

SERFF Tracking Number: LBLI-125856201 State: Arkansas  
Filing Company: Liberty Life Insurance Company State Tracking Number: 40554  
Company Tracking Number: AN3312(10-08)  
TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.003 Single Premium  
Variable  
Product Name: TSA 403(b) Endorsement  
Project Name/Number: /

## Filing at a Glance

Company: Liberty Life Insurance Company  
Product Name: TSA 403(b) Endorsement SERFF Tr Num: LBLI-125856201 State: ArkansasLH  
TOI: A02I Individual Annuities- Deferred Non- SERFF Status: Closed State Tr Num: 40554  
Variable  
Sub-TOI: A02I.003 Single Premium Co Tr Num: AN3312(10-08) State Status: Approved-Closed  
Filing Type: Form Co Status: Reviewer(s): Linda Bird  
Authors: Damon Amato, Julie Disposition Date: 10/20/2008  
Duncan  
Date Submitted: 10/14/2008 Disposition Status: Approved  
Implementation Date Requested: On Approval Implementation Date:  
State Filing Description:

## General Information

Project Name: Status of Filing in Domicile: Not Filed  
Project Number: Date Approved in Domicile:  
Requested Filing Mode: Informational Domicile Status Comments:  
Explanation for Combination/Other: Market Type: Individual  
Submission Type: New Submission Group Market Size:  
Overall Rate Impact: Group Market Type:  
Filing Status Changed: 10/20/2008  
State Status Changed: 10/20/2008 Deemer Date:  
Corresponding Filing Tracking Number:  
Filing Description:  
RE: Informational Filing: AN3312 (10-08) TSA Endorsement

This letter is for informational purposes only. We are informing you of our intent to send form AN3312 (10-08) to all inforce policyholders who have a TSA annuity with us under Section 403(b) of the Internal Revenue Code. This endorsement reflects changes which bring the form into conformity with the Internal Revenue Code.

SERFF Tracking Number: LBLI-125856201 State: Arkansas  
 Filing Company: Liberty Life Insurance Company State Tracking Number: 40554  
 Company Tracking Number: AN3312(10-08)  
 TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.003 Single Premium  
 Variable  
 Product Name: TSA 403(b) Endorsement  
 Project Name/Number: /

We are filing this endorsement simultaneously in all states. It is in final print form.

To the best of my knowledge and belief, this form complies with the statutory and regulatory requirements of your state. If you have any questions or need additional information, please contact me at (864) 609-3524 or e-mail at julie.duncan@rbc.com. Thank you again for your consideration.

## Company and Contact

### Filing Contact Information

Julie Duncan, Compliance Specialist II julie.duncan@rbc.com  
 2000 Wade Hampton Blvd (864) 609-3524 [Phone]  
 Greenville, SC 29615 (864) 609-3484[FAX]

### Filing Company Information

Liberty Life Insurance Company CoCode: 61492 State of Domicile: South Carolina  
 2000 Wade Hampton Blvd Group Code: Company Type:  
 Greenville, SC 29602 Group Name: State ID Number:  
 (864) 609-4815 ext. [Phone] FEIN Number: 44-0188050  
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## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Liberty Life Insurance Company	\$20.00	10/14/2008	23174511

SERFF Tracking Number: LBLI-125856201 State: Arkansas  
Filing Company: Liberty Life Insurance Company State Tracking Number: 40554  
Company Tracking Number: AN3312(10-08)  
TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.003 Single Premium  
Variable  
Product Name: TSA 403(b) Endorsement  
Project Name/Number: /

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	10/20/2008	10/20/2008



SERFF Tracking Number: *LBLI-125856201* State: *Arkansas*  
 Filing Company: *Liberty Life Insurance Company* State Tracking Number: *40554*  
 Company Tracking Number: *AN3312(10-08)*  
 TOI: *A021 Individual Annuities- Deferred Non- Variable* Sub-TOI: *A021.003 Single Premium*  
 Product Name: *TSA 403(b) Endorsement*  
 Project Name/Number: */*

<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Certification/Notice		No
<b>Supporting Document</b>	Application		No
<b>Supporting Document</b>	Life & Annuity - Actuarial Memo		No
<b>Form</b>	Tax Sheltered Annuity Endorsement		Yes

SERFF Tracking Number: LBLI-125856201 State: Arkansas  
 Filing Company: Liberty Life Insurance Company State Tracking Number: 40554  
 Company Tracking Number: AN3312(10-08)  
 TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.003 Single Premium  
 Variable  
 Product Name: TSA 403(b) Endorsement  
 Project Name/Number: /

## Form Schedule

Lead Form Number: AN3312(10-08)

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	AN3312(10-08)	Certificate	Tax Sheltered Annuity Endorsement	Initial		0	AN3312(10-08).pdf
		t, Insert					
		Page,					
		Endorsement or Rider					

**LIBERTY LIFE INSURANCE COMPANY**

PO Box 19087 Greenville, SC 29602-9087

This Endorsement modifies the annuity Contract/Policy (hereafter "Contract") issued to you so that it will qualify as a tax-sheltered annuity under Section 403(b) of the Internal Revenue Code ("Code") and the Regulations under that Section. In the case of a conflict with any provision in the Contract, the provisions of this Endorsement will control. This Endorsement is effective on the date the Contract is issued. The Contract is modified as follows:

1. **Ownership.** The Owner/Contract Owner (hereafter "Owner") must be either an employee or former employee of an organization described in Code Section 403(b)(1)(A). The Owner must also be the Annuitant under the Contract.
2. **Nonforfeitable.** The interest of the Owner in the Contract shall be nonforfeitable.
3. **Nontransferable.** Other than in a transaction with the Company, or as provided below, the interest of the Owner under this Contract cannot be transferred, sold, assigned, discounted, or used as collateral for a loan or as security for any other purpose. These limitations shall not apply to a "qualified domestic relations order" (as defined in Code Section 414(p)). The interest of the Owner or the Beneficiary under this Contract is not subject to the claims of the Owner's or the Beneficiary's creditors. The Owner cannot borrow amounts from this Contract.
4. **Purchase Payments.** Purchase Payments/Premium Payments (hereafter "Purchase Payments") must be made by an organization described in Code Section 403(b)(1)(A), unless the Purchase Payment is a rollover contribution under Code Section 403(b)(8). A rollover contribution must be a rollover or direct transfer from an eligible retirement plan under Code Section 402(c)(8)(B). No rollover may be made from a Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) or a Roth IRA described in Code Section 408A. If Purchase Payments are made pursuant to a salary reduction agreement, the maximum contribution when combined with all other plans, contracts or arrangements may not exceed the amount of the limitation provided for in Code Section 402(g). Purchase Payments must not exceed the amount allowed by Code Section 415 and Code Section 403(b). Purchase Payments pursuant to a salary reduction agreement may not be made for 6 months after the date of a hardship distribution from the Contract. All Purchase Payments must be made in cash. Contracts that are restricted as to receiving new Purchase Payments, including receiving single Purchase Payments or rollover amounts, shall continue to have such restrictions.
5. **Distributions During Owner's Life.**
  - (a) All distributions under this Contract are subject to the distribution requirements of Code Section 403(b)(10) and the regulations thereunder and will be made in accordance with the requirements of Code Section 401(a)(9), including the incidental death benefit requirements of Code Section 401(a)(9)(G), and the regulations thereunder, including the minimum distribution incidental benefit requirement of Section 1.401(a)(9)-6 of the Income Tax Regulations.
  - (b) Distributions of the Owner's entire interest under the Contract must commence no later than the first day of April following the later of (i) the end of the calendar year in which the Owner attains age 70 1/2 or (ii) the end of the calendar year in which the Owner retires, ("required beginning date") over (A) the life of the Owner, or the lives of the Owner and his or her designated beneficiary within the meaning of section 401(a)(9), or (B) a period certain not extending beyond the life expectancy of the Owner, or the joint and last survivor expectancy of the Owner and his or her designated Beneficiary. Payments must be made in periodic payments at intervals of no longer than one year.

In addition, payments must be either non-increasing or they may increase only as provided in the Income Tax Regulations. Additionally, any distribution must satisfy the incidental benefit requirements specified under the Income Tax Regulations. The distribution periods cannot exceed the periods specified under the Income Tax Regulations, and the incidental benefit rules also limit the payments to be made to the surviving annuity under a joint and survivor annuitant after the Owner's death.

- (c) If required distributions are to be made in a form other than one of the annuity options available under the Contract, then the entire value of the Contract will commence to be distributed no later than the required beginning date over a period certain not extending beyond the distribution period provided in the Income Tax Regulations.

The amount to be distributed each year, beginning with the first calendar year for which distributions are required and then for each succeeding calendar year, shall not be less than the quotient obtained by dividing the Owner's interest in the Contract as of the end of the preceding year by the distribution period provided under the Uniform Lifetime Table set forth in the Income Tax Regulations. Any distribution must satisfy the incidental benefit requirements specified under the Income Tax Regulations.

In the case of a spousal Beneficiary who is more than 10 years younger than the Owner, the remaining interest shall be distributed over a period not to exceed the joint and last survivor life expectancy of the Owner and the Beneficiary (from the joint and last survivor life expectancy table provided in the Income Tax Regulations).

The required minimum distribution for the year the Owner attains age 70 1/2 can be made as late as April 1st of the following year. The required minimum distribution for any other year must be made by the end of such year.

If required distributions are not made in the form of an annuity option on an irrevocable basis (except for acceleration), then the entire interest in the Contract shall include the actuarial present value of any additional benefits (such as survivor benefits) provided under the Contract as specified in Q&A-12 of Section 1.401(a)(9)-6 of the Income Tax Regulations.

6. (a) **Death On or After Required Distributions Commence.**

- (i) If the Owner dies on or after required distributions under this Contract are deemed to have begun, all amounts payable under an annuity payment option must be distributed to the Beneficiary or to such other person entitled to receive them at least as rapidly as under the method of distribution in effect prior to the Owner's death as permitted under Code Section 401(a)(9) and the regulations thereunder.
- (ii) If distributions have begun in a form other than under an annuity payment option, payments must be made over a period not extending beyond the remaining life expectancy of the designated Beneficiary under the Income Tax Regulations (or over a period no longer than the remaining life expectancy of the Owner in the year of death reduced by one each year thereafter, where there is no designated Beneficiary within the meaning of the Income Tax Regulations, or where the Owner's remaining life expectancy is longer than the Beneficiary's remaining life expectancy). Payments must commence no later than December 31st of the calendar year following the calendar year of the Owner's death.

(b) **Death Before Required Distributions Commence.** If the Owner dies before required distributions commence, his or her entire interest will be distributed at least as rapidly as follows:

- (i) If the designated Beneficiary is someone other than the Owner's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year

following the calendar year of the Owner's death, over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the age of the Beneficiary as of his or her birthday in the year following the year of the individual's death, or, if elected, in accordance with paragraph (b)(iii) below.

- (ii) If the Owner's sole designated Beneficiary is the Owner's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Owner's death (or by the end of the calendar year in which the Owner would have attained age 70 1/2, if later), over such spouse's life, or, if elected, in accordance with paragraph (b)(iii) below. If the surviving spouse dies before required distributions commence to him or her, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated Beneficiary's remaining life expectancy determined using such Beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (b)(iii) below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the payment option chosen.
- (iii) If there is no designated Beneficiary, or if applicable by operation of paragraph (b)(i) or (b)(ii) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Owner's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (b)(ii) above).
- (iv) Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in paragraph (b)(i) or (ii) and reduced by 1 for each subsequent year. Life expectancy for distributions under annuity payment options may not be recalculated.

(c) The entire interest in the Contract shall include the actuarial present value of any additional benefits (such as survivor benefits) provided under the Contract as specified in Q&A-12 of Section 1.401(a)(9)-6 of the Income Tax Regulations.

(d) For purposes of paragraph (a) and (b) above, required distributions are considered to commence on the Owner's required beginning date or, if applicable, on the date distributions are required to begin to the surviving spouse under paragraph (b)(ii) above. However, if distributions start prior to the applicable date in the preceding sentence, on an irrevocable basis (except for acceleration) under an annuity contract meeting the requirements of Section 1.401(a)(9)-6 of the Income Tax Regulations, then required distributions are considered to commence on the annuity starting date.

7. (a) **Premature Distribution Restrictions.** Any amounts in the Contract attributable to contributions made pursuant to a salary reduction agreement after December 31, 1988, and the earnings on such contributions and on amounts held on December 31, 1988, may not be distributed unless the Owner has reached age 59 2, has a severance from employment within the meaning of Section 1.403(b)-6(h) of the Income Tax Regulations, died, becomes disabled (within the meaning of Code Section 72(m)(7)) or has incurred a hardship. Any amounts permitted to be distributed in the event of hardship shall be limited to actual salary deferral contributions (excluding earnings thereon).

(b) Purchase payments made by a nontaxable transfer from a custodial account qualifying under Code Section 403(b)(7), and earnings on such amounts, will not be paid or made available before

the Owner dies, attains age 59 2, has a severance from employment, becomes disabled (within the meaning of Code Section 72(m)(7)), or in the case of such amounts attributable to contributions made under the custodial account pursuant to a salary reduction agreement, encounters financial hardship; provided, that amounts permitted to be paid or made available in the event of financial hardship will be limited to actual salary deferral contributions made under the custodial account (excluding earnings thereon).

(c) These restrictions do not apply to amounts distributed pursuant to a qualified domestic relations order to the extent permitted by Code Section 414(p) or to direct transfers to another Code Section 403(b) annuity as provided in the Income Tax Regulations.

8. **Direct Rollovers.** The Owner, subject to the terms of the Contract, may elect to have any portion of an eligible rollover distribution as defined in Code Section 402(c)(4) paid directly to an eligible retirement plan as defined in Code Section 402(c)(8) specified by the Owner. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the Owner, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Owner or the joint lives (or joint life expectancies) of the Owner and the Owner's Beneficiary or for a specified period of ten years or more; any distribution required under Code Section 401(a)(9); any hardship distribution; the portion of any distribution that is not includable in gross income and any other distributions excluded under the Code or the Income Tax Regulations. An eligible retirement plan includes: an individual retirement account under Code Section 408(a); an individual retirement annuity under Code Section 408(b); a plan qualified under Code Section 401(a), including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a Code Section 403(a) annuity plan; a Code Section 403(b) tax-sheltered annuity; and an eligible Code Section 457(b) plan maintained by a governmental employer. A direct rollover is a payment by the Company to the eligible retirement plan specified by the Owner.
9. **ERISA Plans.** If this Contract is part of a plan which is subject to Title 1 of the Employee Retirement Income Security Act of 1974 ("ERISA"), any payments and distributions under this Contract (whether as income, as proceeds payable at the Owner's death, upon partial redemption or full surrender or otherwise), and any Beneficiary designation, shall be subject to the joint and survivor annuity and preretirement survivor annuity requirements of ERISA Section 205.
10. **Annual Reports.** The Company will furnish annual calendar year reports concerning the status of the annuity and such information concerning required minimum distributions as prescribed by the Commissioner of Internal Revenue.
11. **Compliance With Code Section 403(b).** The provisions of this Endorsement are intended to comply with the applicable requirements of Code Section 403(b) and the regulations thereunder. In the event of any conflict between the requirements of Code Section 403(b) and the terms of the Contract and this Endorsement, the requirements of Code Section 403(b) will govern so as to maintain the treatment of this Contract as a Section 403(b) annuity contract. The Company reserves the right to amend the Contract as permitted under applicable state law in order to comply with such requirements.

**LIBERTY LIFE INSURANCE COMPANY**



Robert T. Coleman, III  
Secretary

