rate for each layer will depend on: the Insured's gender; the Insured's smoking status; the Insured's class of risk as of the layer date; the number of years that the layer has been in force; and the Insured's attained age.

A table of guaranteed maximum monthly deduction rates for that layer will be shown in supplemental Policy Data pages that will be issued on the layer date. We may use rates lower than these guaranteed maximum monthly deduction rates. We will never use higher rates.

Any change in the monthly deduction rates will be prospective and will be subject to our expectations as to future cost factors. Such cost factors may include, but are not limited to: mortality; expenses; interest; persistency; and any applicable federal, state and local taxes.

Guaranteed Maximum Monthly Expense Charge Per Thousand -- The guaranteed maximum monthly expense charge per thousand is shown in the Policy Data. We may use an expense charge which is lower than this guaranteed maximum monthly expense charge per thousand. We will never use higher expense charges.

Monthly Deduction -- At the beginning of each policy month, we will take the monthly deduction for that policy month from the accumulation value of the policy (or of each layer, respectively). The monthly deduction is equal to:

- (a) the monthly deduction rate, times .001, times the difference between the death benefit and the accumulation value of the policy (or of each layer, respectively) at the beginning of the policy month;
- plus (b) the monthly deduction for any riders;
- plus (c) the policy fee;
- plus (d) the monthly expense charge per thousand times .001, times the face amount of the policy (or of each layer, respectively).

If a layer does not have enough accumulation value to pay a monthly deduction that is due, the monthly deduction for that layer will be taken from the accumulation value of the base policy.

CASH VALUE

You may borrow the cash value, or take part of it, or all of it as a partial or full surrender of the policy. All of these transactions are described in this section. We guarantee that the cash value always equals or exceeds the amount required by the law in effect at the time of issue in the jurisdiction in which the application for this policy was signed. Policy loans, partial surrenders and surrender penalty free withdrawals will be divided proportionately among the accumulation value of the base policy and its layer(s).

Policy Loans -- If you request a policy loan prior to the tenth policy anniversary, we will handle it as a Class B loan. After the tenth policy anniversary, we will handle one loan request per year as a Class A loan, subject to the limitation shown in number 3 under the Class A Policy Loans provision. After the tenth policy anniversary, we will treat any loan request after the first in any policy year as a Class B loan.

Class A Policy Loan -- After the tenth policy anniversary, we will make Class A loans subject to the following conditions:

1. Such a loan will only be allowed one time during a policy year.

2. The maximum amount allowed as a Class A loan in any one policy year will be the lesser of 10% of the accumulation value as of the request date or the maximum loan amount, as described in number 3 below.
3. The maximum loan amount is the accumulation value as of the date of the loan request, minus:
 - a. any existing policy loan(s); and
 - b. interest on the amount of the loan to the end of the policy year; and
 - c. the full surrender penalty or two monthly deductions, whichever is greater.
4. You must pay interest on the total loan balance each year in advance. The interest is due on the policy anniversary. The annual effective loan interest rate is 4.5% (4.3% in advance). If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.
5. You must assign the policy to us to the extent of the outstanding loan. If the Insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the Beneficiary.
6. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

Class B Policy Loan -- We will make Class B loans subject to the following conditions:

1. The maximum amount allowed as a Class B loan is the accumulation value as of the date of the loan request, minus:
 - a. any existing policy loan(s); and
 - b. interest on the amount of the loan to the end of the policy year; and
 - c. the full surrender penalty or two monthly deductions, whichever is greater.
2. You must pay interest on the total loan balance each year in advance. The interest is due on the policy anniversary. The loan interest rate is 6.5% (6.1% in advance). If you do not pay the interest when it is due, we will add the amount of interest to the loan. We will charge interest on this amount at the same interest rate being charged on the loan.
3. You must assign the policy to us to the extent of the outstanding loan. If the Insured dies, we will deduct the outstanding loan from the death benefit before we pay the death benefit to the Beneficiary.
4. The loan will be secured by that portion of the accumulation value equal to the amount of the loan.

Loan Repayment -- You may repay any part of any outstanding loan at any time while the Insured is living and before the Maturity Date.

If you wish to make a loan repayment, you must tell us that the payment you send us is for that purpose. Unless your payment is clearly marked as a loan repayment, we will assume it is a premium payment unless it is received after the policy anniversary nearest age 100. When we receive a loan repayment, we will apply it to the portion of the accumulation value that secures the loan. If a payment would cause the policy to fail to qualify as a life insurance contract under Section 7702 of the Internal Revenue Code as such Section is in effect at that time, and the regulations thereunder, the portion of the payment that cannot be accepted as premium will be applied against any outstanding policy loans before a refund is made.

Loan repayments will first be applied to any outstanding Class B loans. Then, they will be applied to any outstanding Class A loans. Within the Class A and Class B loan categories, the repayments will be applied first to the loans with the most recent loan dates.

Your policy will not automatically lapse if you do not repay a loan. However, the net cash value must be large enough to cover the monthly deduction due and any loan interest due not paid in cash. (See Grace Period provision for details.)

If the policy loan interest due is not paid in cash by you, a new loan of the same class (A or B) will be created to cover the interest. The new loan will have the same interest rate as the loan to which it is added (Class A or B). Any loan interest will apply first to Class B loans, and then to Class A loans.

Partial Surrender -- At any time following the tenth day after you have received this policy, you may surrender a portion of this policy's net cash value by sending us a written request, subject to the limitations described below.

During the first 14 policy or layer years, a pro rata surrender penalty will be assessed on any surrender amount you request that exceeds the amount eligible for Surrender Penalty Free Withdrawal as described on the next page. Minimum pro rata surrender penalty is \$25. A Table of Surrender Penalties is shown in the Policy Data.

We deduct from the policy's accumulation value: (a) the surrender amount you request; plus (b) the pro rata surrender penalty on the surrender amount that exceeds the amount eligible for surrender without penalty. If you chose Death Benefit Option 1, we will also deduct from the policy's face amount (a) the surrender amount you request that exceeds the amount eligible for surrender without penalty; plus (b) the pro rata surrender penalty on the surrender amount that exceeds the amount eligible for surrender without penalty. If the new face amount would be less than our published minimum for this plan, then the partial surrender will not be allowed.

In any policy year the maximum amount that you may request and receive by partial surrender is:

1. the accumulation value;
- minus 2. any existing policy loans;
- minus 3. the sum of 3 monthly deductions;
- minus 4. the greater of \$25 or the full surrender penalty.

If you ask for an amount larger than the maximum described above, we will treat it as a request for a full surrender of the policy.

During any required premium payment period, the sum of all surrender penalty free withdrawals and partial surrenders may not exceed the sum of all gross premiums paid, less the sum of all required premiums since the Policy Date. (See number 2 of the Premiums provision.)

Surrender Penalty Free Withdrawal -- At any time after the first policy year, you may make a withdrawal without incurring a pro rata surrender penalty. Such a withdrawal is subject to the limits outlined below. The minimum amount of a surrender penalty free withdrawal is \$100.

When you request a partial surrender in the second or later policy year, we will calculate the amount eligible for withdrawal without penalty. This amount will be the lesser of:

- (a) 10% of the policy's accumulation value as of the last monthly policy date, minus the sum of all surrender penalty free withdrawals since the last policy anniversary; or,
- (b) the maximum amount available as a partial surrender described in the previous section.

During any required premium payment period, the sum of all surrender penalty free withdrawals and partial surrenders may not exceed the sum of all gross premiums paid less the sum of all required premiums since the Policy Date. (See number 2 of the Premiums provision.)

Whenever you request a partial surrender after the first policy year, we will process the amount that is eligible as a surrender penalty free withdrawal. The remainder of any amount you request will be processed as a partial surrender.

We will deduct the full partial surrender amount you request from the policy's accumulation value. We will not deduct that portion of your request that we treat as a surrender penalty free withdrawal from the policy's face amount.

OPTION TO CHANGE THE FACE AMOUNT

Decreasing the Face Amount -- You may request a decrease in the face amount of this policy if all the following conditions are met

1. You must make a written request to us.
2. At the request date, this policy must be in force and the Insured must be living.
3. The amount of the reduction in face amount must be at least \$25,000.
4. The new face amount may not be less than our published minimum face amount for this plan.
5. The decrease of the face amount of this policy may cause a change in the monthly deduction rates to be charged.
6. A surrender penalty will result from the decrease in the face amount if the decrease is made during the 14 year surrender penalty period of the base policy or any layer.
7. If you request an increase in the face amount of this policy, and then at a later time you request a decrease in the face amount of this policy, we will apply the decrease in the following order. We will first apply the decrease to the newest layer. We will then successively apply the decrease in reverse order to any previous increases; we will begin with the next most recent layer. If the amount of the decrease is greater than the total of all previous increases, we will then apply the remaining decrease to a portion of the original face amount of this policy.

We will issue new Policy Data pages showing the new face amount. After the decrease, the monthly deduction rates and any future surrender penalties will be based on the new total face amount of this policy.

If the face amount of this policy is decreased during any Required Premium Period, we will recalculate the required premium per year for the remainder of the Required Premium Period based on the new face amount.

Increasing the Face Amount -- You may request an increase in the face amount of this policy. The following conditions will apply:

1. You must make a written request to us.
2. At the request date, this policy must be in force and the Insured must be living.
3. At the request date, the Insured must not be older than age 80.
4. The amount of the increase in face amount must be at least \$25,000.
5. You must submit satisfactory evidence that the Insured is still insurable by our standards.
6. The amount of the increase will be contestable and subject to the suicide limitation for two years after the effective date of the increase.
7. The death benefit option for the layer must be the same as the base policy.
8. If the base policy has a Waiver Provision attached, the layer must also.

The new coverage will be issued as a separate layer on this policy. It will have a Layer Required Premium Per Year, beginning on the layer date. It will also have its own surrender penalty period for 14 years, beginning on the layer date. The monthly deductions and values for that layer will be based on the face amount of the layer; the Insured's gender; the Insured's smoking status; the Insured's class of risk as of the layer date; and the Insured's layer issue age.

We will issue new Policy Data pages showing the new face amount. After the increase, the monthly deduction rates for the increase layer will be based on the new total face amount of this policy. Any future surrender penalties for that layer will be based on the face amount of that layer.

NONFORFEITURE OPTION

You may surrender this policy and all layers for the net cash value.

There is a Table of Surrender Penalties shown in the Policy Data. We will use the factors in the table to determine the surrender penalty we will apply. To calculate the full surrender penalty for the base policy, find the factor for the current policy year. Multiply this factor by the number of thousands of face amount of the base policy. This is the full surrender penalty for the base policy. There is no surrender penalty for the base policy after 14 policy years.

If you request an increase in the face amount of this policy, the new layer will have its own separate 14 year surrender penalty period. To calculate the full surrender penalty for that layer, find the factor for the current layer year. Multiply this factor by the number of thousands of face amount of that layer. This is the full surrender penalty for that layer. There is no surrender penalty for that layer after 14 layer years.

If you request a full surrender within 30 days of a policy anniversary, the surrender value will not be less than the surrender value on that anniversary, less any loans, partial surrenders (including pro rata surrender penalties), and surrender penalty free withdrawals made after the last policy anniversary.

**ALTERNATIVE PAID-UP
LIFE INSURANCE
OPTION**

You may purchase Alternative Paid-Up Life Insurance. You may exercise this option on or after the fifth policy anniversary, but before policy anniversary nearest age 100.

You must surrender the base policy and all layers when you elect to purchase Alternative Paid-Up Life Insurance.

When you send a written request to us, we will exchange this policy for Alternative Paid-Up Life Insurance policy(ies). The face amount will be the amount that the policy's net cash value will purchase at the current net single premium rate in effect when you choose the option.

The current rates will vary by: the Insured's attained age when you exercise the option; the Insured's gender; the Insured's smoker or nonsmoker status; and the Insured's classes of risk on this policy and any layers as recorded at the time you exercise this option.

You may purchase Alternative Paid-Up Life Insurance if you meet these conditions:

1. You must send a written request and the policy to us. We must receive the request within 60 days of the date you signed it and while this option is still in force. You will surrender all rights under this policy in exchange for the Alternative Paid-Up Life Insurance.
2. This policy must have net cash value above any existing loan and surrender penalty when you request the option.
3. You must agree to accept a new policy loan interest rate provision. The new rate may be a variable one.
4. You must agree that all riders attached to this policy will terminate. We will add the cash value, if any, of the riders attached to this policy to the policy's cash value. We will use the total amount to determine the amount of Alternative Paid-Up Life Insurance you may purchase.
5. The Insured's age nearest birthday is no older than 99.

Evidence of Insurability -- When you request this option, we may require evidence of insurability. To determine whether evidence of insurability is required, we must perform a calculation. If you have one or more layers of coverage in addition to the base coverage, you may have more than one amount of Alternative Paid-Up Life Insurance.

- A = the sum of the amounts of Alternative Paid-Up Life Insurance.
B = the sum of the net cash values used to purchase the Alternative Paid-Up Life Insurance.
C = the sum of the death benefits payable under this base policy and any layers on the date you choose this option.
D = the sum of the accumulation values under this base policy and any layers on the date you choose this option.

If $(A - B)$ is greater than $(C - D)$, then the Insured must give us satisfactory evidence of insurability. In all other situations, evidence of insurability is not required.

If the Insured does not send us satisfactory evidence of insurability when it is required, we will reduce the amount of Alternative Paid-Up Life Insurance accordingly. If there is any net cash value left over after you purchase Alternative Paid-Up Life Insurance, we will refund it to you.

Alternative Paid-Up Life Insurance Policy -- We will issue and date the Alternative Paid-Up Life Insurance policy as of the date you exercise this option. If your request occurs within 30 days after a policy anniversary, the surrender value of the Alternative Paid-Up Life Insurance will not be less than the surrender value on that anniversary, less any loans, partial surrenders (including pro rata surrender penalties), and surrender penalty free withdrawals made after the last policy anniversary.

We will include in each Alternative Paid-Up Life Insurance policy a table of cash values for that policy and a description of the basis we use to calculate those values. The cash values will not be less than the minimum values required by the jurisdiction in which the application for the policy is signed. There will be a new policy loan interest rate provision in the Alternative Paid-Up Life Insurance policy.

This option is no longer in force when the first of these events occur: (1) the Insured dies; (2) you surrender the policy for its net cash value; (3) you exercise this option; or (4) this policy is terminated.

**PAYMENT OF CASH
VALUE AND LOANS**

We may delay paying you the partial or full surrender values of this policy for up to 6 months after we receive your written request for the surrender. We may delay making a loan to you for up to 6 months after we receive your written request for the loan. We will not delay any loan made to pay premiums due us on any policy.

**POLICY STATEMENTS
AND ILLUSTRATIONS**

We will send you a statement at least once a year showing the face amount; accumulation value; cash value; loans; partial surrenders; surrender penalty free withdrawals; Additional Credits; premiums paid; and charges as of the statement date. Upon written request at any time, we will send an illustration of your policy's benefits and values. There will be no charge for the first such illustration in each policy year. We reserve the right to charge a reasonable fee for any illustration after the first in any policy year.

**BASIS OF
COMPUTATION**

The guaranteed cash values of the policy are not less than the minimum values required by the jurisdiction in which the application for this policy was signed. The guaranteed cash values are equal to the accumulation value based on the guaranteed monthly deductions and the guaranteed minimum interest rate shown in the Policy Data, less any surrender penalty.

Calculation of minimum cash values and nonforfeiture benefits are based on the Commissioners 1980 Standard Ordinary Smoker or Nonsmoker Ultimate Mortality Tables for males or females, age nearest birthday. Deaths are assumed to occur at the end of the policy year.

As required, we have filed the method we used to compute minimum cash values and nonforfeiture benefits with the supervisory official of the jurisdiction in which the application for this policy was signed.

GENERAL PROVISIONS

Incontestability of the Policy -- Except for fraud or nonpayment of premiums, this policy will be incontestable after it has been in force during the Insured's lifetime for two years from the date of issue. This provision does not apply to any rider providing benefits specifically for disability or death by accident.

If you request an increase in the face amount of this policy, this incontestability provision will start anew with respect to the increase, beginning on the layer date. The new incontestability period will be applicable only to the face amount of that layer.

Amount We Pay is Limited in the Event of Suicide -- If the Insured dies by suicide, while sane or insane, within two years from the date of issue, we will be liable only for the amount of premiums paid, less any partial surrenders, surrender penalty free withdrawals, loans and loan interest due.

If you request an increase in the face amount of this policy, this suicide provision will start anew with respect to the increase, beginning on the layer date. The new suicide period will be applicable only to the face amount of that layer.

Misstatement of Age or Gender in the Application -- If there is a misstatement of the Insured's age or gender in the application, we will adjust the excess of the death benefit over the accumulation value to that which would be purchased by the most recent monthly deduction at the correct age or gender. There will be no adjustment beyond age 100.

This Policy is Our Contract with You -- We have issued this policy in consideration of the application and your initial premium payment. A copy of the application is attached and is a part of this policy. The policy, including the application and any endorsements and riders, forms our contract with you. All statements made by or for the Insured will be considered representations and not warranties. We will not use any statement made by or for the Insured to deny a claim unless the statement is in the application and the application is attached to this policy when we issue or deliver it.

Who Can Make Changes in the Policy -- Only our President or a Vice President together with our Secretary have the authority to make any changes in this policy. Any change must be in writing.

Termination of Insurance -- This policy will terminate at the earliest of:

1. the date we receive your written request to terminate;
2. the Maturity Date; or,
3. the date of lapse.

No Dividends are Payable -- This is nonparticipating insurance. It does not participate in our profits or surplus. We do not distribute past surplus or recover past losses by changing the monthly deduction rates.

**SETTLEMENT
PROVISIONS**

When the Insured dies while this policy is in force, we will pay the death benefit in a lump sum unless you or the Beneficiary choose a settlement option. You may choose a settlement option while the Insured is living. The Beneficiary may choose a settlement option after the Insured has died. The Beneficiary's right to choose will be subject to any settlement agreement in effect at the Insured's death.

You may also choose one of these options as a method of receiving the surrender or maturity proceeds, if any are available under this policy.

When we receive a satisfactory written request, we will pay the benefit according to one of these options:

Option A: Instalments for a Guaranteed Period -- We will pay equal instalments for a guaranteed period of from one to thirty years. Each instalment will consist of part benefit and part interest. We will pay the instalments monthly, quarterly, semi-annually or annually, as requested. See Table A on the last page.

Option B: Instalments for Life with a Guaranteed Period -- We will pay equal monthly instalments as long as the payee is living, but we will not make payments for less than the guaranteed period the payee chooses. The guaranteed period may be either 10 years or 20 years. We will pay the instalments monthly. See Table B on the last page.

Option C: Benefit Deposited with Interest -- We will hold the benefit on deposit. It will earn interest at the annual interest rate we are paying as of the date of death, surrender, or maturity. We will not pay less than 2 1/2% annual interest. We will pay the earned interest monthly, quarterly, semi-annually or annually, as requested. The payee may withdraw part or all of the benefit and earned interest at any time.

Option D: Instalments of a Selected Amount -- We will pay instalments of a selected amount until we have paid the entire benefit and accumulated interest.

Option E: Annuity -- We will use the benefit as a single premium to buy an annuity. The annuity may be payable to one or two payees. It may be payable for life with or without a guaranteed period, as requested. The annuity payment will not be less than what our current annuity contracts are then paying.

The payee may arrange any other method of settlement as long as we agree to it. The payee must be an individual receiving payment in his or her own right. There must be at least \$10,000 available for any option and the amount of each instalment to each payee must be at least \$100. If the benefit amount is not enough to meet these requirements, we will pay the benefit in a lump sum.

We will pay the first instalment under any option on the date of death, maturity or surrender, whichever applies. Any unpaid balance we hold under Option A, B, or D will earn interest at the rate we are paying at the time of settlement. We will not pay less than 3% annual interest. Any benefit we hold will be combined with our general assets.

If the payee does not live to receive all guaranteed payments under Options A, B, D, or E or any amount deposited under Option C, plus any accumulated interest, we will pay the remaining benefit as scheduled to the payee's estate. The payee may name and change a successor payee for any amount we would otherwise pay the payee's estate.

TABLE A
Instalments for Each \$1,000 Payable under Option A

Multiply the Monthly Instalment by 11.83895 for Annual, by 5.96322 for Semi-Annual, or by 2.99263 for Quarterly Instalments

| Guaranteed Period (Yrs.) | Monthly Instalment | Guaranteed Period (Yrs.) | Monthly Instalment | Guaranteed Period (Yrs.) | Monthly Instalment |
|--------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|
| 1 | \$84.47 | 11 | \$8.86 | 21 | \$5.32 |
| 2 | 42.86 | 12 | 8.24 | 22 | 5.15 |
| 3 | 28.99 | 13 | 7.71 | 23 | 4.99 |
| 4 | 22.06 | 14 | 7.26 | 24 | 4.84 |
| 5 | 17.91 | 15 | 6.87 | 25 | 4.71 |
| 6 | 15.14 | 16 | 6.53 | 26 | 4.59 |
| 7 | 13.16 | 17 | 6.23 | 27 | 4.48 |
| 8 | 11.68 | 18 | 5.96 | 28 | 4.37 |
| 9 | 10.53 | 19 | 5.73 | 29 | 4.27 |
| 10 | 9.61 | 20 | 5.51 | 30 | 4.18 |

TABLE B
Monthly Instalment for Each \$1,000 Payable under Option B

Male Payee

| Guaranteed Period | | | Guaranteed Period | | | Guaranteed Period | | | Guaranteed Period | | | Guaranteed Period | | |
|-------------------|---------|---------|-------------------|---------|---------|-------------------|---------|---------|-------------------|---------|---------|-------------------|---------|---------|
| Age | 10 Yrs. | 20 Yrs. | Age | 10 Yrs. | 20 Yrs. | Age | 10 Yrs. | 20 Yrs. | Age | 10 Yrs. | 20 Yrs. | Age | 10 Yrs. | 20 Yrs. |
| 11 | \$2.90 | \$2.89 | 26 | \$3.20 | \$3.19 | 41 | \$3.77 | \$3.71 | 56 | \$4.92 | \$4.59 | 71 | \$7.27 | \$5.42 |
| 12 | 2.91 | 2.91 | 27 | 3.22 | 3.21 | 42 | 3.82 | 3.76 | 57 | 5.03 | 4.66 | 72 | 7.48 | 5.45 |
| 13 | 2.93 | 2.92 | 28 | 3.25 | 3.24 | 43 | 3.88 | 3.81 | 58 | 5.15 | 4.73 | 73 | 7.68 | 5.46 |
| 14 | 2.94 | 2.94 | 29 | 3.28 | 3.27 | 44 | 3.94 | 3.86 | 59 | 5.27 | 4.80 | 74 | 7.88 | 5.48 |
| 15 | 2.96 | 2.96 | 30 | 3.31 | 3.30 | 45 | 4.00 | 3.91 | 60 | 5.40 | 4.87 | 75 | 8.08 | 5.49 |
| 16 | 2.98 | 2.97 | 31 | 3.34 | 3.33 | 46 | 4.07 | 3.97 | 61 | 5.53 | 4.94 | 76 | 8.27 | 5.50 |
| 17 | 3.00 | 2.99 | 32 | 3.38 | 3.36 | 47 | 4.14 | 4.02 | 62 | 5.68 | 5.00 | 77 | 8.46 | 5.50 |
| 18 | 3.01 | 3.01 | 33 | 3.41 | 3.39 | 48 | 4.21 | 4.08 | 63 | 5.83 | 5.07 | 78 | 8.63 | 5.51 |
| 19 | 3.03 | 3.03 | 34 | 3.45 | 3.43 | 49 | 4.28 | 4.14 | 64 | 5.98 | 5.13 | 79 | 8.79 | 5.51 |
| 20 | 3.05 | 3.05 | 35 | 3.49 | 3.46 | 50 | 4.36 | 4.20 | 65 | 6.15 | 5.18 | 80 | 8.94 | 5.51 |
| 21 | 3.08 | 3.07 | 36 | 3.53 | 3.50 | 51 | 4.44 | 4.26 | 66 | 6.32 | 5.24 | 81 | 9.07 | 5.51 |
| 22 | 3.10 | 3.09 | 37 | 3.57 | 3.54 | 52 | 4.53 | 4.32 | 67 | 6.50 | 5.28 | 82 | 9.18 | 5.51 |
| 23 | 3.12 | 3.11 | 38 | 3.62 | 3.58 | 53 | 4.62 | 4.39 | 68 | 6.68 | 5.33 | 83 | 9.28 | 5.51 |
| 24 | 3.14 | 3.14 | 39 | 3.67 | 3.62 | 54 | 4.71 | 4.46 | 69 | 6.88 | 5.36 | 84 | 9.36 | 5.51 |
| 25 | 3.17 | 3.16 | 40 | 3.72 | 3.67 | 55 | 4.81 | 4.52 | 70 | 7.07 | 5.40 | 85 | 9.42 | 5.51 |

Female Payee

| Guaranteed Period | | | Guaranteed Period | | | Guaranteed Period | | | Guaranteed Period | | | Guaranteed Period | | |
|-------------------|---------|---------|-------------------|---------|---------|-------------------|---------|---------|-------------------|---------|---------|-------------------|---------|---------|
| Age | 10 Yrs. | 20 Yrs. | Age | 10 Yrs. | 20 Yrs. | Age | 10 Yrs. | 20 Yrs. | Age | 10 Yrs. | 20 Yrs. | Age | 10 Yrs. | 20 Yrs. |
| 11 | \$2.83 | \$2.83 | 26 | \$3.08 | \$3.07 | 41 | \$3.54 | \$3.52 | 56 | \$4.51 | \$4.35 | 71 | \$6.73 | \$5.36 |
| 12 | 2.84 | 2.84 | 27 | 3.10 | 3.10 | 42 | 3.59 | 3.56 | 57 | 4.61 | 4.42 | 72 | 6.94 | 5.40 |
| 13 | 2.86 | 2.85 | 28 | 3.12 | 3.12 | 43 | 3.63 | 3.60 | 58 | 4.71 | 4.50 | 73 | 7.16 | 5.43 |
| 14 | 2.87 | 2.87 | 29 | 3.15 | 3.14 | 44 | 3.68 | 3.65 | 59 | 4.82 | 4.57 | 74 | 7.38 | 5.48 |
| 15 | 2.88 | 2.88 | 30 | 3.17 | 3.17 | 45 | 3.73 | 3.69 | 60 | 4.94 | 4.65 | 75 | 7.60 | 5.47 |
| 16 | 2.90 | 2.90 | 31 | 3.20 | 3.19 | 46 | 3.78 | 3.74 | 61 | 5.06 | 4.72 | 76 | 7.82 | 5.48 |
| 17 | 2.91 | 2.91 | 32 | 3.23 | 3.22 | 47 | 3.84 | 3.79 | 62 | 5.19 | 4.80 | 77 | 8.04 | 5.49 |
| 18 | 2.93 | 2.93 | 33 | 3.26 | 3.25 | 48 | 3.90 | 3.85 | 63 | 5.33 | 4.88 | 78 | 8.25 | 5.50 |
| 19 | 2.95 | 2.94 | 34 | 3.29 | 3.28 | 49 | 3.96 | 3.90 | 64 | 5.47 | 4.95 | 79 | 8.45 | 5.51 |
| 20 | 2.96 | 2.96 | 35 | 3.32 | 3.31 | 50 | 4.03 | 3.96 | 65 | 5.63 | 5.02 | 80 | 8.64 | 5.51 |
| 21 | 2.98 | 2.98 | 36 | 3.35 | 3.34 | 51 | 4.10 | 4.02 | 66 | 5.79 | 5.09 | 81 | 8.82 | 5.51 |
| 22 | 3.00 | 2.99 | 37 | 3.39 | 3.37 | 52 | 4.17 | 4.08 | 67 | 5.96 | 5.15 | 82 | 8.97 | 5.51 |
| 23 | 3.02 | 3.01 | 38 | 3.42 | 3.41 | 52 | 4.25 | 4.14 | 68 | 6.14 | 5.21 | 83 | 9.11 | 5.51 |
| 24 | 3.04 | 3.03 | 39 | 3.46 | 3.44 | 54 | 4.33 | 4.21 | 69 | 6.33 | 5.27 | 84 | 9.23 | 5.51 |
| 25 | 3.06 | 3.05 | 40 | 3.50 | 3.48 | 55 | 4.42 | 4.28 | 70 | 6.53 | 5.32 | 85 | 9.32 | 5.51 |

Ages younger than 11 are the same as shown for age 11, and ages older than 85 are the same as shown for age 85.

SECTION OF EXHIBIT
REMOVED

PRIVATE PERSONAL
INFORMATION

TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY
TRANSAMERICA CENTER, 1150 SOUTH OLIVE, LOS ANGELES, CALIFORNIA

ADMINISTRATIVE OFFICE MAILING ADDRESS:
BOX 419521, KANSAS CITY, MISSOURI 64141-6521

STATEMENT OF POLICY COST AND BENEFIT INFORMATION

THIS FORM IS NOT A CONTRACT. IT IS INTENDED ONLY AS A SUMMARY OF THE
POLICY PROVISIONS SHOWN. IN ALL CASES, CONSULT YOUR POLICY FOR FULL
DETAILS.

PRESENTED FOR WESTERN RESOURCES INC

PREPARED ON JUN 01, 1998 **REDACTED**

POLICY NUMBER

AGENT'S NAME . MCG Dallas/EPMC.....
AGENT'S ADDRESS . 3838 Oak Lawn, Suite 1600..
 . Dallas, Texas, 75219,

FOR FURTHER INFORMATION, CONTACT YOUR AGENT, OR WRITE
TO THE COMPANY AT THE MAILING ADDRESS LISTED ON TOP OF THIS PAGE.

STATEMENT OF POLICY COST AND BENEFIT INFORMATION

PROPOSED INSURED JOHN E HAYES JR

MALE AGE 60

POLICY NUMBER **REDACTED**

POLICY FORM 1-15619197

ADJUSTABLE LIFE INSURANCE.
 FLEXIBLE PREMIUMS PAYABLE DURING LIFE OF INSURED TO AGE 100.
 BENEFIT PAYABLE AT DEATH OF INSURED.
 NONPARTICIPATING.

CLASS A ANNUAL LOAN INTEREST RATE PAYABLE IN ADVANCE: 4.30%
 CLASS B ANNUAL LOAN INTEREST RATE PAYABLE IN ADVANCE: 6.10%

ILLUSTRATIVE PREMIUMS (1)
 GUARANTEED BASIS (2)

| END OF POLICY YEAR | PLANNED ANNUALIZED PREMIUM | DEATH BENEFIT | ACCUMULATION VALUE (3) | CASH VALUE (4) |
|--------------------------|----------------------------------|------------------|---------------------------|-------------------|
| 1 | \$6,167,786 | \$31,812,484 | \$5,411,814 | \$4,180,868 |
| 2 | \$0 | \$31,812,484 | \$5,292,026 | \$4,061,081 |
| 3 | \$0 | \$31,812,484 | \$5,166,732 | \$3,935,786 |
| 4 | \$0 | \$31,812,484 | \$5,035,677 | \$3,804,731 |
| 5 | \$0 | \$31,812,484 | \$4,898,596 | \$3,790,745 |
| AGE 65 | \$0 | \$31,812,484 | \$4,898,596 | \$3,790,745 |

COST INDEXES AT 5.00% ON GUARANTEED BASIS

| | SURRENDER COST INDEX | NET PAYMENT COST INDEX |
|----------|-------------------------|---------------------------|
| 10 YEARS | 22.43 | 23.91 |
| 20 YEARS | ***** | ***** |

CURRENT BASIS (5)

| END OF POLICY YEAR | PLANNED ANNUALIZED PREMIUM | DEATH BENEFIT | ACCUMULATION VALUE | CASH VALUE (4) |
|--------------------------|----------------------------------|------------------|-----------------------|-------------------|
| 1 | \$6,167,786 | \$31,812,484 | \$5,543,268 | \$4,312,322 |
| 2 | | \$31,812,484 | \$5,561,395 | \$4,330,450 |
| 3 | | \$31,812,484 | \$5,580,803 | \$4,349,857 |
| 4 | | \$31,812,484 | \$5,601,581 | \$4,370,635 |
| 5 | | \$31,812,484 | \$5,623,826 | \$4,515,975 |
| AGE 65 | | \$31,812,484 | \$5,623,826 | \$4,515,975 |

COST INDEXES AT 5.00% ON CURRENT BASIS

| | SURRENDER COST INDEX | NET PAYMENT COST INDEX |
|----------|-------------------------|---------------------------|
| 10 YEARS | 8.25 | 23.91 |
| 20 YEARS | 8.83 | 14.82 |

- (1) THE ACCUMULATION AND CASH VALUES RESULT FROM THE INTEREST RATES, MONTHLY DEDUCTIONS, ADDITIONAL CREDITS AND THE PAYMENT OF THE PLANNED ANNUALIZED PREMIUMS ON EACH DUE DATE. PARTIAL SURRENDERS, SURRENDER PENALTY FREE WITHDRAWALS OR LOANS MAY CHANGE THESE RESULTS.
- (2) RESULTS CALCULATED ON A GUARANTEED BASIS REFLECT GUARANTEED MAXIMUM MONTHLY DEDUCTIONS AND THE GUARANTEED MINIMUM INTEREST RATE OF 4.00%.
- (3) ACCUMULATION VALUES ILLUSTRATED ON A GUARANTEED BASIS REFLECT ACCUMULATED NET PREMIUMS AND ADDITIONAL CREDIT AMOUNTS PLUS INTEREST AT THE GUARANTEED MINIMUM INTEREST RATE OF 4.00% LESS GUARANTEED MAXIMUM MONTHLY DEDUCTIONS WHICH INCLUDE THE POLICY FEE, THE GUARANTEED MAXIMUM MONTHLY EXPENSE CHARGE PER THOUSAND AND THE COST OF ANY RIDERS. WHILE A POLICY LOAN(S) EXISTS, THE INTEREST RATE APPLICABLE TO THE CASH VALUE SECURING THE LOAN(S) MAY DIFFER FROM THE INTEREST RATE APPLICABLE TO THE CASH VALUE NOT SECURING THE LOAN(S).
- (4) THE DIFFERENCE BETWEEN THE ACCUMULATION VALUE AND THE CASH VALUE IS THE SURRENDER PENALTY.
- (5) RESULTS CALCULATED ON A CURRENT BASIS REFLECT CURRENT SCHEDULE OF MONTHLY DEDUCTION RATES, THE CURRENT MONTHLY EXPENSE CHARGE PER THOUSAND, POLICY FEES, AND THE CURRENT INTEREST RATE OF 6.45%. IF THE ACTUAL CREDITED INTEREST RATE IS LESS AND/OR IF ACTUAL MONTHLY DEDUCTIONS CHARGED ARE GREATER THAN THOSE IN THE CURRENT SCHEDULE, THEN ADDITIONAL PREMIUMS WILL BE REQUIRED TO PRODUCE THE SAME VALUES ILLUSTRATED.

THE ACTUAL COST MAY INCREASE OR DECREASE DEPENDING UPON FUTURE MONTHLY DEDUCTIONS, CREDITED INTEREST RATES, TIMING AND AMOUNT OF PREMIUM PAYMENTS AND THE TIME WHEN SURRENDER OCCURS.

CURRENT MONTHLY DEDUCTION RATES ARE NOT GUARANTEED AFTER POLICY YEAR FIVE, NOR ARE THEY ESTIMATES FOR THE FUTURE.

CURRENT MONTHLY POLICY FEES ARE GUARANTEED FOR THE LIFE OF THE POLICY.

CURRENT MONTHLY EXPENSE CHARGES PER THOUSAND ARE NOT GUARANTEED AFTER POLICY YEAR FIVE, NOR ARE THEY ESTIMATES FOR THE FUTURE.

SURRENDER PENALTIES FOR THE BASE POLICY DURING THE FIRST 14 POLICY YEARS ARE SHOWN ON THE DATA PAGES. THERE IS AN ADMINISTRATIVE CHARGE OF 10.40% OF EACH GROSS PREMIUM. AFTER POLICY YEAR ONE, THE COMPANY RESERVES THE RIGHT TO CHANGE THE ADMINISTRATIVE CHARGE, BUT IT WILL NEVER BE GREATER THAN 10.40%. A POLICY FEE OF \$4.33 WILL BE ADDED INTO EACH MONTHLY DEDUCTION. A MONTHLY EXPENSE CHARGE PER THOUSAND WILL ALSO BE ADDED TO EACH MONTHLY DEDUCTION.

EXPLANATIONS OF THE INTENDED USES OF THE COST INDEXES ARE INCLUDED IN THE LIFE INSURANCE BUYER'S GUIDE. THE INDEXES ARE USEFUL ONLY FOR COMPARISON OF THE RELATIVE COST OF TWO OR MORE SIMILAR PLANS OF INSURANCE WITH SIMILAR COST GUARANTEES AND WITH ILLUSTRATIONS BASED ON SIMILAR ASSUMPTIONS.

PREMIUMS ARE SUBJECT TO REFUND UNDER CONDITIONS DESCRIBED IN THE POLICY.