

TransNavigatorSM IUL

Offered by Transamerica Life Insurance Company ("the Company")

Statement of Understanding and Acknowledgment

Applicant's Name: _____

I am applying for an Index Universal Life Insurance Policy to be issued by the Company. In connection with my application I understand that:

The Policy

This policy is intended for people whose primary purpose in buying life insurance is for the death benefit.

Since the interest credited to the Index Account(s) is calculated in part by reference to outside indexes, there is the potential for greater volatility in the amount of Excess Index Interest credited than of interest credited to the Basic Interest Account. This policy works best for those individuals who can tolerate fluctuations in interest crediting and is not recommended for policyowners who do not intend to allocate a significant portion of their net premiums to the Index Account(s). This policy is not an investment in the stock markets or the indexes and does not participate in any stock or investments.

Premiums

I must pay premiums on a regular basis to keep the policy in force. The policy may lapse if I do not have sufficient Cash Surrender Value (the greater of the Policy Value or Cumulative Guaranteed Value less the Surrender Charge and less any Loan Balance) in the policy to pay the next Monthly Deduction and Index Account Monthly Charge and have not paid enough premiums to meet the Minimum No Lapse Premium requirement. In that event, I would be required to pay additional premiums to keep the policy in force.

Account Options

The policy I am applying for allows me to allocate my net premium payments to more than one Account Option. The Account Options are the Basic Interest Account and the Index Accounts. Interest will be credited differently to the different Account Options.

Transfers

Only one transfer is allowed per month from the same Account Option. Transfers from an Index Account Segment will be processed at the end of the Segment Period. For purposes of dollar cost averaging, transfers to an Index Account are processed on the monthly policy date following receipt of the request. Transfers from the Basic Interest Account will be processed on the monthly policy date following receipt of the request.

Loans and Withdrawals

Loans and withdrawals may be taken from the Basic Interest Account and the Index Account(s). Loans and withdrawals are subject to certain fees and charges and to the conditions and limitations specified in the policy. Withdrawals are subject to a Partial Surrender Charge if they occur during a surrender charge period. Interest will be credited differently to loans taken from different Account Options.

Surrenders

If the policy is surrendered, the Cash Surrender Value of the policy will be equal to the greater of the Policy Value or Cumulative Guaranteed Value less any applicable surrender charges and any Loan Balance. Surrender charges apply for the initial face amount for a period between ten and fifteen policy years from the issue date and additional surrender charges apply from the date of any Face Amount increase for a period which depends on the insured's age on the date of the increase. The surrender charge will vary based on the Face Amount and duration of the Policy and the issue age, gender and class of risk of the insured on the policy date and at the time of any increase in the Face Amount.

Changes in Face Amount

You may request an increase or decrease in the Face Amount of the policy. Increases approved by the company will have their own surrender charge rates and periods and per unit and cost of insurance charges. We will deduct a partial surrender charge for decreases in the Face Amount occurring during a surrender charge period.

Interest

Net premiums allocated to the Basic Interest Account will earn interest at the Current Interest Rate declared by the Company. This rate is guaranteed never to be less than 2% per year. Net Premiums received after a Monthly Policy Date that are to be allocated to the Basic Interest Account will earn interest at the Current Interest Rate until the next Monthly Policy Date, when they will be placed into the next Basic Interest Account Segment.

The guaranteed minimum annual interest rate on the Index Accounts is 0.00%. Additional interest ("Excess Index Interest") may be credited at the end of each one-year Segment Period. Net Premiums received after a Monthly Policy Date that are to be allocated to an Index Account will be placed into an Index Account Segment on the next Monthly Policy Date.

The guaranteed minimum interest rates for the Basic Interest Account and Index Accounts are shown above. Non-guaranteed rates and other elements appearing on illustrations or other related materials are hypothetical and actual results may be less favorable than those shown on such documents. I understand I may select the assumed rates and elements used in illustrations or other related materials.

Excess Index Interest

Excess Index Interest on the Index Accounts is determined using a formula based on changes in the Index(es), excluding dividend income, and cannot exceed the Cap established by the Company. The Company may determine a different Cap for each Segment and can increase or decrease the Cap at its discretion at the Segment Anniversary. Current Caps will be shown in Policy Statements and may be obtained from the Company's Administrative Office.

Excess Index Interest, if any, is credited to a segment at the end of each one year Segment Period. A Policy Statement reflecting Policy Values and the interest credited for a policy year will be provided annually.

Monthly Deductions, Index Account Monthly Charges, and certain policyowner transactions, such as transfers, loans and withdrawals, occurring during a Segment Period will reduce the value used in determining Excess Index Interest. This will result in the reduction of any Excess Index Interest that might otherwise have been credited at the end of the Segment Period. Upon surrender of the policy, no Excess Index Interest will be credited for partial years on any Index Account Segment.

Cumulative Guaranteed Value

This policy employs an alternate value that, if greater than the Policy Value, will be substituted for the Policy Value in the determination of Cash Surrender Value and the amount of the death benefit. The Cumulative Guaranteed Value can be negative, but a negative amount does not accrue interest charges nor does it reduce the Policy Value or death benefit.

Persistency Credit

A Persistency Credit is a partial return of expenses credited annually to the Policy Value beginning on the 10th Policy Anniversary and continuing each Policy Anniversary through Age 100. The Persistency Credit is based on the total premiums paid, minus the loan balance and withdrawals, and the number of completed Policy Years.

I have received a copy of the Consumer Brochure containing information regarding the policy. I understand that I have a certain period of time after receipt of the policy issued to me to review and return it for a refund of premium as described in the policy. I have read and understand the above disclosures of certain limitations and restrictions regarding the policy and the Index Account(s).

Date: _____ **Applicant Name (print):** _____

Signature of Applicant: _____



Index Universal Life Insurance offered by:
Transamerica Life Insurance Company
4333 Edgewood Rd NE
Cedar Rapids, Iowa 52499