SHENANDOAH LIFE
INSURANCE COMPANY

MODIFIED ENDOWMENT CONTRACT DISCLOSURE

The Technical and Miscellaneous Revenue Act (TAMRA) that was signed into law November 10, 1988 alters the tax treatment of distributions from certain types of life insurance policies. The law applies to all policies issued or materially changed on or after June 21, 1988.

If premiums paid on such a policy are in excess of the limits established by Congress, then the policy is classified as a Modified Endowment Contract (MEC). If there is gain in the contract, the portion of the gain included in any distribution, including policy loans, will be reported as taxable income. If a distribution occurs prior to the insured attaining age 59½, the taxable portion of the distribution may also be subject to a 10% tax penalty.

A policy that, at issue is, or later becomes a Modified Endowment Contract will always be subject to MEC tax treatment. This applies even if the policy is exchanged for a new contract that, standing alone, would not be a MEC.

Tax-deferred growth in cash values and tax-free death benefits are still available under a MEC.*

I have read the above and understand that the policy for which I am applying will be a Modified Endowment Contract.

______________________________	X______________________________
Name of **Owner** (Please Print)	Signature of **Owner**, or Parent/Guardian, if applicable
______________________________	
Date	

* *If legal advice or other expert assistance is required, the services of a competent professional should be sought. Shenandoah Life gives neither legal nor tax advice. The information provided is intended to be accurate based on Shenandoah Life's understanding and interpretation of current tax laws, which are subject to change.*