Filing at a Glance

Company: Liberty Life Insurance Company

Product Name: AN3027
TOI: A02I Individual Annuities- Deferred Non-Variable
Sub-TOI: A02I.003 Single Premium
Filing Type: Form

SERFF Tr Num: LBLI-126115767
SERFF Status: Closed-Approved-Closed
Co Tr Num: AN3027

Author: Damon Amato
Date Submitted: 05/12/2009

State: Arkansas
State Tr Num: 42330

State Status: Approved-Closed
Reviewer(s): Linda Bird
Disposition Date: 05/15/2009
Disposition Status: Approved-Closed

Implementation Date Requested: On Approval
Implementation Date:
State Filing Description:

General Information

Project Name:
Project Number:
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact:
Filing Status Changed: 05/15/2009

Deemer Date:
Submitted By: Damon Amato

Status of Filing in Domicile: Authorized
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Individual
Group Market Size:
Group Market Type:
Explanation for Other Group Market Type:
State Status Changed: 05/15/2009
Created By: Damon Amato
Corresponding Filing Tracking Number: AN3027

Filing Description:
Summary: Enclosed for your review is a copy of form AN3027. This is a new form and will not replace any existing form. This form has not been previously submitted to your department.

Description: This form is fixed Single Premium Deferred Annuity that allows the customer to choose his annuity contract guaranteed period for 3, 4, 5, 6, 7, 8, 9, or 10 years. The surrender charge period will be 10 years. However, during the first 30-days following each guarantee period the policy can be surrendered without surrender charges or MVA.

The Market. Liberty will offer the rider through all licensed agents contracted with the company for sale to the general public.

Advertising Material. A brochure will be the primary advertising piece for this rider. The brochure is still under development and will be filed in the appropriate jurisdictions when completed.

Statement of Variability. A Statement of Variability disclosing the contract's non-guaranteed elements that are bracketed is enclosed.

Actuarial Requirements. A Actuarial Memorandum is enclosed.

Filing in Other Jurisdictions. The form is authorized in our domiciliary state, South Carolina. The forms will be filed as required in all other jurisdictions where Liberty is licensed to do business. Liberty is licensed in all states except New York.

Filing Fees. Our domiciliary state, South Carolina, does not require a filing fee. Filing fees, if applicable, are enclosed.

Company and Contact

Filing Contact Information

Damon Amato, Sr. Compliance Analyst	damon.amato@rbc.com
2000 Wade Hampton Blvd	864-609-4815 [Phone]
Greenville, SC 29602	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	

Filing Fees

Fee Required?	Yes
Fee Amount:	$50.00
Retaliatory?	No
Fee Explanation:	1 x $50.00

SERFF Tracking Number:	*LBLI-126115767*	*State:*	*Arkansas*
Filing Company:	*Liberty Life Insurance Company*	*State Tracking Number:*	*42330*
Company Tracking Number:	*AN3027*		
TOI:	*A02I Individual Annuities- Deferred Non-Variable*	*Sub-TOI:*	*A02I.003 Single Premium*
Product Name:	*AN3027*		
Project Name/Number:	*/*		

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Liberty Life Insurance Company	$50.00	05/12/2009	27808852

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	05/15/2009	05/15/2009

Disposition

Disposition Date: 05/15/2009
Implementation Date:
Status: Approved-Closed
Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	*LBLI-126115767*	*State:*	*Arkansas*
Filing Company:	*Liberty Life Insurance Company*	*State Tracking Number:*	*42330*
Company Tracking Number:	*AN3027*		
TOI:	*A02I Individual Annuities- Deferred Non-Variable*	*Sub-TOI:*	*A02I.003 Single Premium*
Product Name:	*AN3027*		
Project Name/Number:	*/*		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Product Disclosures		Yes
Supporting Document	Statement of Variabiliity		Yes
Form	RBC MYG SPDA		Yes

Form Schedule

Lead Form Number: AN3027

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	AN3027	Policy/Contract/Fraternal Certificate	RBC MYG SPDA	Initial		54.000	AN3027.pdf

SINGLE PREMIUM DEFERRED ANNUITY
INCOME PAYABLE STARTING ON MATURITY DATE
DEATH BENEFIT PAYABLE UPON PRIOR DEATH OF OWNER
THIS CONTRACT IS NON-PARTICIPATING.

Liberty Life Insurance Company, 2000 Wade Hampton Boulevard, Greenville, SC 29602-9087 A Stock Company

Call [1-800-234-5514] for assistance, questions, or assistance in resolving complaints.

LIBERTY LIFE INSURANCE COMPANY (referred to in this Contract as We, Us, and Our) will, if this Contract is in force, make payment as described in this Contract to the Owner, Annuitant, Beneficiary or other Payee. We will also provide other rights and benefits under the terms of this Contract.

This Contract is issued in consideration of the attached application and Premium Payment shown on the Contract Schedule.

31 Day Free Look Period. Please examine Your Contract. Within 31 days after delivery, You can return it to Us, or to the representative from whom it was purchased, with a written request for a full refund of premium. Upon such request, this Contract will be void from the Contract Date. After 31 days, cancellation may result in a substantial penalty known as a Withdrawal Charge.

IMPORTANT: YOU HAVE PURCHASED AN ANNUITY CONTRACT. PLEASE CAREFULLY REVIEW IT FOR LIMITATIONS. THIS CONTRACT CONTAINS WITHDRAWAL CHARGES THAT CAN BE FOUND ON PAGE 3.

Executed by Us on the Contract Date.

[Robert T. Coleman, III] Secretary	[R. David Black] President

THIS CONTRACT CONTAINS A MARKET VALUE ADJUSTMENT PERIOD.
THIS IS A LEGAL CONTRACT, PLEASE READ IT CAREFULLY.

TABLE OF CONTENTS

CONTRACT SCHEDULE

OWNER:	[JOHN DOE]
OWNER'S AGE AT ISSUE:	[35]
[JOINT OWNER:	[JOHN DOE]]
[JOINT OWNER'S AGE AT ISSUE:	[35]]
ANNUITANT:	[JOHN DOE]
ANNUITANT'S AGE AT ISSUE:	[35]
CONTRACT NUMBER:	[1234567]
CONTRACT DATE:	[APRIL 1, 2006]
INITIAL PREMIUM PAYMENT:	$[100,000]
PLAN TYPE:	[NON-QUALIFIED]
INITIAL GUARANTEE PERIOD:	[5] years
INITIAL GUARANTEED INTEREST RATE:	[5.00]%
MARKET VALUE ADJUSTMENT PERIOD:	The Market Value Adjustment will continue for the life of the Contract. The Contract can be surrendered without an MVA during the first 30 days following any Guarantee Period.

WITHDRAWAL CHARGE SCHEDULE

CONTRACT YEAR:	1	2	3	4	5	6	7	8	9	10	11+
PERCENTAGE:	9%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

Note: The policy can be surrendered without Withdrawal Charges during the first 30 days following any Guarantee Period. At the end of a Guarantee Period, the Contract will automatically begin a new period. The new Guarantee Period will have the same duration as the initial period shown above, and it will receive a new a Guaranteed Interest Rate. The Withdrawal Charge Schedule **will not** start over; it will always last 10 years from the Issue Date.

*MINIMUM GUARANTEED INTEREST RATE: [2.00]%

*The Minimum Guaranteed Interest Rate at issue will be determined on the following basis:

- The Minimum Guaranteed Interest Rate will be determined on the 7th business day preceding the first business day of the calendar quarter in which the contract is issued. This is called the determination date.
- The rate will be based on the average of the 5-year Constant Maturity Treasury Rate for all business days of the calendar quarter, including the determination date, up to the determination date, rounded to the nearest 0.05%.
- Subtract 1.25%.
- The Minimum Guaranteed Interest Rate will not be less than 1% or more than 3%.

The Minimum Guaranteed Interest Rate will be redetermined at the beginning of each subsequent interest guarantee period on the following basis:

- The new Minimum Guaranteed Interest Rate will be determined on the 7th business day preceding the first business day of the calendar quarter in which the guarantee period begins. This is called the redetermination date.
- The rate will be based on the average of the five-year Constant Maturity Treasury Rate for all business days of the calendar quarter which contains the redetermination date, up to the redetermination date, rounded to the nearest 0.05%.
- Subtract 1.25%.
- If the redetermined interest rate is more or less than the prior Minimum Guaranteed Interest Rate, then the redetermined interest rate becomes the new Minimum Guaranteed Interest Rate.
- The new Minimum Guaranteed Interest Rate will not be less than 1% or more than 3%.

RIDERS (if applicable):	[Name of Rider]
ENDORSEMENTS:	[IRA Endorsement]
SERVICE CENTER:	[IBM PO Box 19087 Greenville, SC 29602-9087 1-800-234-5514]

GENERAL DEFINITIONS

Unless otherwise provided in this Contract, or unless the content otherwise requires, the following definitions and rules of construction shall apply. In this Contract, the neuter gender includes the feminine and masculine; the singular number includes the plural; and the word "person" includes corporation, partnership, firm, or association wherever the content so requires. "Shall", "will" and "agrees" are mandatory, and "may" is permissive. All references to the term of this Contract or the Contract term shall include any extensions of such term.

Age - means age last birthday on the Contract Date or on a Contract Anniversary.

Annuitant - means the person upon whose continuation of life any Payment Options involving life contingencies depends, and who is named on the Contract Schedule.

Beneficiary(ies) - are as shown in the application unless later changed as provided in this Contract. We may rely on the affidavit of any responsible person to determine the identity or nonexistence of Beneficiaries not identified by name.

Business Day - means each day for which the New York Stock Exchange is open for trading.

Contract Date - means the date shown on the Contract Schedule. Contract anniversaries are measured from this date.

Joint Owner - If there is more than one Owner, each Owner shall be a Joint Owner of the Contract. Joint Owners have equal ownership rights and must both authorize any exercise of those ownership rights unless otherwise allowed by Us.

Maturity Date - The Contract Anniversary on or following the Owner's 100th birthday.

Natural Person - means a human being only and not a trust, a corporation, or any other legally recognized entity.

Owner - means the person named in the application, unless later changed as provided in this Contract. The Annuitant is the Owner if no other person is named. If Joint Owners are named, all references to Owner shall mean the Joint Owners.

Payee - means the Annuitant, Owner, Primary Beneficiary or Contingent Beneficiary when receiving benefits under this Contract. We may require proof of age or of the continued survival of any Payee.

Payment Option - means any of the options available under the Payment Options provisions of this Contract.

Service Center - The office indicated on the Contract Schedule to which notices, requests, and the Premium Payment must be sent. All sums payable to Us under the Contract are payable only at the Service Center.

We, Us, and Our - means Liberty Life Insurance Company.

You, Your, Yours - means the Owner.

PREMIUM PROVISION

Premium Payment - The Premium Payment is the consideration for this Contract. It must be paid at Our Service Center.

This Contract is not in force until the Premium Payment has been paid during the Owner's lifetime, or Annuitant's lifetime if the Owner is not a Natural Person.

ACCUMULATION VALUE PROVISION

Accumulation Value - The Accumulation Value is the amount of the Premium Payment plus credited interest, minus any prior withdrawals, Withdrawal Charges, any applicable premium taxes, and adjusted by any Market Value Adjustment on prior withdrawals.

Interest Crediting - Interest on the Premium Payment will be credited from the date the premium is received in Our Service Center.

The Minimum Guaranteed Interest Rate is shown on the Contract Schedule. We may credit higher interest rates in the amount and by the method determined by Us. All Interest Rates payable under this Contract are annual effective interest rates based on daily compounding of interest.

In case of any withdrawal, interest will be credited up to the date the payment is made by Us.

WITHDRAWAL AND SURRENDER PROVISION

Cash Surrender Value - The Cash Surrender Value is equal to the Accumulation Value, modified by any applicable MVA, minus any applicable Withdrawal Charge.

The Cash Surrender Value will never be less than 87.5% of the premium payment, minus any applicable premium taxes, minus any withdrawals; plus interest earned at the Minimum Guaranteed Interest Rate.

Basis Of Computation - A detailed statement of the method of determining reserves and values under this Contract has been filed with the insurance supervisory official of the jurisdiction in which this Contract is delivered. All such values are equal to or greater than the minimums required by law in that state.

Withdrawal Charge - A Withdrawal Charge may be deducted if part or all of the Accumulation Value is withdrawn. The applicable Withdrawal Charge is shown on the Contract Schedule. The Withdrawal Charge applies to the Accumulation Value that is not exempted under the Waiver of Withdrawal Charge provision of this Contract.

Market Value Adjustment (MVA) - An MVA will be made to the Accumulation Value if part or all of the Accumulation Value is withdrawn. If the MVA is a negative value, the MVA will decrease the Accumulation Value. If the MVA is a positive value, the MVA will increase the Accumulation Value.

The MVA factor equals [(1+A) / (1+B+0.005)] ^ (N/12). Where:

A = The rate of the 10-year Treasury Constant Maturity Series published by the Federal Reserve, determined on the 5th Business Day prior to the calendar month in which the current Guarantee Period began.

B = The rate of the 10-year Treasury Constant Maturity Series published by the Federal Reserve, determined on the 5th Business Day prior to the calendar month in which the MVA is calculated.

N = The number of complete months from the date of the withdrawal to the end of the current Guarantee Period.

The amount of the MVA is calculated by subtracting 1 from the MVA factor and multiplying the result by [(1) - (2)], where:

(1) = The Accumulation Value for a Full Surrender or the amount of the withdrawal for a Partial Withdrawal;

(2) = The amount subject to a waiver of Withdrawal Charge or MVA under the provisions of this Contract, but not to exceed (1).

An MVA will not apply to the payment of proceeds upon death of the Owner or to withdrawals made within 30 days following the end of a Guarantee Period. The amount of the MVA is limited to the amount of excess interest credited to the Contract, less any applicable Withdrawal Charge. Excess interest is the dollar amount of interest credited to the Contract in excess of the amount that would have been credited at the Minimum Guaranteed Interest Rate.

Partial Withdrawal - Partial Withdrawal means a withdrawal of less than the full Cash Surrender Value of this Contract. After the first Contract Year, we will waive the Withdrawal Charge and the MVA on the amount of such withdrawal up to 10% of the Accumulation Value.

You may make Partial Withdrawals from this Contract before distribution under a Payment Option begins or the Death Benefit becomes payable. Any Partial Withdrawal is subject to the following conditions:

1. We must receive a written request at Our Service Center stating the amount of the requested Partial Withdrawal, which must be for at least $500; and
2. the Accumulation Value remaining after the withdrawal must be at least $2,000; and
3. no other withdrawal options can be elected or in effect.

If a Partial Withdrawal and applicable Withdrawal Charges and MVA would cause the Accumulation Value to fall below $2000, the withdrawal may result in a Full Surrender.

Full Surrender - Full Surrender means the total withdrawal of the entire Accumulation Value. You may surrender this Contract by making a written request for a Full Surrender at Our Service Center at or before distribution begins under any of the Payment Options. This Contract will terminate when surrendered.

Confinement Withdrawal - After the first Contract Year, a Withdrawal Charge or the MVA will not apply if at the time of withdrawal: (1) You or one of the Joint Owners is Confined to a Long Term Care Facility or Hospital due to Injury or Sickness; (2) the confinement began while the Contract was in force; and (3) the confinement has lasted for 90 consecutive days. The Partial Withdrawal requirements listed in the Partial Withdrawal provision apply to any withdrawal under this provision.

Confined means necessarily confined as an inpatient upon a physician's recommendation.

Injury means accidental bodily injury which is sustained while this Contract is in force.

Sickness means sickness or disease which first manifests itself while this Contract is in force.

Physician means a licensed doctor of medicine or licensed doctor of osteopathy operating within the scope of his license. The physician must not be You, the Annuitant, or a parent, spouse, child, stepchild, grandparent, grandchild, sibling or in-law of Yours, of the Annuitant's, or of the Joint Owner's.

Hospital means a facility that:

a. is licensed and operated as a hospital according to the law of the jurisdiction in which it is located;
b. operates primarily for the care and treatment of sick and injured persons as inpatients;
c. provides continuous 24 hours a day nursing service by or under the supervision of a Registered Nurse;
d. is supervised by a staff of licensed Physicians; and
e. has medical, diagnostic and major surgical facilities or has access to such facilities on a prearranged basis.

Long Term Care Facility means a licensed Skilled Nursing Facility or an Intermediate Nursing Facility.

Long Term Care Facility does not mean

a. a place that primarily treats drug addicts or alcoholics;
b. a home for the aged or mentally ill;
c. a community living center;
d. a place that primarily provides domiciliary, residency or retirement care; or
e. a place operated by a member of the Owner's or Annuitant's family.

Skilled Nursing Facility means a facility that:

a. operates as a Skilled Nursing Facility according to the law of the jurisdiction in which it is located;
b. provides skilled nursing care under the supervision of a licensed Physician;
c. provides continuous 24 hours a day nursing service by or under the supervision of a Registered Nurse or a Licensed Practical Nurse; and
d. maintains a daily medical record of each patient.

Intermediate Nursing Facility means a facility that:

a. is licensed and operated as an Intermediate Care Facility according to the law of the jurisdiction in which it is located;
b. provides continuous 24 hours a day nursing service by or under the supervision of a Registered Nurse or a Licensed Practical Nurse; and
c. maintains a daily medical record of each patient.

Terminal Illness Withdrawal - After the first Contract Year, a Withdrawal Charge or the MVA will not apply if:

1. You are terminally ill and not expected to live more than 12 months;
2. Your Physician certifies to Your illness; and
3. You were not diagnosed with the terminal illness as of the effective date of this Contract. Proof of Your illness will be required. The requirements listed in the Partial Withdrawal provision apply under this provision.

The proof required for the above will include, but is not limited to, certification by a Physician performing within the scope of her license. The Physician must not be You, the Annuitant, or a parent, spouse, child, stepchild, grandparent, grandchild, sibling or in-laws of Yours or that of the Annuitant or Joint Owner.

Written notice and proof of confinement for 90 days in a Long Term Care Facility or Hospital must be received from Your Physician prior to Our Waiver of the Withdrawal Charges because of confinement.

Waiver Of Withdrawal Charge and Market Value Adjustment (MVA) - In any Contract Year after the first, we will waive the Withdrawal Charge and the MVA on partial withdrawals up to 10% of the Accumulation Value, as determined on the prior Contract anniversary. If total withdrawals in a Contract Year exceed the 10%, the amount in excess of the 10% will be subject to a Withdrawal Charge and the MVA, if applicable. Interest-only withdrawals and Required Minimum Distributions are available immediately and are not subject to a Withdrawal Charge or the MVA.

We will also waive the Withdrawal Charge and the MVA when any of the following applies:

1. the Accumulation Value is paid at the death of the Owner;
2. a Life Income Option is chosen after the first Contract Year or the Fixed Period Option with a period of ten years or longer is chosen after the fifth Contract Year;
3. a withdrawal is made under the Confinement Withdrawal Provision or the Terminal Illness Withdrawal Provision.

Payment Of Surrender Benefits - Any surrender benefits will be paid to You. We may delay payment for up to six (6) months from the date We receive the written request to surrender. If We are going to delay payments for this period, We will notify You in writing after receiving written permission from the Commissioner. If we delay payment for more than 30 days after the date we receive your request to surrender, we will pay interest on the deferred payment at the rate required by law. You may elect that any surrender benefit of $2,500 or more be received under a Payment Option. Our consent is needed to choose a Payment Option if the Payee is not a Natural Person.

ANNUITY BENEFITS PROVISION

This Contract cannot be annuitized until after the first Contract Year. An election to receive distribution under a Payment Option must be made no later than 30 days before the Maturity Date. If a Payment Option is not chosen prior to that time, Option 2 with a guaranteed period of 10 years will automatically become effective.

The amount of the annuity payments will be determined by applying the Cash Surrender Value, minus any applicable premium taxes, on the Maturity Date, or the date of application for a Payment Option, in accordance with the Payment Options Provision.

DEATH OF ANNUITANT PROVISION

If the Annuitant is not an Owner and dies before distribution under a Payment Option has begun, You may designate a new Annuitant, subject to Our underwriting rules then in effect. If no designation is made within 30 days of death of the Annuitant, either You or the younger of any Joint Owners will become the Annuitant.

If the Owner is a non-Natural Person, then except as provided below, the death of the Annuitant will be treated as the death of the Owner and a new Annuitant may not be designated. If the Contract is owned by a Trust as an asset of a retirement plan qualified under Sections 401, 403 or 408 of the Internal Revenue Code, or their successors, then a new Annuitant may be designated.

If the Annuitant is not the Owner and dies before the Owner and after the date distribution under a Payment Option has begun, and before the guaranteed payments, if any, under the Payment Option applicable have been paid, the remaining guaranteed payments will be distributed at least as rapidly as under the method of distribution being used as of the date of the Annuitant's death.

DEATH OF OWNER PROVISION

Before Distribution Under a Payment Option Begins - Upon the death of the Owner, or the death of any Joint Owner who is not the spouse of the surviving Joint Owner, the Death Benefit will be paid to the Beneficiary(ies) designated by the Owner. Upon the death of any Joint Owner, where the surviving spouse is the surviving Joint Owner, such surviving Joint Owner will become the Primary Beneficiary to whom the Death Benefit will be paid, and any other Beneficiary designation on record at the time of such death will be treated as a Contingent Beneficiary.

Unless the Owner's designation of one of the death benefit options below is in effect at the time of his death, a Beneficiary who is not the spouse of the Owner must request that any amount payable be paid under one of the following death benefit options:

Option 1: Lump sum; or
Option 2: If the Accumulation Value is at least $2,500, payment under a Payment Option over the lifetime of the Beneficiary or over a period not extending beyond the life expectancy of the Beneficiary with distribution beginning within one year of the date of death of the Owner or any Joint Owner.

Any portion of the Death Benefit not applied under Option 1 within one year of the date of the Owner's or any Joint Owner's death, must be distributed within five years of the date of death.

In addition, if the Beneficiary is the spouse of the Owner or deceased Joint Owner, she may elect to continue the Contract in her own name and exercise all the Owner's rights under the Contract, unless the Owner's designation of a death benefit option or other restriction is in effect at the time of her death. Unless the Internal Revenue Code provides otherwise, the spouse Beneficiary may elect to continue the Contract only one time.

On or After a Payment Option Begins - If You, or any Joint Owner, dies after distribution under a Payment Option has begun and before the guaranteed payments, if any, under the applicable Payment Option have been paid, and You are not an Annuitant, any remaining payments under the Payment Option elected will continue at least as rapidly as under the method of distribution in effect at such Owner's death.

DEATH BENEFIT PROVISION

Death Benefit - The Death Benefit is the greater of the Accumulation Value or the Cash Surrender Value.

PAYMENT OF DEATH BENEFIT

The Beneficiary designation in effect on the Contract Date will remain in effect until changed. The Beneficiary is entitled to receive the benefits to be paid at Your death. Unless You provide otherwise, the Death Benefit will be paid in equal shares to the primary Beneficiary(ies) who survive You and/or the Annuitant's death, as applicable.

If there are no surviving Primary Beneficiaries, the Death Benefit will be paid in equal shares to the Contingent Beneficiary(ies) who survive You and/or the Annuitant's death, as applicable. If there are no surviving Contingent Beneficiaries, the Death Benefit will be paid to Your estate.

This Contract or a lost Contract statement and a proper written claim must be received by Us before a death benefit will be paid by Us. Due proof of death must also be received by Us.

Due proof of death will be either a certified death certificate; a certified decree of a court of competent jurisdiction as to the finding of death; or any other proof satisfactory to Us.

All death benefits will be paid in accordance with applicable law or regulations governing death benefit payments.

Claims Of Creditors - So far as permitted by law, the benefits will not be subject to any claims of the Beneficiary's creditors.

GENERAL PROVISIONS

Annual Reports - At least once a year, We will mail a report of the Accumulation Value of this Contract, including all amounts debited and credited during the year. The report will be mailed to the last address of the Owner reported to Us.

Assignment - You may assign this Contract in writing at any time before it is surrendered, annuity payments begin, or a Death Benefit becomes payable. Any assignment must be filed at Our Service Center. We are not responsible for the validity of any assignment. If You assign this Contract, Your rights and those of any revocable-named person will be subject to the assignment. An assignment will not affect any payments We make or actions We take before We record the assignment.

Change Of Owner, Beneficiary, or Annuitant - Prior to the date a distribution under a Payment Option has begun, You may change the Owner, Beneficiary, or Annuitant. Any change is subject to the rights of any irrevocable Beneficiary(ies). The Annuitant may not be changed in a Contract which is owned by a non-Natural Person, unless:

1. the Contract is owned by a Trust as an asset of a retirement plan qualified under Sections 401, 403 or 408 of the Internal Revenue Code, or their successors; or
2. the Contract is being continued by a surviving spouse as sole Beneficiary.

A change will not take effect until We receive Your request in writing and have recorded the change at Our Service Center. Once recorded, the change will be effective as of the date You signed the request. Naming a new Owner, Beneficiary, or Annuitant will revoke any previously named Owner, Beneficiary or Annuitant. The change will not affect any payments made or other action taken by Us before Your request was recorded in Our Service Center.

Any change of Owner, Beneficiary or Annuitant is subject to Our underwriting rules then in effect. We may require submission of this Contract before We make any change.

Conformity With State Law - This Contract is subject to the laws of the jurisdiction where it is issued. If any provision of this Contract is contrary to any law to which it is subject, such provision is amended to conform to the minimum standards of such law.

Entire Contract - The Entire Contract between You and Us consists of this Contract, the attached application, and any attached endorsements, riders or amendments.

Incontestability - We will not contest this Contract from the Contract Date.

Maturity Date - Anytime prior to the Maturity Date You may surrender this Contract for cash or apply the Cash Surrender Value under the Annuity Benefits Provision. Written request for surrender must be received in Our Service Center at least 30 days before distribution.

Misstatement Of Age or Gender - We may require proof of the Age or Gender of the Annuitant or any other Payee before making any annuity payment or Death Benefit payment. If the Age has been misstated, We will compute the amount payable based on the correct information. If any payments have begun, any underpayment that may have been made will be paid in full with the next annuity payment. Any overpayments, unless repaid to Us in one sum, will be deducted from future annuity payments otherwise due until We are repaid in full. In calculating the amount of underpayment or overpayment, interest will be included at the Guaranteed Rate.

Modifications And Authority - No agent has authority to change this Contract or waive any of its provisions. Any change in this Contract must be authorized by Our President, Vice President, Secretary or Assistant Secretary. All changes must be made in writing and endorsed by an authorized person.

Non-participation In Surplus - We will not pay any dividends on this Contract. This Contract does not share in Our surplus.

Proof Of Survival - We may require proof that any Payee lives.

PAYMENT OPTIONS PROVISION

Section 72 - In the event of any conflict between Section 72 of the Internal Revenue Code and the terms of this Contract, that section will govern so as to maintain the treatment of this Contract as an annuity Contract under the Internal Revenue Code. You will be notified of any change(s).

After the first Contract Anniversary, You or, if You have not done so, the Payee may choose any of the Payment Options described below, including a lump sum payment, or You may arrange other Payment Options with Us. A previous election of restricted payout options may apply.

If the amount available to apply under any option is less than $2,500, We reserve the right to pay such amount in one sum to the Payee.

Annuity payments will automatically be made monthly. Subject to Our approval quarterly, semi-annual or annual payments may be chosen by written request. However, if any payment provided for would be or becomes less than $20, We have the right to reduce the frequency of payment to an interval that will result in each payment being at least $20.

Payment Options are available only with Our consent if (a) this Contract is assigned; or (b) the Payee is not a Natural Person.

Payment Options

Option 1 - Fixed Period - Payments will be made for a fixed period. The fixed period may be from five to twenty years. The payments for each $1,000 applied under this option will be the amount shown in the Table for Income Option 1.

Option 2 - Life Income - Payments will be made for the life of the Payee only or life of the Payee with 10 or 20 years guaranteed. Payments for each $1,000 applied under this option will be the amount shown in the Table for Income Option 2.

Guaranteed Rate - The guaranteed basis for payments is 1.5% annual effective interest under Options 1 and 2. The guaranteed mortality basis for Option 2 is the Annuity 2000 Mortality Tables.

Settlement Agreement - At the time a Payment Option is elected, We require exchange of this Contract for a settlement agreement which covers the Payment Option. The effective date of such agreement will be the date proceeds are applied under the settlement agreement.

Death Of Payee - If all the Payees have died, the value of any remaining guaranteed payments will be paid to the last Payee's estate, unless otherwise provided in the election of the option. The value will be based on the interest rate shown in the settlement agreement, but not less than the Guaranteed Rate for the Payment Option elected.

TABLE FOR INCOME OPTION 1

Monthly payments for each $1,000 of Net Proceeds

Payments for a Fixed Period							
Years	Amount	Years	Amount	Years	Amount	Years	Amount
1	83.90	6	14.51	11	8.21	16	5.85
2	42.26	7	12.53	12	7.58	17	5.55
3	28.39	8	11.04	13	7.05	18	5.27
4	21.45	9	9.89	14	6.59	19	5.03
5	17.28	10	8.96	15	6.20	20	4.81

TABLE FOR INCOME OPTION 2

Annuity Payments for the Life of the Payee, with Guaranteed Periods

Male Annuitant Age	Monthly Payment Per $1000		
	Life Only	10 Years Guaranteed	20 Years Guaranteed
50	3.25	3.22	3.14
51	3.32	3.29	3.20
52	3.39	3.36	3.26
53	3.47	3.44	3.32
54	3.55	3.51	3.39
55	3.64	3.60	3.45
56	3.73	3.68	3.52
57	3.82	3.77	3.58
58	3.93	3.87	3.65
59	4.03	3.97	3.72
60	4.15	4.08	3.79
61	4.27	4.19	3.86
62	4.40	4.30	3.93
63	4.54	4.43	4.00
64	4.69	4.56	4.07
65	4.85	4.69	4.14
66	5.02	4.83	4.21
67	5.20	4.98	4.27
68	5.40	5.13	4.33
69	5.60	5.29	4.39
70	5.82	5.45	4.44
71	6.06	5.62	4.49
72	6.30	5.79	4.54
73	6.57	5.97	4.58
74	6.85	6.15	4.62
75	7.16	6.33	4.65
76	7.48	6.51	4.68
77	7.83	6.69	4.71
78	8.20	6.87	4.73
79	8.60	7.05	4.75
80	9.02	7.23	4.76
81	9.48	7.40	4.78
82	9.97	7.56	4.79
83	10.49	7.72	4.79
84	11.04	7.87	4.80
85	11.63	8.00	4.81

Female Annuitant Age	Monthly Payment Per $1000		
	Life Only	10 Years Guaranteed	20 Years Guaranteed
50	3.00	2.99	2.95
51	3.06	3.05	3.00
52	3.13	3.11	3.06
53	3.19	3.18	3.12
54	3.26	3.25	3.18
55	3.34	3.32	3.24
56	3.42	3.39	3.30
57	3.50	3.47	3.37
58	3.59	3.56	3.44
59	3.68	3.64	3.51
60	3.78	3.74	3.58
61	3.88	3.84	3.66
62	3.99	3.94	3.73
63	4.11	4.05	3.81
64	4.23	4.16	3.88
65	4.37	4.29	3.96
66	4.51	4.41	4.04
67	4.66	4.55	4.11
68	4.83	4.69	4.19
69	5.00	4.84	4.26
70	5.19	5.00	4.33
71	5.40	5.17	4.39
72	5.62	5.34	4.45
73	5.86	5.53	4.51
74	6.11	5.72	4.55
75	6.39	5.91	4.60
76	6.69	6.11	4.64
77	7.02	6.32	4.67
78	7.37	6.52	4.70
79	7.75	6.73	4.73
80	8.17	6.94	4.75
81	8.61	7.14	4.76
82	9.10	7.34	4.78
83	9.63	7.52	4.79
84	10.20	7.70	4.80
85	10.81	7.86	4.80

TABLE OF GUARANTEED VALUES

Table of guaranteed values per $10,000 of single premium payment

End of Contract Year	Cash Surrender Value	End of Contract Year	Cash Surrender Value
1	[$8,925.00]	21	[$13,262.08]
2	[$9,103.50]	22	[$13,527.32]
3	[$9,285.57]	23	[$13,797.87]
4	[$9,471.28]	24	[$14,073.83]
5	[$9,660.71]	25	[$14,355.30]
6	[$9,853.92]	26	[$14,642.41]
7	[$10,051.00]	27	[$14,935.26]
8	[$10,252.02]	28	[$15,233.96]
9	[$10,457.06]	29	[$15,538.64]
10	[$10,666.20]	30	[$15,849.41]
11	[$10,879.53]	31	[$16,166.40]
12	[$11,097.12]	32	[$16,489.73]
13	[$11,319.06]	33	[$16,819.52]
14	[$11,545.44]	34	[$17,155.92]
15	[$11,776.35]	35	[$17,499.03]
16	[$12,011.87]	36	[$17,849.01]
17	[$12,252.11]	37	[$18,205.99]
18	[$12,497.15]	38	[$18,570.11]
19	[$12,747.10]	39	[$18,941.52]
20	[$13,002.04]	40	[$19,320.35]

RBC Insurance

SINGLE PREMIUM DEFERRED ANNUITY
INCOME PAYABLE STARTING ON MATURITY DATE
DEATH BENEFIT PAYABLE UPON PRIOR DEATH OF OWNER
THIS CONTRACT IS NON-PARTICIPATING.

Liberty Life Insurance Company, 2000 Wade Hampton Boulevard, Greenville, SC 29602-9087

Supporting Document Schedules

Item Status: **Status Date:**

Satisfied - Item: Flesch Certification

Comments:

Attachments:

AR Certification of Compliance.pdf

READABILITY COMPLIANCE CERTIFICATION.pdf

Item Status: **Status Date:**

Satisfied - Item: Application

Comments:

We will use application A1024, which was approved on 02/18/2002.

Item Status: **Status Date:**

Satisfied - Item: Product Disclosures

Comments:

Attachments:

S7418-GLWB Disclosure.pdf

S7419-Enhanced GLWB Disclosure.pdf

Item Status: **Status Date:**

Satisfied - Item: Statement of Variabiliity

Comments:

Attachments:

AN3025 STATEMENT OF VARIABLITY.pdf

AN3026 STATEMENT OF VARIABLITY.pdf

CERTIFICATION OF COMPLIANCE

LIBERTY LIFE INSURANCE COMPANY has reviewed the guidelines for Non-Guaranteed Costs on Non-Participating life insurance and certifies that to the best of its knowledge and belief, the filing of form(s) AN3027 is/are consistent and in compliance with them.

D. G. Amato

Damon Amato
Sr. Compliance Advisor

05/12/2009
Date

READABILITY COMPLIANCE CERTIFICATION

1. Insurer: Liberty Life Insurance Company
PO Box 789
Greenville, South Carolina 29602-0789

2. Certification: I hereby certify that the forms listed below produce Flesch reading ease scores which meet the minimum score required in your state.

In addition, I certify that the forms, except for schedules and tables, are printed in 10 point type, one point leaded. The words and terminology exempted are: (a) all words and terms defined in the forms, (b) all captions and subcaptions, (c) all tables and schedules, and (d) all medical terms. All exempted items are permitted in your state.

READABILITY SCORE

Name of Form	Form Number	Flesch Score
Single Premium Deferred Annuity	AN3027	54.0

May 12, 2009
Date

Mark S. Wessel
Officer Policy Forms/Compliance

RBC Insurance

Liberty Life Insurance Company 2000 Wade Hampton Boulevard, Greenville, South Carolina 29615

GUARANTEED LIFETIME WITHDRAWAL BENEFIT RIDER DISCLOSURE

Thank you for your interest in the RBC Guaranteed Lifetime Withdrawal Benefit Rider. It is important that you understand the benefits, features, and limitations of this Rider before making your purchasing decision. This disclosure is intended to summarize the key provisions of this Rider. Please refer to the actual Rider for a complete description of the Rider's benefits, features, and limitations.

What is the RBC Guaranteed Lifetime Withdrawal Benefit Rider?

The RBC Guaranteed Lifetime Withdrawal Benefit Rider ("Rider") is an optional benefit that can be attached to your annuity ("Contract"). In exchange for an annual charge, RBC guarantees that you can withdraw a minimum amount from your annuity each year for as long as you live. The amount that can be withdrawn is based on a percentage of the Income Base. The percentage used to determine the allowable amount for withdrawal will depend on the Contract provisions, but in most cases, the amount of the withdrawal will be increased by delaying the date you start receiving it.

For example, if you begin lifetime withdrawals at age 65, your allowable percent might be 5.5%. However, if you were to delay taking withdrawals until age 70, your allowable percent might be 6.0%. The allowable percentage at each age will be detailed on the Rider schedule page contained in the Contract.

This rider may be suitable for you if you need a guaranteed income stream, but you do not want to give up the control over your Accumulation Value, which is what annuitization would require. If you do not intend to take withdrawals from your annuity, this rider may not be suitable for you.

How does the RBC Guaranteed Lifetime Withdrawal Benefit Rider work?

The Rider has two primary phases: (1) the Growth Phase, and (2) the Withdrawal Phase. Let's talk about these two phases separately.

The Growth Phase

The Growth Phase begins on the day that the Rider is issued. On the first day of the Growth Phase, the Income Base is equal to the premium payment (plus any applicable premium bonus) plus the Immediate Income Bonus. For example, if your premium payment is $100,000 and you receive a 5% Immediate Income Bonus, then your initial Income Base will be $105,000.

During the Growth Phase, your Income Base will increase as the result of a Rollup or Automatic Annual Step-Up, but it will decrease as a result of a Withdrawal. Any Withdrawal will reduce the Income Base by the percentage that the withdrawal reduces the Contract's Accumulation Value.

- What is a Rollup? When we issue your contract, we will declare your annual Rollup Rate. This is the rate at which we will increase your Income Base for purposes of calculating your benefit.
- What is an Automatic Annual Step-Up? If your Contract Accumulation Value grows at a rate greater than the Rollup Rate, then we will "step up" your Income Base to match the Accumulation Value.

Let's take a look at an example to see how these features work.

Example 1

Let's assume you purchased an annuity with a premium payment of $100,000. Let's also assume the Rider Charge Rate is 0.45%, the Rollup Rate is 8.0%, and the Immediate Income Bonus is 5%.

On the date that your rider is issued, your Income Base is equal to your premium payment plus the Immediate Income Bonus. Therefore, the Income Base equals $105,000.

Issue Date:	**Income Base = $105,000**	**Accumulation Value = $100,000**

For the first contract year, your annuity is credited a total interest return of 6%. The Accumulation Value of your annuity on the Contract Anniversary would be $100,000 plus a 6% credited interest return, minus the Rider Charge (Rider Charge = Income Base x Rider Charge Rate). Your Accumulation Value would equal **$105,489.70**.

In this example, your Income Base would be $105,000 multiplied by the Rollup Rate of 8.0%, so it would equal **$113,400**.

Because the Rollup Rate was higher than the credited interest return, your Income Base would lock in at the higher rate, and the second contract year would begin with an Income Base of $113,400.

1st Contract Anniversary:	**Income Base = $113,400**	**Accumulation Value = $105,489.70**

If, however, the Rollup Rate was lower than the credited interest return, RBC would automatically Step-Up your Income Base to match the Accumulation Value. In other words, if the Accumulation Value on a Contract Anniversary were $115,000 and the Income Base were $113,400, then we would Step-Up your Income base to $115,000.

How does the RBC Guaranteed Lifetime Withdrawal Benefit Rider work (cont.)?

We stated before that the Rider has two primary phases: (1) the Growth Phase, and (2) the Withdrawal Phase. Before we talk about the Withdrawal Phase, though, let's discuss four key aspects of the rider:

1. **Rider Waiting Period –** the waiting period between the Rider's date of issue and the first day that before you can begin taking your Lifetime Withdrawal Amount.

2. **Lifetime Withdrawal Amount (LWA) –** The LWA is the amount that is guaranteed to be available for withdrawal each Contract Year during the life of the Annuitant.

3. **Lifetime Withdrawal Commencement Age –** This is the earliest age at which the Withdrawal Phase may begin.

4. **Lifetime Withdrawal Percentage (LWP) –** This percentage is based on the annuitant's age at the time of the first withdrawal under this Rider. The Lifetime Withdrawal Percentage is used in the calculation of the Lifetime Withdrawal Amount.

The Withdrawal Phase

You can begin to take lifetime withdrawals as soon as the Rider Waiting Period has been satisfied and the Annuitant's Age has reached or exceeded the Lifetime Withdrawal Commencement Age. The initial Lifetime Withdrawal Amount is equal to your Lifetime Withdrawal Percentage multiplied by the Income Base on the first day of the Withdrawal Phase.

Lifetime Withdrawal Amount = Lifetime Withdrawal Percentage x Income Base

For example, if you begin withdrawals at age 65 and your Lifetime Withdrawal Percentage is 5.5% and your Income Base is $350,000, your initial Lifetime Withdrawal Amount equals $19,250.

After the initial calculation, the Lifetime Withdrawal Amount will be recalculated on each Contract Anniversary **or** at the time of an Excess Withdrawal. The Lifetime Withdrawal Amount will be equal to the LWP multiplied by the Income Base at the time of recalculation.

During the Withdrawal Phase the Income Base will increase as the result of an Automatic Annual Step-Up and will decrease as the result of an Excess Withdrawal.

- What is an Excess Withdrawal? If you withdraw an amount more than the Lifetime Withdrawal Amount, the amount over the Lifetime Withdrawal Amount is called an Excess Withdrawal. For example, if you withdrew the entire Lifetime Withdrawal Amount of $19,250 in March and then withdrew an additional $10,000 in September of the same year, the $10,000 would be considered an Excess Withdrawal.

(Please note that during the Withdrawal Phase, Market Value Adjustments and withdrawal charges will not apply to withdrawals that are less than or equal to the LWA. Withdrawals that are greater than the LWA may be subject to a Market Value Adjustment and withdrawal charges.)

Let's look at two examples to see how the calculations work during the Withdrawal Phase.

Example 2

Let's assume your Income Base at the time of your first withdrawal under the benefit is $250,000 and the Lifetime Withdrawal Percentage is 6.0%. Your initial Lifetime Withdrawal Amount would be equal to $15,000 ($250,000 multiplied by 6.0%).

This means that for the rest of your life you can withdraw $15,000 every contract year. If you never withdraw an amount more than $15,000, we guarantee – regardless of your annuity's performance – you will always receive an amount of at least $15,000.

Question: During the Withdrawal Phase, what happens if the Accumulation Value increases and exceeds the Income Base?

Answer: If the Contract Accumulation Value, after reduction for the Rider Charge, on any Contract Anniversary is **greater** than the Income Base, then the Income Base will be **automatically stepped-up** to equal the Contract Accumulation Value.

Therefore, if the Income Base on a Contract Anniversary is $250,000 and the Accumulation Value is $260,000, RBC would step-up the Income Base to **$260,000** and recalculate your Lifetime Withdrawal Amount. The new Lifetime Withdrawal Amount would now be $15,600.

Example 3

Let's still assume that your Income Base at the time of your first withdrawal under the benefit is $250,000 and the Lifetime Withdrawal Percentage is 6.0%. Your initial Lifetime Withdrawal Amount would be equal to $15,000 ($250,000 multiplied by 6.0%).

Question: During the Withdrawal Phase, what happens if I withdraw an amount that is greater than the Lifetime Withdrawal Amount?
Answer: In order to determine the negative effect of an Excess Withdrawal on the Income Base, we need to use the following formula:

> **Excess Withdrawal amount (including any applicable withdrawal charges) <u>divided by</u> the result of the Accumulation Value prior to the withdrawal <u>minus the difference</u> between the total withdrawal amount and the Excess Withdrawal amount.**

An example will help to clarify this formula. Using the same numbers from above and an Accumulation Value of $230,000, let's assume that in addition to the $15,000 Lifetime Withdrawal Amount you withdraw an excess of $10,000. The formula would like this:

$10,000 ÷ [$230,000 – ($25,000 Total Withdrawal – $10,000 Excess Withdrawal)]
=
$10,000 ÷ ($230,000 – $15,000)
=
$10,000 ÷ $215,000 = 4.651%

The Income Base of $250,000 would be reduced by 4.651% so that it would equal **$238,372.09**.
The Lifetime Withdrawal Amount would now equal **$14,302.33** (The Income Base of **$238,372.09** multiplied by Lifetime Withdrawal Percentage of 6.0% = **$14,302.33**).

In the Withdrawal Phase, what happens if a withdrawal of the Lifetime Withdrawal Amount reduces the Contract's Accumulation Value to zero?

If this happens, the Rider will enter into a phase called the Settlement Phase. The Contract will continue but all other rights and benefits under the Contract, including death benefits, will terminate. The Rider Charge will not be deducted during the Rider's Settlement Phase. During the Rider's Settlement Phase, each Contract Year, total settlement payments of an amount equal to the Lifetime Withdrawal Amount will automatically be paid to you until the death of the Annuitant. After the Rider enters the Settlement Phase, the Rider will terminate when the Annuitant dies.

Can I purchase this Rider for joint annuitants?

Yes. You may choose, at the beginning of the Withdrawal Phase, to have the Lifetime Withdrawal Amount based on the lives of the Annuitant and the Annuitant's spouse (Joint Annuitants), provided that the Attained Age of each of the Joint Annuitants is equal to or older than the Lifetime Withdrawal Commencement Age. If you choose to have Joint Annuitants, then the beneficiary of the Contract will also be the spouse of the Annuitant, despite whether the annuity Contract provides otherwise. The Lifetime Withdrawal Percentage would be based on the younger of the joint annuitants.

Is there a charge for the Rider?

Yes. A charge will be deducted from the Contract's Accumulated Value on the Contract Anniversary. The charge is equal to a percentage of the Income Base. For example, if your Rider Charge Rate is 0.45% and your Income Base is $50,000 on your Contract Anniversary, then your Rider Charge would be $225.00 for that year.

Can I terminate this Rider and then reinstate it later?

No. The Rider can be added only at the time the annuity is purchased. It cannot be reinstated at a later time.

RBC Insurance

Liberty Life Insurance Company 2000 Wade Hampton Boulevard, Greenville, South Carolina 29615

ENHANCED GUARANTEED LIFETIME WITHDRAWAL BENEFIT RIDER DISCLOSURE

Thank you for your interest in the RBC Enhanced Guaranteed Lifetime Withdrawal Benefit Rider. It is important that you understand the benefits, features, and limitations of this Rider before making your purchasing decision. This disclosure is intended to summarize the key provisions of this Rider. Please refer to the actual Rider for a complete description of the Rider's benefits, features, and limitations.

What is the RBC Enhanced Guaranteed Lifetime Withdrawal Benefit Rider?

The RBC Enhanced Guaranteed Lifetime Withdrawal Benefit Rider ("Rider") is an optional benefit that can be attached to your annuity ("Contract"). In exchange for an annual charge, RBC guarantees that you can withdraw a minimum amount from your annuity each year for as long as you live. The amount that can be withdrawn is based on a percentage of the Income Base. The percentage used to determine the allowable amount for withdrawal will depend on the Contract provisions, but in most cases, the amount of the withdrawal will be increased by delaying the date you start receiving it.

For example, if you begin lifetime withdrawals at age 65, your allowable percent might be 5.5%. However, if you were to delay taking withdrawals until age 70, your allowable percent might be 6.0%. The allowable percentage at each age will be detailed on the Rider schedule page contained in the Contract.

In addition to providing lifetime withdrawals, this Rider also provides an increase to the Income Base if the Annuitant meets certain eligibility requirements and the Rider has passed its fifth Contract Anniversary. See page 5 of this disclosure for further details.

This rider may be suitable for you if you need a guaranteed income stream, but you do not want to give up the control over your Accumulation Value, which is what annuitization would require. If you do not intend to take withdrawals from your annuity, this rider may not be suitable for you.

How does the RBC Enhanced Guaranteed Lifetime Withdrawal Benefit Rider work?

The Rider has two primary phases: (1) the Growth Phase, and (2) the Withdrawal Phase. Let's talk about these two phases separately.

The Growth Phase

The Growth Phase begins on the day that the Rider is issued. On the first day of the Growth Phase, the Income Base is equal to the premium payment (plus any applicable premium bonus) plus the Immediate Income Bonus. For example, if your premium payment is $100,000 and you receive a 5% Immediate Income Bonus, then your initial Income Base will be $105,000.

During the Growth Phase, your Income Base will increase as the result of a Rollup or Automatic Annual Step-Up, but it will decrease as a result of a Withdrawal. Any Withdrawal will reduce the Income Base by the percentage that the withdrawal reduces the Contract's Accumulation Value.

- What is a Rollup? When we issue your contract, we will declare your annual Rollup Rate. This is the rate at which we will increase your Income Base to calculate your benefit.
- What is an Automatic Annual Step-Up? If your Contract Accumulation Value grows at a rate greater than the Rollup Rate, then we will "step up" your Income Base to match the Accumulation Value.

Let's take a look at an example to see how these features work.

Example 1

Let's assume you purchased an annuity with a premium payment of $100,000. Let's also assume the Rider Charge Rate is 0.55%, the Rollup Rate is 8.0%, and the Immediate Income Bonus is 5%.

On the date that your rider is issued, your Income Base is equal to your premium payment plus the Immediate Income Bonus. Therefore, the Income Base equals $105,000.

Issue Date:	**Income Base = $105,000**	**Accumulation Value = $100,000**

For the first contract year, your annuity is credited a total interest return of 6%. The Accumulation Value of your annuity on the Contract Anniversary would be $100,000 plus a 6% credited interest return, minus the Rider Charge (Rider Charge = Income Base x Rider Charge Rate). Your Accumulation Value would equal **$105,376.30**.

In this example, your Income Base would be $105,000 multiplied by the Rollup Rate of 8.0%, so it would equal **$113,400**.

Because the Rollup Rate was higher than the credited interest return, your Income Base would lock in at the higher rate, and the second contract year would begin with an Income Base of $113,400.

1st Contract Anniversary:	**Income Base = $113,400**	**Accumulation Value = $105,376.30**

If, however, the Rollup Rate was lower than the credited interest return, RBC would automatically Step-Up your Income Base to match the Accumulation Value. In other words, if the Accumulation Value on a Contract Anniversary were $115,000 and the Income Base were $113,400, then we would Step-Up your Income base to $115,000.

How does the RBC Enhanced Guaranteed Lifetime Withdrawal Benefit Rider work (cont.)?

We stated before that the Rider has two primary phases: (1) the Growth Phase, and (2) the Withdrawal Phase. Before we talk about the Withdrawal Phase, though, let's discuss four key aspects of the rider:

1. **Rider Waiting Period –** the waiting period between the Rider's date of issue and the first day that before you can begin taking your Lifetime Withdrawal Amount.

2. **Lifetime Withdrawal Amount (LWA) –** The LWA is the amount that is guaranteed to be available for withdrawal each Contract Year during the life of the Annuitant.

3. **Lifetime Withdrawal Commencement Age –** This is the earliest age at which the Withdrawal Phase may begin.

4. **Lifetime Withdrawal Percentage (LWP) –** This percentage is based on the annuitant's age at the time of the first withdrawal under this Rider. The Lifetime Withdrawal Percentage is used in the calculation of the Lifetime Withdrawal Amount.

The Withdrawal Phase

You can begin to take lifetime withdrawals as soon as the Rider Waiting Period has been satisfied and the Annuitant's Age has reached or exceeded the Lifetime Withdrawal Commencement Age. The initial Lifetime Withdrawal Amount is equal to your Lifetime Withdrawal Percentage multiplied by the Income Base on the first day of the Withdrawal Phase.

Lifetime Withdrawal Amount = Lifetime Withdrawal Percentage x Income Base

For example, if you begin withdrawals at age 65 and your Lifetime Withdrawal Percentage is 5.5% and your Income Base is $350,000, your initial Lifetime Withdrawal Amount equals $19,250.

After the initial calculation, the Lifetime Withdrawal Amount will be recalculated on each Contract Anniversary **or** at the time of an Excess Withdrawal. The Lifetime Withdrawal Amount will be equal to the LWP multiplied by the Income Base at the time of recalculation.

During the Withdrawal Phase the Income Base will increase as the result of an Automatic Annual Step-Up and will decrease as the result of an Excess Withdrawal.

- What is an Excess Withdrawal? If you withdraw an amount more than the Lifetime Withdrawal Amount, the amount over the Lifetime Withdrawal Amount is called an Excess Withdrawal. For example, if you withdrew the entire Lifetime Withdrawal Amount of $19,250 in March and then withdrew an additional $10,000 in September of the same year, the $10,000 would be considered an Excess Withdrawal.

(Please note that during the Withdrawal Phase, Market Value Adjustments and withdrawal charges will not apply to withdrawals that are less than or equal to the LWA. Withdrawals that are greater than the LWA may be subject to a Market Value Adjustment and withdrawal charges.)

Let's look at two examples to see how the calculations work during the Withdrawal Phase.

Example 2

Let's assume your Income Base at the time of your first withdrawal under the benefit is $250,000 and the Lifetime Withdrawal Percentage is 6.0%. Your initial Lifetime Withdrawal Amount would be equal to $15,000 ($250,000 multiplied by 6.0%).

This means that for the rest of your life you can withdraw $15,000 every contract year. If you never withdraw an amount more than $15,000, we guarantee – regardless of your annuity's performance – you will always receive an amount of at least $15,000.

Question: During the Withdrawal Phase, what happens if the Accumulation Value increases and exceeds the Income Base?

Answer: If the Contract Accumulation Value, after reduction for the Rider Charge, on any Contract Anniversary is **greater** than the Income Base, then the Income Base will be **automatically stepped-up** to equal the Contract Accumulation Value.

Therefore, if the Income Base on a Contract Anniversary is $250,000 and the Accumulation Value is $260,000, RBC would step-up the Income Base to **$260,000** and recalculate your Lifetime Withdrawal Amount. The new Lifetime Withdrawal Amount would now be $15,600.

Example 3

Let's still assume that your Income Base at the time of your first withdrawal under the benefit is $250,000 and the Lifetime Withdrawal Percentage is 6.0%. Your initial Lifetime Withdrawal Amount would be equal to $15,000 ($250,000 multiplied by 6.0%).

Question: During the Withdrawal Phase, what happens if I withdraw an amount that is greater than the Lifetime Withdrawal Amount?

Answer: In order to determine the negative effect of an Excess Withdrawal on the Income Base, we need to use the following formula:

> **Excess Withdrawal amount (including any applicable withdrawal charges) <u>divided by</u> the result of the Accumulation Value prior to the withdrawal <u>minus the difference</u> between the total withdrawal amount and the Excess Withdrawal amount.**

An example will help to clarify this formula. Using the same numbers from above and an Accumulation Value of $230,000, let's assume that in addition to the $15,000 Lifetime Withdrawal Amount you withdraw an excess of $10,000. The formula would like this:

$10,000 ÷ [$230,000 – ($25,000 Total Withdrawal – $10,000 Excess Withdrawal)]
=
$10,000 ÷ ($230,000 – $15,000)
=
$10,000 ÷ $215,000 = 4.651%

The Income Base of $250,000 would be reduced by 4.651% so that it would equal **$238,372.09**.
The Lifetime Withdrawal Amount would now equal **$14,302.33** (The Income Base of **$238,372.09** multiplied by Lifetime Withdrawal Percentage of 6.0% = **$14,302.33**).

In the Withdrawal Phase, what happens if a withdrawal of the Lifetime Withdrawal Amount reduces the Contract's Accumulation Value to zero?

If this happens, the Rider will enter into a phase called the Settlement Phase. The Contract will continue but all other rights and benefits under the Contract, including death benefits, will terminate. The Rider Charge will not be deducted during the Rider's Settlement Phase.

During the Rider's Settlement Phase, each Contract Year, total settlement payments of an amount equal to the Lifetime Withdrawal Amount will automatically be paid to you until the death of the Annuitant. After the Rider enters the Settlement Phase, the Rider will terminate when the Annuitant dies.

What is the Enhanced Benefit of this Rider?

If both the Annuitant and this Rider meet the eligibility requirements, the Income Base and the Lifetime Withdrawal Amount will be increased by the Enhanced Benefit Muliplier (shown on Page 1 of the Rider), as long as the Rider has been in force for at least the Enhanced Benefit Waiting Period.

For example, if the Income Base is $200,000 and the Enhanced Benefit Multiplier is 1.6, then the Income Base would be increased to $320,000 ($200,000 x 1.6 = $320,000). The Lifetime Withdrawal Amount would also increase by the same factor.

The eligibility requirements for the annuitant are as follows:

1. The Annuitant must be a U.S. resident on the Approval Date.
2. The Annuitant's Attained Age must be at least the Lifetime Withdrawal Commencement Age.
3. We must receive proof satisfactory to us that the Annuitant is unable to perform, without substantial assistance, at least 2 of the 6 Activities of Daily Living. These Activities of Daily Living are defined as:

    a. **Bathing:** washing oneself by sponge bath or in either a tub or shower, including the tasks of getting into or out of the shower;
    b. **Dressing:** putting on and taking off all items of clothing and any required braces, fasteners, or artificial limbs;
    c. **Transferring:** moving into and out of a bed, chair, or wheelchair;
    d. **Toileting:** getting to and from the toilet, getting on and off the toilet, and performing related personal hygiene;
    e. **Continence**: ability to maintain control of bowel and bladder function or, when not able to maintain control of bowel or bladder function, ability to perform related personal hygiene (including caring for catheter or colostomy bag);
    f. **Eating:** feeding oneself by getting food into the body from a receptacle (such as a cup, plate, or table) or by feeding tube or intravenously.

Without Substantial Assistance means that without the physical assistance of another person, the Annuitant would be unable to perform the Activity of Daily Living; **or** that the presence of another person within arm's reach of the Annuitant is necessary to prevent, by physical intervention, injury to the Annuitant while the Annuitant performs the Activity of Daily Living.

Is the Enhanced Benefit available for Joint Withdrawal?

No. The Enhanced Benefit is not available with the Joint Withdrawal Option. If it is your intent to utilize the Joint Withdrawal Option, then it may be more appropriate to purchase the RBC Guaranteed Lifetime Withdrawal Benefit.

Is there a charge for the Rider?

Yes. A charge will be deducted from the Contract's Accumulated Value on the Contract Anniversary. The charge is equal to a specified percentage of the Income Base. For example, if your Rider Charge Rate is 0.55% and your Income Base is $50,000 on your Contract Anniversary, then your Rider Charge would be $275.00 for that year.

Can I terminate this Rider and then reinstate it later?

No. The Rider can be added only at the time the annuity is purchased. If you decide to terminate the Rider, you cannot add it back at a later date.

STATEMENT OF VARIABLITY
LIBERTY LIFE INSURANCE COMPANY
FORM AN3025

The following items of Page 1 are variable on the Rider form. These items are listed in order of appearance on the Page 1. Items such as names and dates are self-explanatory.

RIDER WAITING PERIOD:
This value is variable in order to allow for varying Rider Waiting Periods in order to respond to market conditions. The Rider Waiting Period will never be less than 0 years nor more than 10 years. Once a contract is issued, the Rider Waiting Period is guaranteed.

INITIAL INCOME BASE AMOUNT:
This value is determined by adding the premium amount and the Immediate Income Bonus at the time of issue.

IMMEDIATE INCOME BONUS:
This value is variable to allow for varying bonus rates and to respond to market conditions. The bonus will never be less than 1.0%. Once a contract is issued, the bonus is locked in and cannot be changed.

ROLLUP RATE:
This value is variable to allow for varying Rollup Rates and to respond to market conditions. The Rollup Rate will never be less than 3.0%. Once a contract is issued, the Rollup Rate cannot change and is guaranteed for the life of the contract.

RIDER CHARGE RATE:
This value is variable to allow for varying Rider Charge Rates to respond to market conditions. The Rider Charge Rate will never be less than 0.1%. Once a contract is issued, the Rider Charge Rate cannot change and it is guaranteed for the life of the contract.

ROLLUP PERIOD:
This value is variable to allow for varying Rollup Periods and to respond to market conditions. Once a contract is issued, the Rollup Period cannot change and is guaranteed for the life of the contract.

LIFETIME WITHDRAWAL COMMENCEMENT AGE:
The Lifetime Withdrawal Commencement Age is the earliest age at which the Withdrawal Phase may begin. It is calculated at the time of issue.

LIFETIME WITHDRAWAL PERCENTAGE TABLE:
These values are variable to allow for varying percentages and to respond to market conditions. Once a contract is issued, these percentages are guaranteed for the life of the contract.

STATEMENT OF VARIABLITY
LIBERTY LIFE INSURANCE COMPANY
FORM AN3026

The following items of Page 1 are variable on the Rider form. These items are listed in order of appearance on the Page 1. Items such as names and dates are self-explanatory.

RIDER WAITING PERIOD:
This value is variable in order to allow for varying Rider Waiting Periods in order to respond to market conditions. The Rider Waiting Period will never be less than 0 years nor more than 10 years. Once a contract is issued, the Rider Waiting Period is guaranteed.

ENHANCED BENEFIT WAITING PERIOD:
This value is variable in order to allow for varying Enhanced Benefit Waiting Periods in order to respond to market conditions. The Enhanced Benefit Waiting Period will never be less than 0 years nor more than 10 years. Once a contract is issued, the Enhanced Benefit Waiting Period is guaranteed.

INITIAL INCOME BASE AMOUNT:
This value is determined by adding the premium amount and the Immediate Income Bonus at the time of issue.

IMMEDIATE INCOME BONUS:
This value is variable to allow for varying bonus rates and to respond to market conditions. The bonus will never be less than 1.0%. Once a contract is issued, the bonus is locked in and cannot be changed.

ROLLUP RATE:
This value is variable to allow for varying Rollup Rates and to respond to market conditions. The Rollup Rate will never be less than 3.0%. Once a contract is issued, the Rollup Rate cannot change and is guaranteed for the life of the contract.

RIDER CHARGE RATE:
This value is variable to allow for varying Rider Charge Rates to respond to market conditions. The Rider Charge Rate will never be less than 0.1%. Once a contract is issued, the Rider Charge Rate cannot change and it is guaranteed for the life of the contract.

ROLLUP PERIOD:
This value is variable to allow for varying Rollup Periods and to respond to market conditions. Once a contract is issued, the Rollup Period cannot change and is guaranteed for the life of the contract.

ENHANCED BENEFIT MULTIPLIER:
This value is variable to allow for varying Enhanced Benefit Multipliers and to respond to market conditions. Once a contract is issued, the Enhanced Benefit Multiplier cannot change and is guaranteed for the life of the contract.

LIFETIME WITHDRAWAL COMMENCEMENT AGE:
The Lifetime Withdrawal Commencement Age is the earliest age at which the Withdrawal Phase may begin. It is calculated at the time of issue.

LIFETIME WITHDRAWAL PERCENTAGE TABLE:
These values are variable to allow for varying percentages and to respond to market conditions. Once a contract is issued, these percentages are guaranteed for the life of the contract.