

SERFF Tracking Number: STFL-125870955 State: Arkansas
Filing Company: State Farm Life Insurance Company State Tracking Number: 40672
Company Tracking Number: SFL08340
TOI: A10 Annuities - Other Sub-TOI: A10.000 Annuities - Other
Product Name: IRA End 08340
Project Name/Number: IRA End 08340/IRA End 08340

Filing at a Glance

Company: State Farm Life Insurance Company

Product Name: IRA End 08340

TOI: A10 Annuities - Other

Sub-TOI: A10.000 Annuities - Other

Filing Type: Form

SERFF Tr Num: STFL-125870955

SERFF Status: Closed

Co Tr Num: SFL08340

Co Status:

Author: Rhonda Brackman

Date Submitted: 10/23/2008

State: ArkansasLH

State Tr Num: 40672

State Status: Approved-Closed

Reviewer(s): Linda Bird

Disposition Date: 10/27/2008

Disposition Status: Approved

Implementation Date:

Implementation Date Requested: 12/31/2008

State Filing Description:

General Information

Project Name: IRA End 08340

Project Number: IRA End 08340

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 10/27/2008

State Status Changed: 10/27/2008

Corresponding Filing Tracking Number:

Filing Description:

NAIC # 69108

FEIN #37-0533090

Status of Filing in Domicile:

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Deemer Date:

This filing contains the following revised individual annuity endorsement forms:

Form #	Form Name
08340	Tax-Sheltered Annuity Endorsement
08341	Tax-Sheltered Annuity Endorsement

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- 08342 Individual Retirement Annuity Endorsement
- 08343 Roth Individual Retirement Annuity Endorsement

These forms were revised to encompass changes in the tax law made by the HEART Act.

Forms 08340 and 08341 replace Form 02340 and Form 02341, respectively. Form 02340 and Form 02341 were approved by your department on May 19, 2003.

Form 08341 will be included with all new individual annuity policies issued as tax sheltered annuities and will be used with the following annuity policy forms:

Form #	Form Name	Approved
Form 94090	Deferred Life Annuity Policy	August 26, 1993
Form 97090	Variable Deferred Annuity Policy	February 3, 1998
Form 03090	Deferred Annuity	March 14, 2003

Form 08340 is identical to form 08341 except "insured" replaces "annuitant." Form 08340 will be sent to owners of income endowment policies issued as tax sheltered annuities. This form involves only endowment policies issued prior to January 1, 1982.

The owners of all current in-force policies that have Form 02340 attached will be sent a copy of form 08340 instructing them to replace Form 02340 with form 08340. Likewise, the owners of all current in-force policies that have Form 02341 attached will be sent a copy of form 08341 instructing them to replace Form 02341 with form 08341.

Forms 08342 and 08343 replace forms 07342 and 07343, respectively. Forms 07342 and 07343 were approved by your department on October 5, 2007 and October 1, 2007, respectively.

Form 08342 will be included with all new individual annuity policies issued as traditional individual retirement annuities and will be used with the following annuity policy forms:

Form #	Form Name	Approved
Form 94040	Deferred Life Annuity Policy	August 26, 1993

<i>SERFF Tracking Number:</i>	<i>STFL-125870955</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>40672</i>
<i>Company Tracking Number:</i>	<i>SFL08340</i>		
<i>TOI:</i>	<i>A10 Annuities - Other</i>	<i>Sub-TOI:</i>	<i>A10.000 Annuities - Other</i>
<i>Product Name:</i>	<i>IRA End 08340</i>		
<i>Project Name/Number:</i>	<i>IRA End 08340/IRA End 08340</i>		

- Form 94090 Deferred Life Annuity Policy August 26, 1993
- Form 97040 Variable Deferred Annuity Policy February 3, 1998
- Form 97090 Variable Deferred Annuity Policy February 3, 1998
- Form 03040 Deferred Annuity March 14, 2003
- Form 03041 Single Premium Immediate Life Annuity March 14, 2003
- Form 03042 Single Premium Immediate Life Annuity with
Choice of Certain Period March 14, 2003
- Form 03043 Single Premium Immediate Life Annuity with
Cash Refund March 14, 2003
- Form 03044 Single Premium Immediate Joint and Last Survivor
Life Annuity March 14, 2003
- Form 03045 Single Premium Immediate Joint and Last Survivor
Life Annuity with Choice of Certain Period March 14, 2003
- Form 03046 Single Premium Immediate Annuity with Choice of
Certain Period March 14, 2003
- Form 03090 Deferred Annuity March 14, 2003

The owners of all current in-force policies that have form 07342 attached will be sent a copy of form 08342 instructing them to replace form 07342 with form 08342.

Form 08343 will be included with all new individual annuity policies issued as Roth individual retirement annuities and will be used with the following annuity policy forms:

Form #	Form Name	Approved
Form 94040	Deferred Life Annuity Policy August 26, 1993	
Form 97040	Variable Deferred Annuity Policy February 3, 1998	
Form 03040	Deferred Annuity March 14, 2003	
Form 03041	Single Premium Immediate Life Annuity March 14, 2003	
Form 03042	Single Premium Immediate Life Annuity with Choice of Certain Period March 14, 2003	
Form 03043	Single Premium Immediate Life Annuity with	

SERFF Tracking Number: STFL-125870955 State: Arkansas
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Cash Refund March 14, 2003
Form 03044 Single Premium Immediate Joint and Last Survivor
Life Annuity March 14, 2003
Form 03045 Single Premium Immediate Joint and Last Survivor
Life Annuity with Choice of Certain Period March 14, 2003
Form 03046 Single Premium Immediate Annuity with Choice of
Certain Period March 14, 2003

The owners of all current in-force policies that have form 07343 attached will be sent a copy of form 08343 instructing them to replace form 07343 with form 08343.

These forms will be marketed exclusively through State Farm agents.

The effective date for these revised forms will be December 31, 2008.

MFK:rkb

Company and Contact

Filing Contact Information

Rhonda Brackman, Analyst - Legislation/Policy rhonda.brackman.aim3@statefarm.com

Forms

1 State Farm Plaza (309) 766-6896 [Phone]
Bloomington, IL 61710-0001 (309) 766-8483[FAX]

Filing Company Information

State Farm Life Insurance Company	CoCode: 69108	State of Domicile: Illinois
1 State Farm Plaza	Group Code:	Company Type:
Bloomington, IL 61710-0001	Group Name:	State ID Number:
(309) 766-4541 ext. [Phone]	FEIN Number: 37-0533090	

Filing Fees

SERFF Tracking Number: STFL-125870955 State: Arkansas
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Product Name: IRA End 08340
Project Name/Number: IRA End 08340/IRA End 08340

Fee Required? Yes
Fee Amount: \$200.00
Retaliatory? Yes
Fee Explanation: 4 forms @ \$50 each = \$200.00
(sent via EFT voucher ID#13613196)
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Farm Life Insurance Company	\$200.00	10/23/2008	23425465

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	10/27/2008	10/27/2008

SERFF Tracking Number: STFL-125870955 *State:* Arkansas
Filing Company: State Farm Life Insurance Company *State Tracking Number:* 40672
Company Tracking Number: SFL08340
TOI: A10 Annuities - Other *Sub-TOI:* A10.000 Annuities - Other
Product Name: IRA End 08340
Project Name/Number: IRA End 08340/IRA End 08340

Disposition

Disposition Date: 10/27/2008

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: STFL-125870955 State: Arkansas
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 Company Tracking Number: SFL08340
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Statement of Variability		Yes
Form	Tax-Sheltered Annuity Endorsement		Yes
Form	Tax-Sheltered Annuity Endorsement		Yes
Form	Individual Retirement Annuity Endorsement		Yes
Form	Roth Individual Retirement Annuity Endorsement		Yes

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Form Schedule

Lead Form Number: 08340

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	08340	Certificate	Tax-Sheltered Amendmen t, Insert Page, Endorseme nt or Rider	Initial			08340 TSA End.pdf
	08341	Certificate	Tax-Sheltered Amendmen t, Insert Page, Endorseme nt or Rider	Initial			08341 TSA End.pdf
	08342	Certificate	Individual Retirement Amendmen t, Insert Page, Endorseme nt or Rider	Initial			08342 IRA End.pdf
	08343	Certificate	Roth Individual Amendmen t, Insert Page, Endorseme nt or Rider	Initial			08343 Roth IRA End.pdf

TAX-SHELTERED ANNUITY ENDORSEMENT
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Purpose. The purpose of this endorsement is to conform this policy to the tax-sheltered annuity requirements of Internal Revenue Code (the "Code") Section 403(b), any other relevant Code Sections, and applicable Internal Revenue Service regulations and rulings. If terms in this endorsement are inconsistent with terms in the policy, the terms in the endorsement will prevail. Changes in the Code, regulations, and Revenue Rulings may require changes to be made to this endorsement. Any such changes will be sent to you.

Nontransferability. The employee/insured's interest in the policy is nontransferable within the meaning of Code Section 401(g). The policy or the employee/insured's interest in the policy may not be sold, traded, assigned, discounted, or pledged as collateral, and may not be alienated except as permitted under Code Section 414(p) and regulations thereunder.

Nonforfeitability. This policy is for the exclusive benefit of the employee/insured and his or her beneficiary. The interest of the employee/insured is, or nonforfeitable, except as provided by applicable federal income tax law.

Contributions.

- (a) Premiums or payments permitted under the policy must be made by an organization described in Code Section 403(b)(1)(A) ("Employer"), except in the case of rollover contributions as allowed under Code Sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3), or 457(e)(16)(b), or exchanges or transfers as allowed under Section 1.403(b)-10(b) of the Income Tax Regulations, or after-tax employee contributions as allowed under Section 1.403(b)-4 of the Income Tax Regulations.
- (b) Contributions to this policy will not exceed the annual contribution limitations of Code Section 415. If annual contributions are made in excess of the Code Section 415 limits, such excess amounts will be maintained in a separate account and treated as a separate account for purposes of Code Section 72.
- (c) Contributions made by elective deferral will be limited to the annual elective deferral limits provided under Code Section 402(g)(1). Any elective deferral made in excess of the limits under Code Section 402(g)(1) will be distributed to the employee/insured, with allocable net income, no later than April 15 of the taxable year following the year in which the contribution was made, or otherwise in accordance with Code Section 402(g).
- (d) This policy will not accept designated Roth contributions.

Restrictions on Benefit Payments.

- (a) Rollover contributions (as described in paragraph (a) under "Contributions" above) credited to a separate account and amounts attributable to after-tax employee contributions will not be subject to subsections (b), (c) or (d) of this section of the endorsement.
- (b) Benefit payments attributable to premiums paid pursuant to a salary reduction agreement, as defined in Code Section 402(g)(3)(C), may not be made until the earlier of the date that the employee/insured has become disabled as defined in Code Section 72(m)(7), attained age 59½, separated from employment with the employer, died, or incurred a hardship as described in (e) below. (No distribution of any income attributable to such contributions may be made in the case of a distribution on account of hardship.) This restriction on benefit payments applies only to payments that are attributable to policy proceeds other than those held as of December 31, 1988.
- (c) Benefit payments attributable to a nontaxable transfer from a custodial account, qualifying under Code Section 403(b)(7), may not be made until the earlier of the date that the employee/insured has become disabled as defined in Code Section 72(m)(7), attained age 59½, separated from employment with the employer, died, or incurred a hardship as described in (e) below. (No distribution of any income attributable to such contributions may be made in the case of a distribution on account of hardship.)
- (d) With respect to amounts attributable to contributions not described in subsection (a), (b), or (c) of this section of the endorsement, if the policy is issued on or after January 1, 2009, distributions will not be made prior to the earliest of the employee/insured's severance from employment or disability or other applicable date specified under the Code Section 403(b) plan pursuant to which the policy is maintained.

TAX-SHELTERED ANNUITY ENDORSEMENT (CONTINUED)

Restrictions on Benefit Payments (Continued).

- (e) Payment of benefits because of hardship will be made only if such payment: (1) is made on account of an immediate and heavy financial need of the employee/insured and (ii) is necessary to satisfy the financial need. Further, hardship payments will be made pursuant to the rules in section 1.401(k)-1(d)(3) of the Income Tax Regulations.
- (f) For years beginning after December 31, 2008, an employee/insured will be treated as having separated from employment with the employer during any period the employee/insured is performing service in the uniformed services as described in Code Section 3401(h)(2)(A). However, if an employee/insured elects to receive a benefit payment by reason of the preceding sentence, he/she may not make an elective deferral contribution under a Code Section 403(b) plan during the 6-month period beginning on the date of the benefit payment.
- (g) Distributions may be made from an excess contribution account to the extent permitted by section 1.403(b)-4(f) of the Income Tax Regulations or upon plan termination to the extent permitted by section 1.403(b)-10(a) of the Income Tax Regulations or pursuant to a qualified domestic relations order to the extent permitted by Code Sections 403(b) and 414(p).

Required Distribution Rules - Distributions Before the Employee/Insured's Death.

- (a) Notwithstanding any provision of this policy to the contrary, the distribution of an employee/insured's interest will be made in accordance with the minimum distribution requirements of Code Sections 403(b)(10) and 401(a)(9) and regulations thereunder, the provisions of which are incorporated by reference.
- (b) The employee/insured's entire interest in the policy must be distributed, or begin to be distributed, by the employee/insured's required beginning date, which is April 1 following the calendar year in which occurs the later of the employee/insured's: (1) attainment of age 70-1/2 or (2) except as provided in section 1.403(b)-6(e)(3) of the Income Tax Regulations, retirement. For each succeeding year, a distribution must be made on or before December 31. By the required beginning date, the employee/insured may elect to have the balance in the policy distributed, in a form and amount that meets the requirements of section 1.403(b)-6(e) of the Income Tax Regulations, over (i) the life of the employee/insured or the lives of the employee/insured and his or her designated beneficiary or (ii) a period certain extending beyond the life expectancy of the employee/insured or the joint and last survivor expectancy of the employee/insured and his or her designated beneficiary. Payments must be made in periodic payments at intervals of no longer than 1 year and must be either non-increasing or they may increase only as provided in section 1.401(a)(9)-6 of the Income Tax Regulations. In addition, any distribution must satisfy the incidental benefit requirements specified in section 1.401(a)(9)-6 of the Income Tax Regulations.
- (c) The distribution periods described in paragraph (b) above cannot exceed the periods specified in section 1.401(a)(9)-6 of the Income Tax Regulations.
- (d) The first required payment can be made as late as the employee/insured's required beginning date (as defined in paragraph (b) above) and must be the payment that is required for one payment interval. The second payment must be made by the end of the next payment interval.

Required Distribution Rules - Distributions Upon Employee/Insured's Death.

- (a) **Death On or After Required Distributions Commence.** If the employee/insured dies on or after required distributions commence, the remaining portion of his or her interest will continue to be distributed under the contract option chosen or otherwise as least as rapidly as under the method of distribution being used under this section of the endorsement as of the date of the employee/insured's death.
- (b) **Death Before Required Distributions Commence.** If the employee/insured dies before required distributions commence, his or her entire interest will be distributed as follows:
 - (1) If the designated beneficiary is someone other than the employee/insured's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the employee/insured'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 employee/insured's death, or, if elected, in

TAX-SHELTERED ANNUITY ENDORSEMENT (CONTINUED)
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Required Distribution Rules - Distributions Upon Employee/Insured's Death (Continued).

accordance with paragraph (b)(3) below.

- (2) If the employee/insured's sole designated beneficiary is the employee/insured's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the employee/insured's death (or by the end of the calendar year in which the employee/insured would have attained age 70-1/2, if later), over such spouse's life, or, if elected, in accordance with paragraph (b)(3) below. If the surviving spouse dies before the 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)(3) below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the contract option chosen.
 - (3) If there is no designated beneficiary, or if applicable by operation of paragraph (b)(1) or (b)(2) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the employee/insured'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)(2) above).
 - (4) 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)(1) or (b)(2) and reduced by 1 for each subsequent year.
- (c) For purposes of paragraphs (a) and (b) above, required distributions are considered to commence on the employee/insured's required beginning date or, if applicable, on the date distributions are required to begin to the surviving spouse under paragraph (b)(2) 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.

Multiple Tax-Sheltered Annuities. An employee/insured may satisfy the minimum distribution requirements under Code Sections 403(b)(10) and 401(a)(9) by receiving a distribution from one Tax-Sheltered Annuity that is equal to the amount required to satisfy the minimum distribution requirements for two or more Tax-Sheltered Annuities.

Direct Rollover of Distributions.

(a) This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of this agreement to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) Definitions:

- (1) **Eligible Rollover Distribution.** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, 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 distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Sections 403(b)(10) and 401(a)(9), and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

TAX-SHELTERED ANNUITY ENDORSEMENT (CONTINUED)

Direct Rollover of Distributions (Continued).

(2) **Eligible Retirement Plan.** An eligible retirement plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b) (other than an endowment contract), an employee's trust described in Code Section 401(a) which is exempt from tax under Code Section 501(a), an annuity plan described in Code Section 403(a), an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A), and an annuity contract described in Code Section 403(b).

Distributee. A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

(4) **Direct Rollover:** A direct rollover is a payment by this plan to the eligible retirement plan specified by the distributee.

(c) If a distribution is one to which Code Sections 401(a)(11) and 417 do not apply, such distribution may commence less than 30 days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

- (1) the distributee is clearly informed that the distributee has a right to a period of at least 30 days not to elect a distribution (and, if applicable, a particular distribution option), and
- (2) the distributee, after receiving the notice, affirmatively elects a distribution.

Incidental Benefit Rule. Any part of the policy inconsistent with the incidental benefit rule of Code Section 401(a) is deleted.

Joint Ownership. Any part of the policy permitting joint ownership is deleted.

Coordination with Plan. Except to the extent otherwise permitted by applicable federal income tax law, the policy will be maintained pursuant to the Code Section 403(b) plan of the Employer, effective January 1, 2009 or the effective date of the plan, if later. As required by Code Section 403(b), We will accept contributions and make distributions under the policy only upon a determination by the Employer or its delegate that the contribution or distribution complies with applicable federal income tax law and the Employer's plan. We will not make determinations of compliance with applicable federal income tax law or the Employer's plan unless We expressly agree in writing to do so. The terms of such plan shall control to the extent they do not impose additional responsibilities on Us other than those agreed to by Us under this policy and endorsement. Determinations of disability will be made on the basis of the determination of the Social Security Administration or the Employer's long-term disability carrier. The employee/insured consents to Our sharing, and authorizes Us to share, information about the employee/insured and his or her beneficiary and the policy with the Employer, its delegate and other current or former providers of annuities, insurance or custodial accounts under the Employer's plan.

Effective Date of This Endorsement. This is effective on the later of January 1, 1989, or the policy date.

State Farm Life Insurance Company

[*Kim M. Bruner*]
Secretary

[*Edward B. Rust Jr.*]
President

SAMPLE

TAX-SHELTERED ANNUITY ENDORSEMENT
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Purpose. The purpose of this endorsement is to conform this policy to the tax-sheltered annuity requirements of Internal Revenue Code (the "Code") Section 403(b), any other relevant Code Sections, and applicable Internal Revenue Service regulations and rulings. If terms in this endorsement are inconsistent with terms in the policy, the terms in the endorsement will prevail. Changes in the Code, regulations, and Revenue Rulings may require changes to be made to this endorsement. Any such changes will be sent to you.

Nontransferability. The employee/annuitant's interest in the policy is nontransferable within the meaning of Code Section 401(g). The policy or the employee/annuitant's interest in the policy may not be sold, traded, assigned, discounted, or pledged as collateral, and may not be alienated except as permitted under Code Section 414(p) and regulations thereunder.

Nonforfeitability. This policy is for the exclusive benefit of the employee/annuitant and his or her beneficiary. The interest of the employee/annuitant is, or nonforfeitable, except as provided by applicable federal income tax law.

Contributions.

- (a) Premiums or payments permitted under the policy must be made by an organization described in Code Section 403(b)(1)(A) ("Employer"), except in the case of rollover contributions as allowed under Code Sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3), or 457(e)(16)(b), or exchanges or transfers as allowed under Section 1.403(b)-10(b) of the Income Tax Regulations, or after-tax employee contributions as allowed under Section 1.403(b)-4 of the Income Tax Regulations.
- (b) Contributions to this policy will not exceed the annual contribution limitations of Code Section 415. If annual contributions are made in excess of the Code Section 415 limits, such excess amounts will be maintained in a separate account and treated as a separate account for purposes of Code Section 72.
- (c) Contributions made by elective deferral will be limited to the annual elective deferral limits provided under Code Section 402(g)(1). Any elective deferral made in excess of the limits under Code Section 402(g)(1) will be distributed to the employee/annuitant, with allocable net income, no later than April 15 of the taxable year following the year in which the contribution was made, or otherwise in accordance with Code Section 402(g).
- (d) This policy will not accept designated Roth contributions.

Restrictions on Benefit Payments.

- (a) Rollover contributions (as described in paragraph (a) under "Contributions" above) credited to a separate account and amounts attributable to after-tax employee contributions will not be subject to subsections (b), (c) or (d) of this section of the endorsement.
- (b) Benefit payments attributable to premiums paid pursuant to a salary reduction agreement, as defined in Code Section 402(g)(3)(C), may not be made until the earlier of the date that the employee/annuitant has become disabled as defined in Code Section 72(m)(7), attained age 59½, separated from employment with the employer, died, or incurred a hardship as described in (e) below. (No distribution of any income attributable to such contributions may be made in the case of a distribution on account of hardship.) This restriction on benefit payments applies only to payments that are attributable to policy proceeds other than those held as of December 31, 1988.
- (c) Benefit payments attributable to a nontaxable transfer from a custodial account, qualifying under Code Section 403(b)(7), may not be made until the earlier of the date that the employee/annuitant has become disabled as defined in Code Section 72(m)(7), attained age 59½, separated from employment with the employer, died, or incurred a hardship as described in (e) below. (No distribution of any income attributable to such contributions may be made in the case of a distribution on account of hardship.)
- (d) With respect to amounts attributable to contributions not described in subsection (a), (b), or (c) of this section of the endorsement, if the policy is issued on or after January 1, 2009, distributions will not be made prior to the earliest of the employee/annuitant's severance from employment or disability or other applicable date specified under the Code Section 403(b) plan pursuant to which the policy is maintained.

TAX-SHELTERED ANNUITY ENDORSEMENT (CONTINUED)

Restrictions on Benefit Payments (Continued).

- (e) Payment of benefits because of hardship will be made only if such payment: (1) is made on account of an immediate and heavy financial need of the employee/annuitant and (ii) is necessary to satisfy the financial need. Further, hardship payments will be made pursuant to the rules in section 1.401(k)-1(d)(3) of the Income Tax Regulations.
- (f) For years beginning after December 31, 2008, an employee/annuitant will be treated as having separated from employment with the employer during any period the employee/annuitant is performing service in the uniformed services as described in Code Section 3401(h)(2)(A). However, if an employee/annuitant elects to receive a benefit payment by reason of the preceding sentence, he/she may not make an elective deferral contribution under a Code Section 403(b) plan during the 6-month period beginning on the date of the benefit payment.
- (g) Distributions may be made from an excess contribution account to the extent permitted by section 1.403(b)-4(f) of the Income Tax Regulations or upon plan termination to the extent permitted by section 1.403(b)-10(a) of the Income Tax Regulations or pursuant to a qualified domestic relations order to the extent permitted by Code Sections 403(b) and 414(p).

Required Distribution Rules - Distributions Before the Employee/Annuitant's Death.

- (a) Notwithstanding any provision of this policy to the contrary, the distribution of an employee/annuitant's interest will be made in accordance with the minimum distribution requirements of Code Sections 403(b)(10) and 401(a)(9) and regulations thereunder, the provisions of which are incorporated by reference.
- (b) The employee/annuitant's entire interest in the policy must be distributed, or begin to be distributed, by the employee/annuitant's required beginning date, which is April 1 following the calendar year in which occurs the later of the employee/annuitant's: (1) attainment of age 70-1/2 or (2) except as provided in section 1.403(b)-6(e)(3) of the Income Tax Regulations, retirement. For each succeeding year, a distribution must be made on or before December 31. By the required beginning date, the employee/annuitant may elect to have the balance in the policy distributed, in a form and amount that meets the requirements of section 1.403(b)-6(e) of the Income Tax Regulations, over (i) the life of the employee/annuitant or the lives of the employee/annuitant and his or her designated beneficiary or (ii) a period certain extending beyond the life expectancy of the employee/annuitant or the joint and last survivor expectancy of the employee/annuitant and his or her designated beneficiary. Payments must be made in periodic payments at intervals of no longer than 1 year and must be either non-increasing or they may increase only as provided in section 1.401(a)(9)-6 of the Income Tax Regulations. In addition, any distribution must satisfy the incidental benefit requirements specified in section 1.401(a)(9)-6 of the Income Tax Regulations.
- (c) The distribution periods described in paragraph (b) above cannot exceed the periods specified in section 1.401(a)(9)-6 of the Income Tax Regulations.
- (d) The first required payment can be made as late as the employee/annuitant's required beginning date (as defined in paragraph (b) above) and must be the payment that is required for one payment interval. The second payment must be made by the end of the next payment interval.

Required Distribution Rules - Distributions Upon Employee/Annuitant's Death.

- (a) **Death On or After Required Distributions Commence.** If the employee/annuitant dies on or after required distributions commence, the remaining portion of his or her interest will continue to be distributed under the contract option chosen or otherwise as least as rapidly as under the method of distribution being used under this section of the endorsement as of the date of the employee/annuitant's death.
- (b) **Death Before Required Distributions Commence.** If the employee/annuitant dies before required distributions commence, his or her entire interest will be distributed as follows:
 - (1) If the designated beneficiary is someone other than the employee/annuitant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the employee/annuitant'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 employee/annuitant's death, or, if elected, in

TAX-SHELTERED ANNUITY ENDORSEMENT (CONTINUED)**Required Distribution Rules - Distributions Upon Employee/Annuitant's Death (Continued).**

accordance with paragraph (b)(3) below.

- (2) If the employee/annuitant's sole designated beneficiary is the employee/annuitant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the employee/annuitant's death (or by the end of the calendar year in which the employee/annuitant would have attained age 70-1/2, if later), over such spouse's life, or, if elected, in accordance with paragraph (b)(3) below. If the surviving spouse dies before the 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)(3) below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the contract option chosen.
 - (3) If there is no designated beneficiary, or if applicable by operation of paragraph (b)(1) or (b)(2) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the employee/annuitant'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)(2) above).
 - (4) 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)(1) or (b)(2) and reduced by 1 for each subsequent year.
- (c) For purposes of paragraphs (a) and (b) above, required distributions are considered to commence on the employee/annuitant's required beginning date or, if applicable, on the date distributions are required to begin to the surviving spouse under paragraph (b)(2) 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.

Multiple Tax-Sheltered Annuities. An employee/annuitant may satisfy the minimum distribution requirements under Code Sections 403(b)(10) and 401(a)(9) by receiving a distribution from one Tax-Sheltered Annuity that is equal to the amount required to satisfy the minimum distribution requirements for two or more Tax-Sheltered Annuities.

Direct Rollover of Distributions.

(a) This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of this agreement to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) Definitions:

- (1) **Eligible Rollover Distribution.** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, 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 distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Sections 403(b)(10) and 401(a)(9), and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

TAX-SHELTERED ANNUITY ENDORSEMENT (CONTINUED)

Direct Rollover of Distributions (Continued).

(2) **Eligible Retirement Plan.** An eligible retirement plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b) (other than an endowment contract), an employee's trust described in Code Section 401(a) which is exempt from tax under Code Section 501(a), an annuity plan described in Code Section 403(a), an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A), and an annuity contract described in Code Section 403(b).

Distributee. A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

(4) **Direct Rollover:** A direct rollover is a payment by this plan to the eligible retirement plan specified by the distributee.

(c) If a distribution is one to which Code Sections 401(a)(11) and 417 do not apply, such distribution may commence less than 30 days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

- (1) the distributee is clearly informed that the distributee has a right to a period of at least 30 days not to elect a distribution (and, if applicable, a particular distribution option), and
- (2) the distributee, after receiving the notice, affirmatively elects a distribution.

Incidental Benefit Rule. Any part of the policy inconsistent with the incidental benefit rule of Code Section 401(a) is deleted.

Joint Ownership. Any part of the policy permitting joint ownership is deleted.

Coordination with Plan. Except to the extent otherwise permitted by applicable federal income tax law, the policy will be maintained pursuant to the Code Section 403(b) plan of the Employer, effective January 1, 2009 or the effective date of the plan, if later. As required by Code Section 403(b), We will accept contributions and make distributions under the policy only upon a determination by the Employer or its delegate that the contribution or distribution complies with applicable federal income tax law and the Employer's plan. We will not make determinations of compliance with applicable federal income tax law or the Employer's plan unless We expressly agree in writing to do so. The terms of such plan shall control to the extent they do not impose additional responsibilities on Us other than those agreed to by Us under this policy and endorsement. Determinations of disability will be made on the basis of the determination of the Social Security Administration or the Employer's long-term disability carrier. The employee/annuitant consents to Our sharing, and authorizes Us to share, information about the employee/annuitant and his or her beneficiary and the policy with the Employer, its delegate and other current or former providers of annuities, insurance or custodial accounts under the Employer's plan.

Effective Date of This Endorsement. This is effective on the later of January 1, 1989, or the policy date.

State Farm Life Insurance Company

[*Kim M. Bruner*]
Secretary

[*Edward B. Rust Jr.*]
President

SAMPLE

INDIVIDUAL RETIREMENT ANNUITY ENDORSEMENT
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The Internal Revenue Code (the Code) requires certain restrictions on policy provisions to make this policy an Individual Retirement Annuity. This endorsement controls if its wording conflicts with policy wording. Changes in the Internal Revenue Code, regulations, and Revenue Rulings may require changes to be made to this endorsement. Any such changes will be sent to you. This policy is established for the exclusive benefit of you and your beneficiaries. You will receive annual calendar-year reports as required by the Code, and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.

Premium Provisions.

- (a) Except in the case of a rollover contribution (as permitted by sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) and 457(e)(16) of the Code), a contribution made in accordance with the terms of a Simplified Employee Pension (SEP) as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the total premiums paid for any taxable year shall be made in cash and shall not exceed:

\$4,000 for any taxable year beginning in 2007; and
\$5,000 for any taxable year beginning in 2008 and years thereafter.

After 2008, the limit will be adjusted by the Secretary of Treasury for cost-of-living increases under Code Section 219(b)(5)(C). Such adjustments will be in multiples of \$500.

- (b) In the case of an individual who is 50 or older before the close of the tax year, the annual cash contribution (premium) limit is increased by \$1,000 for any taxable year beginning in 2007 and years thereafter.
- (c) In addition to the amounts described in paragraphs (a) and (b) above, any individual may make a repayment of a qualified reservist distribution described in Code section 72(t)(2)(G) during the 2-year period beginning on the day after the end of the active duty period.
- (d) In addition to the amounts described in paragraphs (a) and (c) above, an individual who was a participant in a section 401(k) plan of a certain employer in bankruptcy described in Code section 219(b)(5)(C) may contribute up to \$3,000 for taxable years beginning after 2006 and before 2010 only. An individual who makes contributions under this paragraph (d) may not also make contributions under paragraph (b).
- (e) No contributions will be accepted under a SIMPLE IRA plan established by an employer pursuant to Code section 408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the individual first participated in that employer's SIMPLE IRA plan.

Owner. The Annuitant is the Owner. Ownership cannot be changed or forfeited. An irrevocable beneficiary may not be named.

Not Transferable. You cannot transfer ownership of this policy or assign, sell, or pledge any interest in it.

Required Distribution Rules:**Article I - Distribution before Owner's Death**

- (a) Notwithstanding any provision of this IRA to the contrary, the distribution of the Owner's interest in the IRA shall be made in accordance with the requirements of section 408(b)(3) and the regulations thereunder, the provisions of which are herein incorporated by reference. If distributions are not made in the form of an annuity on an irrevocable basis (except for acceleration), then distribution of the interest in the IRA (as determined under paragraph (c) in Article II, below) must satisfy the requirements of Code section 408(a)(6) and the regulations thereunder, rather than paragraphs (b), (c), and (d) below and Article II, below.

INDIVIDUAL RETIREMENT ANNUITY ENDORSEMENT (CONTINUED)

Required Distribution Rules (Continued):

Article I - Distribution before Owner's Death (Continued)

- (b) The entire interest of the Owner in the IRA will commence to be distributed no later than the first day of April following the calendar year in which the Owner attains age 70½ (the "required beginning date") over (a) the life of the Owner or the lives of the Owner and his or her designated beneficiary 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 1 year and must be either nonincreasing or they may increase only as provided in Q&As-1 and -4 of section 1.401(a)(9)-6 of the Income Tax Regulations. In addition, any distribution must satisfy the incidental benefit requirements specified in Q&A-2 of section 401(a)(9)-6.
- (c) The distribution periods described in paragraph (b) above cannot exceed the periods specified in section 1.401(a)(9)-6 of the Income Tax Regulations.
- (d) The first required payment can be made as late as April 1 of the year following the year the Owner attains age 70½ and must be the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval.

Article II - Distributions upon Owner's Death

- (a) Death On or After Required Distributions Commence. If the Owner dies on or after required distributions commence, the remaining portion of his or her interest will continue to be distributed under the contract option chosen.
- (b) Death Before Required Distributions Commence. If the Owner dies before the required distributions commence, his or her entire interest will be distributed at least as rapidly as follows:
 - (1) 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 Owner's death, or, if elected, in accordance with paragraph (b)(3) below.
 - (2) 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 70½, if later), over such spouse's life, or, if elected, in accordance with paragraph (b)(3) 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)(3) below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the contract option chosen.
 - (3) If there is no designated beneficiary, or if applicable by operation of paragraph (b)(1) or (b)(2) 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)(2) above).
 - (4) 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)(1) or (2) and reduced by 1 for each subsequent year.
- (c) The "interest" in the IRA includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of section 1.408-8 of the Income Tax Regulations and the actuarial value of any other benefits provided under the IRA, such as guaranteed death benefits.

INDIVIDUAL RETIREMENT ANNUITY ENDORSEMENT (CONTINUED)

Required Distribution Rules (Continued):

Article II - Distribution upon Owner's Death (Continued)

- (d) For purposes of paragraphs (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)(2) 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.
- (e) If the sole designated beneficiary is the Owner's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.

Article III

An individual may satisfy the minimum distribution requirements under sections 408(a)(6) and 408(b)(3) of the Code by receiving a distribution from one IRA that is equal to the amount required to satisfy the minimum distribution requirements for two or more IRAs. For this purpose, the Owner of two or more IRAs may use the "alternate method" described in Notice 88-38, 1988-1 C.B. 524, to satisfy the minimum distribution requirements described above.

Effective Date of This Endorsement. This is the policy date.

State Farm Life Insurance Company

[*Kim M. Brunner*]
Secretary

[*Edward Bruner Jr.*]
President

SAMPLE

ROTH INDIVIDUAL RETIREMENT ANNUITY ENDORSEMENT

This endorsement is made a part of this annuity policy to which it is attached, and the following provisions apply in lieu of any provisions in the policy to the contrary.

The Owner is establishing a Roth individual retirement annuity ("Roth IRA") under Section 408A of the Internal Revenue Code, as amended ("Code"). This annuity is established for the exclusive benefit of the Owner and his or her beneficiaries.

Article I

- (a) **Maximum Permissible Amount.** Except in the case of a qualified rollover contribution or a recharacterization (as defined in (f) below), no contribution will be accepted unless it is in cash and the total of such contributions to all the Owner's Roth IRAs for a taxable year does not exceed the applicable amount (as defined in (b) below), or the Owner's compensation (as defined in (h) below), if less, for that taxable year. The contribution described in the previous sentence that may not exceed the lesser of the applicable amount or the Owner's compensation is referred to as a "regular contribution." However, notwithstanding the dollar limits on contributions, a Participant may make a repayment of a qualified reservist distribution described in Code Section 72(t)(2)(G) during the 2-year period beginning on the day after the end of the active duty period. A "qualified rollover contribution" is a rollover contribution of a distribution from an IRA that meets the requirements of section 408(d)(3) of the Code, except the one-rollover-per-year rule of section 408(d)(3)(B) does not apply if the rollover contribution is from an IRA other than a Roth IRA (a "nonRoth IRA"). For taxable years beginning after 2005, a qualified rollover contribution includes a rollover from a designated Roth account described in Code Section 402A; and for taxable years beginning after 2007, a qualified rollover contribution also includes a rollover from an eligible retirement plan described in Code Section 402(c)(8)(B); and effective June 18, 2008, a qualified rollover contribution includes a military death gratuity or Servicemembers' Group Life Insurance payment described in Code Section 408A(e)(2). Contributions may be limited under (c) through (e) below.
- (b) **Applicable Amount.** The applicable amount is determined as provided below:
- (i) If the Owner is under age 50, the applicable amount is \$4,000 for the 2007 taxable year and \$5,000 for any taxable year beginning in 2008 and years thereafter.
 - (ii) If the Owner is age 50 or older, the applicable amount is \$5,000 for the 2007 taxable year and \$6,000 for any taxable year beginning in 2008 and years thereafter.
 - (iii) If a Participant was a participant in a Section 401(k) plan of a certain employer in bankruptcy described in Code section 219(b)(5)(C), then the applicable amount under paragraph (i) above is increased by \$3,000 for taxable years beginning after 2006 and before 2010 only. A Participant who makes contributions under this paragraph (iii) may not also make contributions under paragraph (ii).

After 2008, the limits in paragraphs (b)(i) and (ii) above will be adjusted by the Secretary of the Treasury for cost-of-living increases under section 219(b)(5)(C) of the Code. Such adjustments will be in multiples of \$500.

- (c) **Regular Contribution Limit.** If (i) and/or (ii) below apply, the maximum regular contribution that can be made to all the Owner's Roth IRAs for a taxable year is the smaller amount determined under (i) and (ii).
- (i) The maximum regular contribution is phased out ratably between certain levels of modified adjusted gross income ("modified AGI," defined in (g) below) in accordance with the following:

For an Owner whose filing status is Single or Head of Household with a modified AGI of \$95,000 or less, the maximum regular contribution limit is not reduced; with a modified AGI between \$95,000 and \$110,000, the maximum regular contribution limit is in the phase-out range; and with a modified AGI of \$110,000 or more, no regular contribution is allowed.

For an Owner whose filing status is Joint Return or Qualifying Widower with a modified AGI of \$150,000 or less, the maximum regular contribution limit is not reduced; with a modified AGI between \$150,000 and \$160,000, the maximum regular contribution limit is in the phase-out range; and with a modified AGI of \$160,000 or more, no regular contribution is allowed.

ROTH INDIVIDUAL RETIREMENT ANNUITY ENDORSEMENT (CONTINUED)

Article I (Continued):

For an Owner whose filing status is Married-Separate Return with a modified AGI between \$0 and \$10,000, the maximum regular contribution limit is in the phase-out range; and with a modified AGI of \$10,000 or more, no regular contribution is allowed.

If the Owner's modified AGI for a taxable year is in the phase-out range, the maximum regular contribution determined for that taxable year is rounded up to the next multiple of \$10 and is not reduced below \$200. The dollar amounts above will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 408A(c)(3). Such adjustments will be in multiples of \$1,000.

- (ii) If the Owner makes regular contributions to both Roth and non-Roth IRAs for a taxable year, the maximum regular contribution that can be made to all the Owner's Roth IRAs for that taxable year is reduced by the regular contributions made to the Owner's non-Roth IRAs for the taxable year.
- (d) **Qualified Rollover Contribution Limit.** A rollover from an eligible retirement plan other than a Roth IRA or a designated Roth account cannot be made to this Roth IRA if, for the year the amount is distributed from the other plan, (i) the Owner is married and files a separate return, (ii) the Owner is not married and has a modified AGI in excess of \$100,000, or (iii) the Owner is married and together the Owner and the Owner's spouse have a modified AGI in excess of \$100,000. For purposes of the preceding sentence, a husband and wife are not treated as married for a taxable year if they have lived apart at all times during that taxable year and file separate returns for the taxable year. For taxable years beginning after 2009, the limits in this paragraph (d) do not apply to qualified rollover contributions.
- (e) **SIMPLE IRA Limits.** No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to section 408(p) of the Code. Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the Owner first participated in that employer's SIMPLE IRA plan.
- (f) **Recharacterization.** A regular contribution to a non-Roth IRA may be recharacterized pursuant to the rules in section 1.408A-5 of the regulations as a regular contribution to this IRA, subject to the limits in (c) above.
- (g) **Modified AGI.** For purposes of (c) and (d) above, an individual's modified AGI for a taxable year is defined in section 408A(c)(3)(C)(i) of the Code and does not include any amount included in the adjusted gross income as a result of a rollover from an eligible retirement plan other than a Roth IRA (a "conversion").
- (h) **Compensation.** For purposes of (a) above, compensation is defined as wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and includes earned income, as defined in section 401(c)(2) of the Code (reduced by the deduction the self-employed individual takes for contributions to a self-employed retirement plan). For purposes of this definition, section 401(c)(2) of the Code shall be applied as if the term trade or business for purposes of section 1402 of the Code included service described in subsection (c)(6) of the Code. Compensation does not include amounts derived from or received as earnings or profits from property (including, but not limited to, interest and dividends) or amounts not included in gross income. Compensation also does not include any amount received as a pension or annuity or as deferred compensation. The term "compensation" shall include: (1) any amount includible in the Owner's gross income under section 71 of the Code with respect to a divorce or separation instrument described in subparagraph (A) of section 71(b)(2) of the Code and (2) any differential wage payment (as defined in Code Section 3401(h)(2)) paid to active duty military personnel. In the case of a married Owner filing a joint return, the greater compensation of his or her spouse is treated as his or her own compensation, but only to the extent that such spouse's compensation is not being used for purposes of the spouse making a contribution to a Roth IRA or a deductible contribution to a non-Roth IRA.

ROTH INDIVIDUAL RETIREMENT ANNUITY ENDORSEMENT (CONTINUED)**Article II**

The Owner's interest in the policy is nonforfeitable and nontransferable.

Article III

- (a) The policy does not require fixed contributions.
- (b) Any dividends (refund of contributions other than those attributable to excess contributions) arising under the policy will be applied (before the close of the calendar year following the year of the dividend) as contributions toward the policy.
- (c) No amount is required to be distributed prior to the death of the Owner for whose benefit the policy was originally established.

Article IV

- (a) Notwithstanding any provision in this IRA to the contrary, the distribution of the Owner's interest in the IRA shall be made in accordance with the requirements of section 408(b)(3) of the Code, as modified by section 408A(c)(5) of the Code, and the regulations thereunder, the provisions of which are herein incorporated by reference. If the distributions are not made in the form of an annuity on an irrevocable basis (except for acceleration), then distribution of the interest in the IRA (as determined under (c) below) must satisfy the requirements of section 408(a)(6) of the Code, as modified by section 408A(c)(5) of the Code, and the regulations thereunder, rather than the rules in paragraphs (b), (c), (d), and (e) below.
- (b) Upon the death of the Owner, 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 Owner'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 of the Owner's death (or by the end of the calendar year in which the Owner would have attained age 70½, 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 policy 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 in 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 the 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.
- (c) The "interest" in the IRA includes the amount of any outstanding rollover, transfer, and recharacterization under Q&As-7 and -8 of section 1.408-8 of the Income Tax Regulations and, to the extent required by the Code and the Income Tax Regulations, the actuarial value of any other benefits provided under the IRA, such as guaranteed death benefits.

ROTH INDIVIDUAL RETIREMENT ANNUITY ENDORSEMENT (CONTINUED)

Article IV

- (d) For purposes of paragraph (b)(ii) above, required distributions are considered to commence on the date distributions are required to begin to the surviving spouse under such paragraph. 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.
- (e) If the sole designated beneficiary is the Owner's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take the required distributions as a beneficiary.

Article V

- (a) The Owner agrees to provide the Company with all information necessary to prepare any reports required by the Internal Revenue Service (IRS).
- (b) The Company shall furnish annual calendar year reports concerning the status of the annuity and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.

Article VI

This endorsement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the policy.

Article VII

- (a) The Annuitant is the Owner. Ownership cannot be changed or forfeited. An irrevocable beneficiary may not be named.
- (b) The effective date of this endorsement is the policy date.

State Farm Life Insurance Company

[*Kim M. Brunner*]

Secretary

[*Edward Bruner Jr.*]

President

SAMPLE

SERFF Tracking Number: STFL-125870955 *State:* Arkansas
Filing Company: State Farm Life Insurance Company *State Tracking Number:* 40672
Company Tracking Number: SFL08340
TOI: A10 Annuities - Other *Sub-TOI:* A10.000 Annuities - Other
Product Name: IRA End 08340
Project Name/Number: IRA End 08340/IRA End 08340

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: STFL-125870955 State: Arkansas
Filing Company: State Farm Life Insurance Company State Tracking Number: 40672
Company Tracking Number: SFL08340
TOI: A10 Annuities - Other Sub-TOI: A10.000 Annuities - Other
Product Name: IRA End 08340
Project Name/Number: IRA End 08340/IRA End 08340

Supporting Document Schedules

Review Status:

Satisfied -Name: Certification/Notice 10/23/2008

Comments:

See attached Flesch Readability Certification. No other certifications required.

Attachment:

ARFLESCH 08340 et al.pdf

Review Status:

Satisfied -Name: Application 10/23/2008

Comments:

Not applicable to this filing.

Review Status:

Satisfied -Name: Statement of Variability 10/23/2008

Comments:

See attached statement of variability for forms 08340, et al.

Attachment:

08340 et al Statement of Variability.pdf

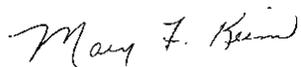
STATE OF ARKANSAS

CERTIFICATE

This is to certify that the attached forms have achieved a Flesch Reading Ease Score indicated below and comply with the requirements of Ark. Stat. Ann. §§66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

<u>Form #</u>	<u>Flesch Score</u>
08340	*
08341	*
08342	*
08343	*

*These endorsements contain federally required language.



Mary F. Keim

Assistant Secretary

Title

October 23, 2008

Date

State Farm Life Insurance Company

**Statement of Variability
08340, 08341, 08342 & 08343**

The bracketed variable material includes the following:

- Signatures of Company Officers have been bracketed as variable information.

<i>Mary F. Keenan</i>
Signature

October 21, 2008
Date