



Final Expense Sample Policy

The following is a sample policy, not a promise to issue coverage.

Important Notes:

You cannot buy this policy directly from Royal Neighbors of America.

This policy is sold only via licensed Royal Neighbors of America agencies such as Choice Mutual.

To apply, call us at  1-800-644-2926



INSURING LIVES • SUPPORTING WOMEN • SERVING COMMUNITIES™

**Home Office
230 Sixteenth St.
Rock Island, IL 61201
(800) 627-4762
(309) 788-4561**

PAYMENT OF BENEFITS

AGREES, subject to the provisions of this certificate to pay the Face Amount shown on Page 3 to the beneficiary. Such payment will be made not later than thirty (30) days after receipt at our Home Office of (1) Due proof of death of the Insured, such as a certified copy of a certificate of death or a certified finding by a court of competent jurisdiction; (2) Proof that the Insured died prior to the expiration date and while this certificate was in force, and (3) Proof of the claimant's right to the proceeds.

All sums payable by RNA under the terms of this certificate shall be payable at its Home Office in Rock Island, Illinois. Before payment is made as a result of termination of this certificate, the certificate must be returned to RNA. Full payment of the certificate proceeds to the party designated as being entitled to receive such proceeds shall fully discharge Royal Neighbors of America (RNA) from all claims under the certificate.

If the certificate's proceeds are not paid in one lump sum to the beneficiary within thirty (30) days after RNA has received due proof of the right to the proceeds, RNA shall pay interest on the unpaid proceeds. Interest will accrue from the date of death of the Insured to the date of settlement, at a rate not less than the current rate of interest paid on death proceeds left on deposit with RNA under the proceeds at interest settlement option. Any debt on the certificate will be deducted at the time of final payment.

This certificate is issued in consideration of the application and the payment of the premiums. Certificate years, months, and anniversaries will be determined from the Issue Date. The Rating Age of the Insured is the age last birthday on the Issue Date. The Attained Age of the Insured is the Rating Age plus the number of complete certificate years which have elapsed from the Issue Date.

The Certificate Data on Page 3 and the provisions on this and the following pages are part of this certificate. Any additional benefit(s), if any, are provided by rider or endorsement and are subject to the provisions of the rider or endorsement.

READ THIS CERTIFICATE CAREFULLY

This certificate (policy) is a legal contract between the Owner and RNA. On written request, Royal Neighbors of America will provide, within a reasonable time, reasonable factual information regarding the benefits and provisions of this life insurance certificate to the certificateowner. You may telephone RNA at (800) 627-4762, or you may write to the Home Office at: Royal Neighbors of America, 230 16th Street, Rock Island, IL 61201.

RIGHT TO EXAMINE CERTIFICATE

You may void this certificate by delivering or mailing a written notice or sending a telegram to Royal Neighbors of America, 230 16th Street, Rock Island, IL 61201, and by returning this certificate to Royal Neighbors of America or to the representative (agent) through whom it was purchased, or to any representative of RNA before midnight of the thirtieth (30th) day after the date you received the certificate. Notice provided by mail and return of the certificate by mail are effective on being postmarked, properly addressed, and postage prepaid. RNA will return the payments made for this certificate, less the amount of any benefit paid by RNA, within ten (10) days after it receives notice and the return of the certificate. Such return shall void the certificate from the beginning. If RNA does not return any such premium or moneys within thirty (30) days from the date of the notice, RNA shall pay interest on the proceeds at the rate of interest required by law.

Executed at the Home Office in Rock Island, Illinois, on the Issue Date.

Bruce R. Peterson

Secretary and General Counsel

Cynthia A. Tidwell

President and CEO

WHOLE LIFE INSURANCE CERTIFICATE – Life insurance payable at death – Plan and premium payable as shown on Page 3 – Participating – Additional benefits, if any, as specified on Page 3.



INDEX OF CERTIFICATE PROVISIONS

<u>Name of Provision</u>	<u>Page No.</u>	<u>Name of Provision</u>	<u>Page No.</u>
Annual Report.....	6	Maintenance of Reserve	6
Applicable State Law.....	2	Minimum Values.....	6
Assignment.....	2	Modifications.....	6
Automatic Premium Loan Option.....	5	Nonforfeiture and Surrender	7
Beneficiary.....	5	Owner of Certificate	2
Camp/Chapter Membership.....	6	Paid-Up Option.....	6
Certificate Data.....	3	Payment of Benefits	1
Claim Forms.....	2	Premiums.....	2
Dividends.....	5	Reinstatement	7
Entire Contract.....	2	Representations.....	5
Grace Period	2	Reserves.....	2
Incontestability	5	Right to Examine Certificate	1
Insuring Clause.....	1	Settlement Options.....	8
Internal Revenue Code.....	6	Suicide.....	6
Issue Age and Sex.....	6	Suspension or Expulsion	6
Loans.....	5	Table of Nonforfeiture and Loan Values	4

PREMIUMS – All premiums are payable in advance at the Home Office. Premiums are shown on Page 3. The first premium is due on the Issue Date. Premiums may be paid on a quarterly, semiannual, annual mode, or monthly by Pre-Authorized Collection (PAC). A change from one premium-paying mode to another may be made when a premium is due by payment of the required premium on the new mode.

GRACE PERIOD – Any Premium not paid when due is in default. A Grace Period of thirty-one (31) days is allowed for all premium payments except the first. Upon death of the Insured in the Grace Period, the unpaid Premium will be deducted from the death benefit. If a Premium is not paid before the end of the Grace Period the liability of RNA shall cease, except for nonforfeiture benefits.

OWNER OF CERTIFICATE – The Owner shall be as shown in the application unless subsequently assigned. The Owner may exercise all options and rights under this certificate. Please review the provisions contained within this contract for an explanation of the options and rights provided under this certificate.

ASSIGNMENT – No assignment of this certificate is binding upon RNA unless it is on file with RNA at the Home Office. An assignment that is on file is valid for the purpose of vesting in the assignee, all the incidents of ownership assigned, and entitles RNA to deal with the assignee as the Owner in accordance with this certificate, but without prejudice to RNA on account of any payment(s) made prior to receipt by RNA of such notice of assignment. RNA has no obligation as to the validity of an assignment.

CLAIM FORMS – Upon receipt of a notice of claim, RNA will send the claimant such forms as are usually furnished for filing proof of loss within fifteen (15) business days after receiving such notice.

RESERVES – Reserves are based on the Commissioners' 2001 Standard Ordinary (CSO) mortality table, ultimate, male/female, smoker/non-smoker, age last birthday, semi-continuous, 4% interest. Reserves are calculated according to the Commissioners' Reserve Valuation Method. The reserve method and amount held by RNA will be at least equal to the minimum required by the state in which this certificate is delivered.

APPLICABLE STATE LAW – The rights or obligations of the Owner or any person claiming under this certificate shall be governed by the laws of the state in which this certificate is delivered.

ENTIRE CONTRACT – This contract is between RNA and the Owner. It includes the Articles of Incorporation and the Bylaws of RNA; this certificate; and the application, a copy of which is attached; and all present or future amendments to each. However, no future amendment to the Articles of Incorporation or the Bylaws of RNA shall reduce benefits contracted for as of the Issue Date of this certificate.



CERTIFICATE DATA

Name of Insured.....John Doe
 Rating Age and Sex.....50 Male
 Certificate Number.....000010086034
 Camp/Chapter Number.....00001
 Issue Date.....September 12, 2006
 Plan of Insurance.....Whole Life
 Premium Class.....Non-Tobacco User
 Premium Mode.....Annual

Name of Owner.....As stated in the Application unless changed by Assignment

Face Amount.....\$25,000.00

Total Premium Amounts Payable For All Benefits:

BEGINNING	FOR NUMBER OF YEARS	ANNUAL	SEMIANNUAL	QUARTERLY	MONTHLY PAC
9/12/2006	71	\$730.00	\$379.60	\$193.45	\$63.61

Description Of Additional Benefits, If Any:

FORM NO.	DESCRIPTION OF ADDITIONAL BENEFIT	PREMIUMS PAYABLE UNTIL	PREMIUM AMOUNTS (Included above)			
			ANNUAL	SEMIANNUAL	QUARTERLY	MONTHLY PAC
None						



TABLE OF NONFORFEITURE AND LOAN VALUES

All values shown below are for the end of the certificate year shown and are based on the assumption that; (1) all due premiums have been paid to the end of the certificate year; (2) there is no paid-up additional life insurance; (3) there are no dividend accumulations, and; (4) there are no outstanding loans or other indebtedness to RNA. Values for certificate years beyond those shown below will be furnished on request.

END OF CERTIFICATE YEAR	AGE END OF YEAR	CASH OR LOAN VALUE	PARTICIPATING PAID-UP LIFE INSURANCE	NON-PARTICIPATING EXTENDED TERM INSURANCE YEARS and DAYS
1	51	\$0.00	\$0.00	0 0
2	52	\$0.00	\$0.00	0 0
3	53	\$403.25	\$1,328.40	3 145
4	54	\$828.00	\$2,623.71	5 340
5	55	\$1,262.25	\$3,849.71	7 307
6	56	\$1,705.75	\$5,010.46	9 91
7	57	\$2,159.00	\$6,111.49	10 133
8	58	\$2,623.50	\$7,159.79	11 105
9	59	\$3,100.50	\$8,160.70	12 18
10	60	\$3,589.25	\$9,115.13	12 231
11	61	\$4,087.50	\$10,021.35	13 29
12	62	\$4,593.00	\$10,879.02	13 151
13	63	\$5,103.25	\$11,687.57	13 239
14	64	\$5,618.00	\$12,450.95	13 296
15	65	\$6,137.50	\$13,172.86	13 325
16	66	\$6,662.50	\$13,857.41	13 328
17	67	\$7,195.00	\$14,509.98	13 309
18	68	\$7,735.75	\$15,133.25	13 273
19	69	\$8,285.50	\$15,729.65	13 222
20	70	\$8,843.75	\$16,300.46	13 159
Age 55		\$1,262.25	\$3,849.71	7 307
Age 60		\$3,589.25	\$9,115.13	12 231
Age 62		\$4,593.00	\$10,879.02	13 151
Age 65		\$6,137.50	\$13,172.86	13 325

NONFORFEITURE FACTOR: 19.6528 - Based on 5% guaranteed interest



LOANS – The Owner may obtain a loan on this certificate while it is in force other than as Extended Term Insurance. Such loan plus any existing debt hereon may not exceed the loan value. The loan value is the current cash value plus the current cash value of any paid-up additions. The sole security for a loan shall be this certificate. A loan shall be requested by completing a proper loan agreement and sending it and this certificate to the Home Office.

The loan will bear interest at the rate of 8% per annum. Interest is payable at the end of each certificate year. Interest not paid shall be added to the loan. The existing debt at any time shall include accrued interest.

If the existing debt equals or exceeds the loan value, this certificate shall terminate and be void thirty-one (31) days after notice has been mailed to the Owner and the Assignee of record, if any, at the address last known to RNA.

The debt or any part of it may be repaid at any time while this certificate is in force prior to its maturity. However, if this certificate is under a nonforfeiture option, any debt which was deducted to determine such insurance may not be repaid unless the certificate is reinstated.

RNA may defer the granting of a loan for a period up to six (6) months after the request is received, except for the purpose of paying premiums.

AUTOMATIC PREMIUM LOAN OPTION – If the Owner has elected this option, RNA will automatically process a certificate loan to pay the modal premium in default. If the certificate's loan value is insufficient to pay the selected modal premium, a loan equal to any available shorter Premium Mode that will keep the certificate in force will be made. If the loan value should become insufficient to pay a monthly premium, the terms of the Nonforfeiture and Surrender provisions will take effect.

DIVIDENDS – Starting at the end of the second certificate year, this certificate shall earn annual dividends as declared by RNA, except while in force as Extended Term Insurance. There are four options available to the Owner to apply the dividends:

Option 1 – Applied to the payment of premiums.

Option 2 – Paid in cash.

Option 3 – Applied to purchase paid-up additions.

Option 4 – Left on deposit to accumulate with interest as authorized by RNA, at not less than 2% per annum on amounts on deposit for full certificate years.

Dividend Option 3 shall be used unless the Owner directs otherwise. Option 3 is required if this certificate is continued in force as Reduced Paid-up life insurance.

Dividend accumulations may be withdrawn. If this certificate lapses before a Cash Value is available, any dividend accumulations shall be paid in cash. Any dividend accumulations existing at the maturity of this certificate shall be paid with the other proceeds of this certificate.

Paid-up additions not required as security for a loan may be surrendered for the reserve on the preceding certificate anniversary.

RNA does not expect that any dividends will be declared on this certificate.

BENEFICIARY – The beneficiary is as stated in the application, unless changed. The Owner may change the beneficiary without the consent of any such beneficiary. Proper written request will be required. No such change will take effect unless recorded by RNA. When recorded, the change will take effect on the date the request was signed, but without prejudice to RNA on account of any payment made by RNA before receipt of the request. If the beneficiary dies before the Insured and no other beneficiary has been named, payment of the proceeds shall be made as provided by the RNA Bylaws in effect at the time of the Insured's death.

REPRESENTATIONS – In the absence of fraud, all statements made by the applicant in the application shall be deemed representations and not warranties. No statement shall be used to void this certificate or used in defense of a claim unless it is contained in the application and a copy of the application is endorsed upon or attached to the certificate when issued.

INCONTESTABILITY – This certificate shall be incontestable after it has been in force during the lifetime of the Insured for two (2) years from the Issue Date, except for the non-payment of Premiums. If the two-year period is not allowed by the law in the state where this certificate is delivered, the period shall be the longest time allowed by such law.



SUICIDE – If the Insured commits suicide, while sane or insane, within two (2) years from the Issue Date, the only amount payable shall be the amount of premiums paid.

ISSUE AGE AND SEX – If the age or sex of the Insured has been misstated, the amount payable shall be such as the premiums paid would have purchased at the correct age and sex. However, if the correct age was not an insurable age under RNA's laws, the amount payable shall be the amount of premiums paid. If RNA makes or has made any overpayment or underpayment on account of a misstatement of age or sex, the amount thereof, with interest at the rate of 6% per annum shall, in the case of underpayment, be paid by RNA or, in the case of overpayment, may be charged against the current or next succeeding payment or payments made by RNA under the provisions of this certificate.

CAMP/CHAPTER MEMBERSHIP – The Insured shall be a member of a camp/chapter of RNA on the Issue Date.

MAINTENANCE OF RESERVE – If RNA's reserves become impaired, the Owner shall pay RNA this certificate's equitable proportion of the deficiency. However, there shall be no personal liability for such payment except against this certificate's reserves. The amount of such payment and deficiency shall be determined by RNA's Board of Directors. If such payment is made in cash, it shall stand as a debt against the certificate. Such debt shall bear interest at 5% per annum. In lieu of the foregoing, or in combination with it, the Owner may consent to a corresponding decrease of the insurance benefits. Such decrease shall be in the same proportion as the amount of such payment bears to the reserve immediately before such decrease.

SUSPENSION OR EXPULSION – If the member of RNA under this certificate should be expelled or suspended from membership with RNA for any reason, except for nonpayment of premium or within the contestable period for misrepresentation in the application for insurance or application for membership, the Owner shall have the privilege of maintaining this certificate in force by continuing payment of the required premium as shown on Page 3 of this certificate.

INTERNAL REVENUE CODE – In the event of any conflict between Section 7702 of the Internal Revenue Code and the provisions of this certificate, the Internal Revenue Code section will govern so as to maintain treatment of this certificate as a life insurance contract under the Internal Revenue Code.

MODIFICATIONS – No representative (agent) of RNA can make changes to this certificate. Only authorized officers of RNA have the authority to waive terms of or make any changes to this certificate. All changes must be in writing.

ANNUAL REPORT – For each year during which this certificate is in force, RNA will provide the Owner of this certificate an Annual Report without charge. The Annual Report will show the current values of the certificate. RNA will provide additional reports at any time, upon request of the Owner. RNA may charge a fee not to exceed \$25.00 for each additional report subsequently requested during a certificate year.

MINIMUM VALUES – The Cash Surrender values and death benefits available under this certificate are not less than the minimum benefits required by any statute of the state in which this certificate is delivered. A detailed statement of the method of computing Cash Surrender values has been filed with the Insurance Department of the state in which this certificate is delivered.

PAID-UP OPTION – This certificate may be endorsed as fully paid-up when its net Cash Value equals the reserve of the paid-up certificate of the same form and amount at the Insured's attained age. Proper written request will be required.



NONFORFEITURE AND SURRENDER - The Owner may surrender this certificate for its net Cash Value while the Insured is living. The net Cash Value is the Cash Value less any indebtedness.

One of the following will apply if default in the payment of a premium continues to the end of the Grace Period:

1. Option 3 below shall take effect at once; or
2. The Owner may elect Option 1 or 2 in lieu of Option 3. Such election must be made by sending a proper written request to RNA not later than ninety (90) days after the due date of the premium in default. RNA may require this certificate to be endorsed.

Option 1 - Cash Surrender - To surrender this certificate for its net Cash Value. The net Cash Value is the Cash Value on the due date of the premium in default, plus any dividend accumulations, plus the Cash Value of any paid-up additional life insurance, less any debt hereon.

Option 2 - Participating Reduced Paid-up Insurance - To continue this certificate in force for a reduced amount. The amount of insurance shall be such as the net Cash Value will purchase at net rates at the Insured's attained age on the due date of the Premium in default. No further premiums shall be payable. The reduced amount shall be payable at the same time and under the same conditions as the death benefit would otherwise be payable.

Option 3 - Nonparticipating Extended Term Insurance - To continue this certificate in force as Extended Term Insurance. The amount of insurance shall be the Face Amount; plus any paid-up additions, plus any dividend accumulations, less any debt hereon. The term of the insurance shall be such as the net Cash Value will purchase at net rates at the Insured's attained age on the due date of the premium in default.

Life Insurance provided under Option 2 or 3 shall not include benefits provided by rider.

If this certificate is in force under Option 2 or 3 above, the Owner may surrender it at any time for its Cash Surrender Value. Under Option 2 the value shall be the reserve on the certificate, plus any Dividend accumulations, less any debt hereon. Under Option 3, the value shall be the reserve on the date of surrender, or on the certificate anniversary, if not more than thirty (30) days earlier. RNA may defer the payment of the surrender value for not more than six (6) months after the request is received. The deferral of the Cash Surrender Value of this certificate is contingent upon RNA's conveyance of a written request for the deferral to the State Insurance Commissioner, and RNA's receipt of written approval from the Commissioner for the deferral. If payment of the Cash Surrender Value is not made or placed within thirty (30) days of receipt of the certificate and the request for surrender, RNA will pay interest on the Cash Surrender Value at a rate not less than that required by law.

REINSTATEMENT - This certificate may be reinstated within five (5) years after the Grace Period has expired unless the Cash Surrender Value has been paid. To reinstate this certificate, RNA will require:

1. Evidence of insurability which meets its standards;
2. Payment of all past due Premiums;
3. Interest at the rate of 6% per annum on past due Premiums if the Grace Period has been expired for more than six months; and
4. Payment or reinstatement of any debt hereon on the date of default, with interest at the rate of 8% per annum.



SETTLEMENT OPTIONS – Shown below are options available for the payment of any part of the proceeds of this certificate in lieu of a lump sum. The Owner may change or revoke any previous election. An election, change, or revocation of an option must be made by proper written notice to RNA. No such election, change, or revocation by the Owner shall take effect until endorsed on this certificate while the Insured is alive and before this certificate matures. No payee under an option elected by the Owner shall have the right to change the manner of payment in any way unless the right has been given by the Owner in the election.

Within six (6) months after death of the Insured, the Beneficiary may elect an option if the Owner has not made an irrevocable election prior to the Insured's death.

The options are available and operative for a payee only if:

1. the amount to be applied is \$5,000 or more; and
2. the payments under the option are \$100 or more unless payments are made only annually; and
3. payments are to be made to a natural person who takes in his or her own right.

Option 1 – Proceeds at Interest – The proceeds may be left with RNA to earn periodic interest payments. The interest rate will be set by RNA from time to time. Each payment will be based on an interest rate of not less than 2% per annum. The Proceeds at Interest Option is not available under this certificate except in the event of the payment of the Death Benefit Proceeds to a Beneficiary following the Death of the Insured.

Option 2 – Payments for a Fixed Period – The proceeds may be paid in equal annual, semiannual, quarterly, or monthly payments for a fixed period of from five (5) to thirty (30) years. The amount of each payment for \$1,000 of proceeds will be in accordance with the following table:

Number Of Years Payable	AMOUNT OF EACH PAYMENT			
	Annual	Semiannual	Quarterly	Monthly
5	\$208.00	\$104.51	\$52.39	\$17.49
6	175.03	87.95	44.08	14.72
7	151.48	76.12	38.15	12.74
8	133.83	67.25	33.71	11.25
9	120.11	60.35	30.25	10.10
10	109.14	54.84	27.49	9.18
15	76.30	38.34	19.22	6.42
20	59.69	30.13	15.10	5.04
25	50.22	25.23	12.65	4.22
30	43.77	22.00	11.03	3.68

Option 3 – Life Income with Payments for a Period Certain – The proceeds will be paid in equal annual, semiannual, quarterly, or monthly payments for a period of ten (10) or twenty (20) years certain and thereafter for the lifetime of the payee. The amount of each payment will depend upon the age last birthday of the payee at the time of the first payment. Proof of age of the payee may be required. The amount of each payment for \$1,000 of proceeds will be in accordance with the following table:

MONTHLY PAYMENTS					
10 Years Certain			20 Years Certain		
Age of Payee	Male	Female	Age of Payee	Male	Female
20	\$2.38	\$2.30	20	\$2.38	\$2.30
25	2.49	2.39	25	2.48	2.39
30	2.62	2.51	30	2.61	2.50
35	2.78	2.65	35	2.76	2.64
40	2.98	2.81	40	2.95	2.80
45	3.22	3.02	45	3.17	3.00
50	3.52	3.28	50	3.43	3.24
55	3.90	3.62	55	3.74	3.53
60	4.39	4.04	60	4.07	3.87
65	5.02	4.60	65	4.41	4.24
70	5.79	5.34	70	4.70	4.59
75	6.66	6.25	75	4.90	4.85
80	7.54	7.27	80	5.00	4.98

Values in the table under Settlement Option 3 are based on the Annuity 2000 Individual Mortality Table with interest at 2% per annum. Values for ages or frequencies not shown will be furnished upon request.

Excess Interest – The payments certain under Settlement Options 2 and 3 are based on an interest rate of 2% per annum. Each payment certain will be increased by interest in excess of 2% per annum, if any, as may be set by RNA from time to time.

Dates of Payment – The first payment under Settlement Option 1 shall be payable at the end of the period selected, measured from the date on which the proceeds would have been due had such option not been elected. The first payment under Settlement Option 2 or 3 shall be payable as of the date on which the proceeds would have been due had such option not been elected.

Death of Payee – Any amount payable at the death of the Payee under a Settlement Option shall be paid in one sum to the estate of the Payee, unless other provision has been made. The amount payable under Settlement Option 1 shall be the remaining principal and accrued interest. The amount payable under Settlement Option 2 or 3 shall be the value commuted at 2% per annum of the remaining payments certain based on interest at 2% per annum.

Supplementary Contract – If a settlement option is elected in lieu of a lump sum payment, a supplementary contract will be issued when the option is operative. The supplementary contract will provide for the manner of payment elected.



This page intentionally left blank

SAMPLE
FROM CHOICE MUTUAL



SAMPLE
FROM CHOICE MUTUAL

ROYAL NEIGHBORS OF AMERICA

A Fraternal Benefit Society

230 Sixteenth Street, Rock Island, Illinois 61201

www.royalneighbors.org

WHOLE LIFE INSURANCE CERTIFICATE - Life Insurance payable at death - Plan and premium payable as shown on Page 3 - Participating - Additional benefits, if any, as specified on Page 3.

