

GENERAL RULES FOR BENEFICIARY DESIGNATIONS

(Refer to the ratebook under *Beneficiary and Change of Beneficiary* for further guidance.)

The great majority of beneficiary designations are routine requests and policy forms, applications and request for change of beneficiary forms issued by the Company on or after January 1962 provide for the handling of such beneficiary designations in a simplified manner.

Primary or first beneficiaries are termed Class I and secondary or second beneficiaries are termed Class II. Payment of proceeds will be made to all surviving Class I and all surviving Class II beneficiaries in equal shares in order of the Class in which they are named unless a different distribution is specified in the application or the request for change of beneficiary form.

The following instructions should be borne in mind when starting beneficiary designation:

- (1) Relationship of the beneficiary is the relation to the Insured. That is, "son" means the son of the Insured.
- (2) State name in full, relationship and address of the beneficiary but DO NOT use words such as, "share and share alike or survivor," or, "if living, otherwise to."
- (3) The given name of a married woman should always be used. DO NOT use the husband's name such as, "Mrs. William H. Sutter."
- (4) Payment desired in differing amounts for more than one person named as beneficiary in Class I or Class II should be expressed in fractions or percentage figures. DO NOT use an exact number of dollars, as the proceeds may be varied due to such things as policy loans, paid-up additions, etc.
- (5) If it is desired to specify the name of a person to receive the proceeds of the policy for a minor, such person should be specified in the application or request for change of beneficiary as the Alternate Payee in the space provided.
- (6) An ABSOLUTE assignment of a policy is, in effect, a complete transfer to the assignee of all of the right, title and interest possessed by the policy owner. Nevertheless, to avoid any possible conflict of interest between the beneficiary and the assignee, the present beneficiary designation should be restated on this form, or the beneficiary may be changed to an entirely different designation if desired.
- (7) A CONDITIONAL OR COLLATERAL assignment is used to provide security for loans or other debts. Upon satisfaction of the loan or debt, the proceeds and other benefits under the policy revert to the owner, if living, or if not living, then to the named beneficiary. To avoid possible conflict between the interested parties, furnish proper protection to the assignee and the beneficiary, the beneficiary should be changed at the time of the assignment to the assignee as his interest may appear with remainder to the desired beneficiary.

COMMON DISASTER CLAUSE

If a common disaster clause is desired, add the following words to the beneficiary designation as a separate paragraph: For the purpose of this document it will be conclusively

presumed that any beneficiary who shall die within _____ days from the time of Insured's death shall have failed to survive the insured. NOTE: Usually 7, 10, 15, or 30 days are used.

The following are typical and simplified beneficiary designations:

- (1) For a single beneficiary
Class I - John J. Sutter, son
- (2) For a single and a contingent beneficiary
Class I - Alice A. Sutter, wife
Class II - John J. Sutter, son
- (3) For more than one beneficiary and different relation to the Insured
Class I - John J. Sutter, son and Mary M. Sutter, daughter
- (4) For more than one beneficiary and the same relation to the Insured
Class I - John J. and James K. Sutter, sons
- (5) For more than two beneficiaries with two having the same and one having a different relation to the Insured
Class I - John J. and James K. Sutter, sons and Mary M. Sutter, daughter
- (6) For members of a class when the wife is not named
Class I - Surviving children of the Insured by Alice A. Sutter, wife
- (7) For wife as primary and members of a class as contingent beneficiary
Class I - Alice A. Sutter, wife
Class II - Surviving children of Insured by Alice A. Sutter, wife
NOTE: Naming children as members of a class automatically includes a child born after the beneficiary designation is made. This also means there is some delay on claim settlement while the identity of all children is made before payment to any of them. Children named as individuals would exclude any such child born later unless the beneficiary designation were changed to specifically include that child by name.
- (8) For the estate of the Insured to be named as beneficiary
Class I - Executors, Administrators or Assigns of the Insured
- (9) For different amounts to be paid to more than one beneficiary
Class I - 3/5 to Alice A. Sutter, wife and 2/5 to John J. Sutter, son or
Class I - 60% to Alice A. Sutter, wife and 40% to John J. Sutter, son
- (10) For conditional or collateral assignments
Class I - Richard R. Roe, creditor as his interest may appear- remainder to
- (11) Almost all standard forms of beneficiary designations may be made up of the above or in combinations with the above illustrations.

SETTLEMENT OPTIONS

If a settlement option is desired, specify clearly what is desired and the Home Office will prepare the necessary forms for signature.

CHANGE OF BENEFICIARY ENDORSEMENT

The proceeds becoming payable under the terms of this Policy by reason of the death of the Insured (prior to the maturity date if an endowment policy) shall be payable in accordance with and subject to the provisions of this endorsement.

Class I

Class II

Alternate Payee, if any

The right to change the Beneficiary is reserved.

Unless otherwise provided above, payment shall be made in equal shares to the Class I Beneficiaries, if any, living at the date of such death, otherwise in equal shares to the then living Beneficiaries of the next succeeding classes respectively with priority based upon the numerical order of each such class. Any payment becoming payable or accruing to any Beneficiary during such Beneficiary's minority shall be paid to any named Alternate Payee, if living, otherwise to the legal guardian of the estate of said minor Beneficiary. If no beneficiary survives the Insured, the proceeds shall be payable to the owner, if living, otherwise to the executors, administrators or assigns of the owner, unless otherwise provided. This endorsement shall also apply to any Disease and/or Accident Policies issued concomitantly with this policy.

Date Changed Requested	Policy Number	Name of Insured (Please Print)
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Witness

Signature of Insured

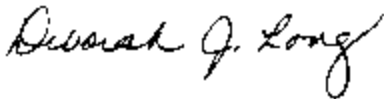
Witness

Signature of Owner, or other interested party

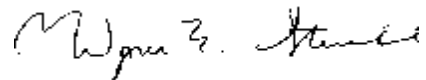


Protective Life and Annuity Insurance Company (at its Home Office)
Insurance Company has recorded this endorsement in San Francisco and duplicate-original of this endorsement is hereby made a part of this Policy.

Date Recorded



Secretary



President

Registrar

(This Endorsement not effective unless and until endorsed hereon by Registrar)