



Election of Dividend Option

Certificate no. _____ Insured name _____ Owner _____
(if other than insured)

I, the undersigned owner of the above certificate, which was issued by Royal Neighbors of America (the Society), hereby elect that future dividends declared on this certificate be applied as indicated below:

Applied to pay premiums (Option 1)

Any remaining dividend balance not needed for payment of premiums is to be:

Paid in cash

Applied to purchase paid-up additional insurance

Left on deposit to accumulate at interest

Paid in cash (Option 2)

Applied to purchase paid-up additional insurance (Option 3)

Left on deposit to accumulate at interest (Option 4)

Applied to repay a certificate loan (Option 6)

Applied to payment of premiums on the Flexible Premium Deferred Annuity Benefit Rider, if such rider is attached to the above certificate. This option is not available in the event of a certificate loan. (Option 6)

Under penalty of perjury, I certify the following:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am **not** subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person

Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. The IRS does not require your consent to any part of this form other than the certifications required to avoid backup withholding.

Dated _____
(Month/Day/Year)

PLEASE NOTE: In the event of default in payment of any premium, the certificate shall continue until the expiration of the grace period, at which time any existing paid-up additions or dividends left on deposit shall be applied to increase the amount and period of the extended term insurance or the amount of the reduced paid-up insurance provided under the applicable nonforfeiture provisions of the certificate; provided, however, that if the then existing indebtedness exceeds the cash surrender value, determined in accordance with the provisions of the certificate, such excess shall be deducted from the cash value of such paid-up additions or dividends left on deposit and the amount thereof shall be reduced proportionately before so applying them.

Signature of owner

Mailing address

City, state, and ZIP code

Telephone number (incl. area code)

Social Security number

E-mail Address



Dividend Option Information

OPTION 3 – APPLIED TO PURCHASE PAID-UP ADDITIONAL INSURANCE

- In the event the certificate does not provide such a dividend option, the dividend applied to purchase each paid-up addition will be used as a single premium on the basis of the American Experience Table of Mortality and the rate of interest used in computing the premiums on the certificate.
- Paid-up additions may be surrendered for their cash value, provided they have not been applied under any of the nonforfeiture provisions of the certificate and are not required as security by a loan on the certificate. The cash value of paid-up additions shall be the reserve for such additions or the original cash dividends, if greater.
- The cash surrender value of the certificate shall be the cash surrender value, determined in accordance with the provisions of the certificate, increased by the cash value of any paid-up additions and decreased by any existing indebtedness not previously deducted in determining such cash surrender value.
- Any paid-up additions existing at the maturity of the certificate shall be paid to the same persons in the same manner as the face amount of the certificate.

OPTION 4 – LEFT ON DEPOSIT TO ACCUMULATE WITH INTEREST

- In the event the certificate does not provide such a dividend option, dividends left on deposit with the Society will accumulate with interest at a rate, not less than two per cent per annum, compounded annually, as may be declared by the board of directors.
- The cash surrender value of the certificate shall include any existing dividend accumulations and be decreased by any existing indebtedness not previously deducted in determining such cash surrender value.
- Any dividend accumulations may be withdrawn at any time provided they have not been applied to increase the amount and period of any extended term insurance or the amount of any reduced paid-up insurance effective under the nonforfeiture provisions of the certificate and are not required as security for a loan on the certificate.
- Any dividend accumulations existing at the maturity of the certificate and any other dividend then payable shall be paid to the same persons in the same manner as the face amount of the certificate.
- **Please Note:** If a valid election was previously made to apply non-guaranteed dividend and interest accumulations to the payment of future premiums on the certificate, a full or partial withdrawal of the certificate's dividend accumulations and/or the reallocation of any future declared dividends in a manner other than 'left on deposit to accumulate at interest' will change the total amount of out-of-pocket premium payments that will need to be paid over the lifetime of this certificate.

OPTION 6 – APPLIED TO PAYMENT OF PREMIUMS ON FLEXIBLE PREMIUM ANNUITY RIDER

- I agree that this election shall become inoperative if the certificate becomes paid-up, if the certificate is continued in force as extended term insurance, or if a loan is taken against the certificate.
- During the period this election is inoperative, any dividends that may become payable shall be paid or applied as otherwise provided in the certificate. If there is a loan against the certificate, however, the dividend will be applied to the loan, unless another option is later elected.