

SERFF Tracking Number: NALF-126395119 State: Arkansas
Filing Company: Life Insurance Company of the Southwest State Tracking Number: 44680
Company Tracking Number: 8796(0210)
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life
Adjustable Life
Product Name: LSW Income Builder UL
Project Name/Number: LSW Income Builder UL/8796(0210)

Filing at a Glance

Company: Life Insurance Company of the Southwest

Product Name: LSW Income Builder UL SERFF Tr Num: NALF-126395119 State: Arkansas
TOI: L09I Individual Life - Flexible Premium SERFF Status: Closed-Approved- State Tr Num: 44680
Adjustable Life Closed
Sub-TOI: L09I.001 Single Life Co Tr Num: 8796(0210) State Status: Approved-Closed
Filing Type: Form Reviewer(s): Linda Bird
Authors: Susan Carey, Laurie Disposition Date: 02/01/2010
Trombly, Michelle Goodwin, Susan
Preedom
Date Submitted: 01/22/2010 Disposition Status: Approved-
Closed
Implementation Date Requested: On Approval Implementation Date:
State Filing Description:

General Information

Project Name: LSW Income Builder UL Status of Filing in Domicile: Pending
Project Number: 8796(0210) Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Group Market Size:
Overall Rate Impact: Group Market Type:
Filing Status Changed: 02/01/2010 Explanation for Other Group Market Type:
State Status Changed: 02/01/2010
Deemer Date: Created By: Michelle Goodwin
Submitted By: Michelle Goodwin Corresponding Filing Tracking Number:
Filing Description:
Today we submit for your consideration two new Flexible Premium Adjustable Benefit Universal Life Insurance policies, a new rider, and two revised application's.

Company and Contact

Filing Contact Information

SERFF Tracking Number: NALF-126395119 State: Arkansas
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Michelle Goodwin, Policy Forms Analyst MGoodwin@Nationallife.com
 One National Life Drive 802-229-7441 [Phone]
 Montpelier, VT 05604 802-229-3743 [FAX]

Filing Company Information

Life Insurance Company of the Southwest CoCode: 65528 State of Domicile: Texas
 1300 West Mockingbird Lane Group Code: -99 Company Type:
 Dallas, TX 75247 Group Name: State ID Number: 1117
 (214) 638-9316 ext. [Phone] FEIN Number: 75-0953004

Filing Fees

Fee Required? Yes
 Fee Amount: \$500.00
 Retaliatory? Yes
 Fee Explanation: Texas charges \$500 for same filing
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Life Insurance Company of the Southwest	\$500.00	01/22/2010	33712344

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	02/01/2010	02/01/2010

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	02/01/2010	02/01/2010	Michelle Goodwin	02/01/2010	02/01/2010
Pending Industry Response	Linda Bird	01/28/2010	01/28/2010	Michelle Goodwin	01/28/2010	01/28/2010

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Disposition

Disposition Date: 02/01/2010

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Yes	Yes
Supporting Document	Application	Yes	Yes
Supporting Document	Health - Actuarial Justification	No	No
Supporting Document	Outline of Coverage	No	No
Supporting Document	Third Party Authorization	Yes	Yes
Supporting Document	Responsible Officer Certification	Yes	Yes
Supporting Document	Actuary Illustration Certification	Yes	Yes
Supporting Document	Actuarial Memorandums - Policy	No	No
Supporting Document	John Doe Annual Statement	Yes	Yes
Supporting Document	John Doe Illustration	Yes	Yes
Supporting Document	Actuarial Memorandum - Rider	No	No
Supporting Document	Cover Letter	Yes	Yes
Supporting Document	Advertisiing Sample	Yes	Yes
Supporting Document	Life Insurance & Annuities Replacement	Yes	Yes
Supporting Document	30 Day Replacement Notice	Yes	Yes
Form	Flexible Premium Adjustable Benefit Life Insurance Policy	Yes	Yes
Form	Flexible Premium Adjustable Life Insurance Policy-Unisex	Yes	Yes
Form	Death Benefit Protection Rider	Yes	Yes
Form	Life Insurance Application	Yes	Yes
Form	Supplemental Other Insured Life Insurance Application	Yes	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 02/01/2010
Submitted Date 02/01/2010
Respond By Date 03/01/2010

Dear Michelle Goodwin,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Please review Rule & Reg 97s6(A)(4) in reference to providing to the policy or contract owner notice of the right to return the policy or contract within thirty (30) days of delivery of the contract and receive an unconditional full refund of all premium.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

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Response Letter

Response Letter Status Submitted to State
Response Letter Date 02/01/2010
Submitted Date 02/01/2010

Dear Linda Bird,

Comments:

Response 1

Comments: I have attached our 30 day notice to the Supporting Documents tab.

Related Objection 1

Comment:

Please review Rule & Reg 97s6(A)(4) in reference to providing to the policy or contract owner notice of the right to return the policy or contract within thirty (30) days of delivery of the contract and receive an unconditional full refund of all premium.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: 30 Day Replacement Notice

Comment: The attached notice will be used for 30 days notice.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,

Laurie Trombly, Michelle Goodwin, Susan Carey, Susan Preedom

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 01/28/2010
Submitted Date 01/28/2010
Respond By Date 03/01/2010

Dear Michelle Goodwin,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: The Arkansas Insurance Department has recently adopted Department Rule 97, "Life Insurance and Annuities Replacement. Bulletin 8-2009 further addresses this issue. Please review and make the necessary corrections.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

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Response Letter

Response Letter Status Submitted to State
Response Letter Date 01/28/2010
Submitted Date 01/28/2010

Dear Linda Bird,

Comments:

Response 1

Comments: The Life Insurance & Annuities replacement form has been attached to Supporting Documents

Related Objection 1

Comment:

The Arkansas Insurance Department has recently adopted Department Rule 97, "Life Insurance and Annuities Replacement. Bulletin 8-2009 further addresses this issue. Please review and make the necessary corrections.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Life Insurance & Annuities Replacement

Comment: The attached form is used for replacement of life insurance or annuity policies.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,

Laurie Trombly, Michelle Goodwin, Susan Carey, Susan Preedom

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Form Schedule

Lead Form Number: 8796(0210)

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	8796AR(0210)	Policy/Cont Flexible Premium ract/Fratern Adjustable al Life Insurance Policy Certificate	Initial		87.400	8796AR(0210).pdf
	8797AR(0210)	Policy/Cont Flexible Premium ract/Fratern Adjustable al Insurance Policy- Certificate Unisex	Initial		87.400	8797AR(0210).pdf
	8805(0210)	Policy/Cont Death Benefit ract/Fratern Protection Rider al Certificate	Initial		81.700	8805(0210).pdf
	8121AR(0210)	Application/Life Insurance Enrollment Application Form	Initial		68.500	8121AR.pdf
	8122AR(0210)	Application/Supplemental Other Enrollment Insured Life Form Insurance Application	Initial		74.000	8122AR.pdf

**LIMITATIONS AND EXCLUSIONS UNDER THE
ARKANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association. ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract holders will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policyowners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions and require continued residency in the state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

**The Arkansas Life and Health Insurance Guaranty Association
c/o the Liquidation Division
1023 West Capital
Little Rock, Arkansas 72201**

**Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904**

The state law that provides for this safety-net is called the Arkansas Life and Health Insurance Guaranty Association Act. ("Act"). On the next page is a brief summary of this Act's coverages, exclusions and limits. This summary does not cover all provisions of the act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are **NOT** protected by the Guaranty Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does **NOT** provide coverage for:

- any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends and voting rights and experience rating credits;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which these benefits could be provided out of the assets of the impaired or insolvent insurer.



We, Life Insurance Company of the Southwest, agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Administrative Office due proof that the Insured died while this policy was in force.

Flexible Premium Adjustable Benefit Life Insurance. Flexible premiums are payable through the end of the Premium Payment Period or until the prior death of the Insured. The adjustable Death Benefit is payable upon the death of the Insured. This policy is nonparticipating.

Right to Review Policy. This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Effective Date. We will then refund any premium paid.

Effective Date:	04/15/2010
Policy Number:	LS6000003
Face Amount:	\$100,000
Insured:	Ethan Allen
Issue Age:	35
Owner:	Peter Allen
Beneficiary:	As stated in the application unless later changed

The data and the terms on this and all following pages are part of this policy.

This policy is a legal contract between the policy Owner and Life Insurance Company of the Southwest. READ YOUR POLICY CAREFULLY.

Signed for Life Insurance Company of the Southwest at Dallas, Texas, as of the Effective Date, by

Mehran Assadi
Chairman of the Board

Walter H. Mayo
President

Jacque Crawford
Secretary

(who code/agency #)

DATA SECTION

POLICY NUMBER: [LS1234567]

INSURED: [ETHAN ALLEN]

ISSUE AGE: [35]

FACE AMOUNT: [\$100,000]

OWNER: [AS STATED IN THE APPLICATION UNLESS LATER CHANGED]
BENEFICIARY: [AS STATED IN THE APPLICATION UNLESS LATER CHANGED]

MONTHLY POLICY DATE: [15TH]

DEATH BENEFIT OPTION: [A]

MINIMUM MONTHLY PREMIUM: [\$49.36]
MONTHLY GUARANTEED PREMIUM: [\$49.36]
POLICY PROTECTION PERIOD: [APR 15, 2010 – APR 14, 2020]

PLANNED PERIODIC PREMIUM: [\$49.36] PAYABLE [MONTHLY]
FOR PREMIUM PAYMENT PERIOD: [APR 15, 2010 TO APR 15, 2095]

THIS POLICY MAY TERMINATE PRIOR TO THE END OF THE PREMIUM PAYMENT PERIOD IF PREMIUMS PAID ARE INSUFFICIENT TO CONTINUE COVERAGE. PREMIUMS IN ADDITION TO THE PLANNED PERIODIC PREMIUM MAY BE NECESSARY TO KEEP THIS COVERAGE IN FORCE.

POLICY LOANS AND WITHDRAWALS WILL REDUCE THE CASH SURRENDER VALUE OF THIS POLICY AND MAY RESULT IN TERMINATION OF THIS POLICY PRIOR TO THE DEATH OF THE INSURED.

MINIMUM FACE AMOUNT: [\$100,000]
WITHDRAWAL FEE: \$25 FOR EACH WITHDRAWAL

ADDITIONAL BENEFIT RIDERS:
DEATH BENEFIT PROTECTION RIDER

THE LOAN INTEREST RATE IS VARIABLE. THE LOAN INTEREST RATE AT THE EFFECTIVE DATE IS [5.60%]

IBLD

DATA SECTION
COVER PAGE

[LS1234567]

DATA SECTION

GUARANTEED BASIS OF CALCULATIONS

FACE AMOUNT: [\$100,000]
EFFECTIVE DATE: [APR 15, 2010]

ACCUMULATED VALUE INTEREST RATE: 0.2466270% COMPOUNDED MONTHLY, WHICH IS EQUIVALENT TO 3.00% COMPOUNDED PER YEAR.

MORTALITY TABLE: COMMISSIONERS 2001 CSO ULTIMATE MALE NON-SMOKER
AGE NEAREST BIRTHDAY

THE INSURED HAS BEEN CLASSIFIED A [STANDARD NON-TOBACCO.]

TABLE OF GUARANTEED MAXIMUM COST OF INSURANCE RATES
(PER \$1,000 PER MONTH)

<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>	<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>	<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>
[35	0.09089	56	0.51338	77	4.18587
36	0.09589	57	0.57128	78	4.67661
37	0.10007	58	0.62083	79	5.24717
38	0.10758	59	0.67798	80	5.87410
39	0.11425	60	0.74695	81	6.59415
40	0.12176	61	0.83114	82	7.35120
41	0.13178	62	0.93398	83	8.17591
42	0.14430	63	1.04963	84	9.09944
43	0.15850	64	1.17137	85	10.14422
44	0.17520	65	1.30009	86	11.31891
45	0.19441	66	1.43072	87	12.62238
46	0.21279	67	1.56327	88	14.04388
47	0.23285	68	1.70627	89	15.57220
48	0.24455	69	1.85467	90	17.19964
49	0.25793	70	2.03500	91	18.76184
50	0.27717	71	2.23720	92	20.42406
51	0.29975	72	2.50360	93	22.21645
52	0.33071	73	2.78562	94	24.15514
53	0.36419	74	3.08342	95	26.24420
54	0.40691	75	3.41024	96	28.20561
55	0.45970	76	3.76820	97	30.35199]

DATA SECTION

GUARANTEED BASIS OF CALCULATIONS

TABLE OF GUARANTEED MAXIMUM COST OF INSURANCE RATES
(PER \$1,000 PER MONTH)

<u>ATTAINED AGE</u>	<u>RATE</u>	<u>ATTAINED AGE</u>	<u>RATE</u>	<u>ATTAINED AGE</u>	<u>RATE</u>
[98	32.70866	106	56.37067	114	83.33333
99	35.30337	107	60.64050	115	83.33333
100	38.17512	108	65.43820	116	83.33333
101	40.53000	109	70.86240	117	83.33333
102	43.11768	110	77.04001	118	83.33333
103	45.96629	111	83.33333	119	83.33333
104	49.11195	112	83.33333	120	83.33333
105	52.54884	113	83.33333	121+	0.00000]

DEFINITION OF LIFE INSURANCE TEST: [GUIDELINE PREMIUM TEST]

[GUIDELINE SINGLE PREMIUM: \$ 13,952.51
GUIDELINE LEVEL PREMIUM: \$ 1,195.41]

TABLE OF DEATH BENEFIT STANDARD FACTORS

<u>ATTAINED AGE</u>	<u>DEATH BENEFIT FACTOR</u>	<u>ATTAINED AGE</u>	<u>DEATH BENEFIT FACTOR</u>	<u>ATTAINED AGE</u>	<u>DEATH BENEFIT FACTOR</u>
0 - 40	2.50	54	1.57	68	1.17
41	2.43	55	1.50	69	1.16
42	2.36	56	1.46	70	1.15
43	2.29	57	1.42	71	1.13
44	2.22	58	1.38	72	1.11
45	2.15	59	1.34	73	1.09
46	2.09	60	1.30	74	1.07
47	2.03	61	1.28	75 - 90	1.05
48	1.97	62	1.26	91	1.04
49	1.91	63	1.24	92	1.03
50	1.85	64	1.22	93	1.02
51	1.78	65	1.20	94+	1.01
52	1.71	66	1.19		
53	1.64	67	1.18		

DATA SECTION

FACE AMOUNT: [\$100,000]
EFFECTIVE DATE: [APR 15, 2010]

PERCENT OF PREMIUM EXPENSE CHARGE: 6.00%

MONTHLY EXPENSE CHARGE: [\$32.03]

MONTHLY POLICY FEE: \$5.00

SURRENDER CHARGES

TWELVE MONTH PERIOD BEGINNING	SURRENDER CHARGE
[APR 15, 2010	\$ 953.00
APR 15, 2011	931.00
APR 15, 2012	909.00
APR 15, 2013	886.00
APR 15, 2014	862.00
APR 15, 2015	838.00
APR 15, 2016	813.00
APR 15, 2017	788.00
APR 15, 2018	762.00
APR 15, 2019	735.00
APR 15, 2020	621.00
APR 15, 2021	505.00
APR 15, 2022	384.00
APR 15, 2023	260.00
APR 15, 2024	132.00
APR 15, 2025 AND LATER	0.00]

DATA SECTION

DEATH BENEFIT PROTECTION RIDER

POLICY NUMBER: [LS1234567]

INSURED: [ETHAN ALLEN]

EFFECTIVE DATE: [APR 15, 2010]

GUARANTEED MONTHLY COST PER \$1,000 OF FACE AMOUNT: [\$0.00]

DEATH BENEFIT PROTECTION INTEREST RATE: 5.00%

THE DEATH BENEFIT PROTECTION PERIOD IS IN EFFECT THROUGH [APR 14, 2030]

DATA SECTION

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We, Life Insurance Company of the Southwest, agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Administrative Office due proof that the Insured died while this policy was in force.

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of the first premium. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

On the Effective Date the entire contract between the parties is this policy and a copy of the application and all riders and endorsements which are attached at issue. Any change of this contract must be written and may be made only by one of our authorized officers or registrars. We will send the Owner a copy of any application for a change which we approve. It and any additional Data Section shall become part of this contract on the effective date of such change.

REPRESENTATIONS

Any statement made by or for the Insured shall be deemed a representation and not a warranty. Unless such statement is in the attached application or in any subsequent application, it shall not be used to:

1. make this policy void; or
2. make any increase in Face Amount void; or
3. make any Reinstatement void; or
4. defend any claim.

INCONTESTABILITY

After this policy has been in force during the life of the Insured for two years from the Effective Date of the policy, we will not contest it; however,

1. we may contest any increase in Face Amount for which an application is required until such increase has been in force during the life of the Insured for two years from its Effective Date; and
2. we may contest any Reinstatement until such Reinstatement has been in force during the life of the Insured for two years from its Effective Date.

The statement on which the contest will be based shall be material to the risk accepted or hazard assumed by the Company.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

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POLICY EFFECTIVE
DATES

The insurance coverage goes into effect on the Effective Date shown in the Data Section.

Any increase in Face Amount for which an application is required shall become effective on the Monthly Policy Date on or next following the date we approve the application for such increase in Face Amount.

Any increase in Face Amount for which an application is not required shall become effective on the Monthly Policy Date on or next following the date we receive the request for such increase unless otherwise provided by the policy.

Any decrease in Face Amount requested shall become effective on the Monthly Policy Date on or next following the date we receive the request for such decrease.

Any Reinstatement of this policy shall become effective on the Monthly Policy Date on or next following the date we approve the application for Reinstatement.

Any change of Death Benefit Option shall become effective on the Monthly Policy Date on or next following the date we receive the request for such change.

POLICY MONTHS,
YEARS AND
ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Effective Date. The Monthly Policy Date shown in the Data Section occurs on the same day each month or on the last day of any month having no such date. The Effective Date is the first Monthly Policy Date.

MISSTATEMENT OF
AGE OR SEX

The Issue Age shown in the Data Section is the age of the Insured on his or her birthday nearest to the Effective Date. It is based on the date of birth shown in the application.

If the age or sex of the Insured has been misstated, we will adjust the Death Benefit to be the amount it would have been purchased at the correct age or sex in consideration of the most recent Monthly Cost of Insurance by adjusting the Net Amount at Risk by the ratio of the incorrect Monthly Cost of Insurance Rate to the correct Monthly Cost of Insurance Rate. The adjustment shall take effect on the Monthly Policy Date on or next following the date we receive proof to our satisfaction of such misstatement. If the Insured has died, we will adjust the Death Benefit as of the last Monthly Policy Date prior to the Insured's death.

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ATTAINED AGE

The Attained Age of the Insured on any date is the Issue Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Effective Date.

PAYMENT OF BENEFITS

We will pay all benefits under this policy at our Administrative Office. Before payment of any Death Benefit we may investigate the death.

POSTPONEMENT OF BENEFITS

We may delay payment of any amounts which are payable as a result of Cash Surrender or Withdrawal for up to six months after we receive written request in a form satisfactory to us. If we defer such payment for more than 30 days, we will pay interest at a rate not less than the Accumulated Value Interest Rate shown in the Data Section or as mandated by state law, from the date we receive such request to the date of payment.

We may also delay payment of any amounts which are payable as a result of a Policy Loan for up to six months after we receive written request in a form satisfactory to us.

We have the right to postpone payment which is derived from any amount recently paid to us by check or draft, until we are satisfied the check or draft has been paid by the bank or other financial institution on which it is drawn.

DEFINITION OF LIFE INSURANCE

In order for you and the beneficiary to receive the tax treatment accorded to life insurance contracts by Federal law, this policy must initially qualify and continue to qualify as life insurance under Section 7702 of the Internal Revenue Code of 1986 (the "Code"), as amended, and its rules and regulations. The definition of life insurance test shown in the Data Section is the specific method by which we determine whether your policy meets the definition of life insurance.

We have designed your policy to qualify as a life insurance contract under the Code. We reserve the right to make any reasonable adjustments to the terms or conditions of this policy if it becomes necessary to allow it to qualify as life insurance.

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BASIS OF VALUES

The Cash Surrender Values for this policy are greater than or equal to those required by or pursuant to the NAIC Universal Life Insurance Regulation, model #585. A detailed statement of the method of computing values has been filed with the Interstate Insurance Product Regulation Commissions.

The Cash Surrender Values are based on the Accumulated Value Interest Rate and Mortality Table shown in the Data Section. For Issue Ages up to 15, we use guaranteed mortality rates from the Composite tables until attained age 15. When the Insured reaches attained age 16, we use guaranteed mortality rates from the Nonsmoker table.

The Paid Up Annuity Values, and all tabled values in Payment Options, are based on the 2000 Table for Individual Annuitant Mortality (IAM) and compound interest at a rate of 1.50% per year.

NOTICES

Unless this policy provides otherwise, any requests for changes or notices:

1. from us to the Owner shall be sent to the last address known to us of the Owner; and
2. from us to an assignee shall be sent to the last address known to us of such assignee; and
3. from the Owner or an assignee to us must be in writing and received by us at our Administrative Office in Montpelier, Vermont.

ANNUAL REPORT

At least once each Policy Year we will send a report to the Owner without charge. The report will show, as of its date:

1. the beginning and ending dates of the reporting period; and
2. the Accumulated Value at the beginning and ending of the reporting period; and
3. the Transaction Summary for the reporting period; and
4. the Cash Surrender Value; and
5. any debt to us on this policy; and
6. the current Death Benefit; and
7. a disclosure notice if the policy will not maintain insurance in force until the end of the next reporting period unless further premiums are made.

The report will also show a summary of transactions of the previous year and any information required by law.

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PROJECTION REPORT

The Owner may request, in writing, a report which projects future values and future Death Benefits for this policy. The report will also show any information required by law. One such report will be made available free of charge each year. We may charge a fee for any additional reports requested during that year, such charge not to exceed \$25. The Projection Report will be based on:

1. data the Owner gives us as to Face Amount and premiums; and
2. such assumptions as either the Owner or we specify.

ROLES IN THIS POLICY

OWNER

The Owner may:

1. exercise the rights under this policy; and
2. assign the policy; and
3. release or discharge the policy; and
4. change the policy if we agree to such change; and
5. enjoy the benefits under this policy.

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner cannot change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while the Insured is alive.

BENEFICIARY

The Owner has the right to change the Beneficiary. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary who dies before the Insured shall vest in the Owner unless otherwise stated.

If used, the term "children" of any person shall include only lawful children born to or legally adopted by that person.

We may rely on an affidavit by any person who in our judgment knows the facts to identify any Beneficiary or payee not specified by name. All our liability shall cease when we pay on the basis of such affidavit.

TRUST
BENEFICIARY

Unless an authorized officer or registrar of the Company explicitly agrees in writing, the following provision shall apply when a trust is named as Beneficiary.

In no event is the Company responsible for the application or disposition of any proceeds it pays to a Trust Beneficiary. Payment to a Trust Beneficiary is a full discharge of the liability of the Company. If a designated trust provides for successor trustees, the designation in this policy includes successor trustees. Likewise, if the trust allows amendments, the trust, if so amended, remains as a designated Beneficiary.

A Trust Beneficiary is considered to be a Beneficiary who did not survive the Insured if:

1. the trust has been terminated; or
2. the specified testamentary trust does not qualify as such; or
3. for any other reason a Trust Beneficiary is not entitled to any proceeds.

CHANGE OF
BENEFICIARY

If the Owner has the right, a new Beneficiary may be named from time to time during the life of the Insured by filing at our Administrative Office written notice in such form as we may require. When notice is received at our Administrative Office, the change shall take effect on the date the notice is signed by the Owner whether or not the Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Administrative Office. When notice is received at our Administrative Office, the change shall take effect on the date the notice is signed by the Owner whether or not the Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

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SPENDTHRIFT
PROVISION

If we receive at our Administrative Office written request by the Owner for this Spendthrift Provision, then, to the extent allowed by law:

1. only the Owner may transfer, anticipate, commute, or encumber the proceeds of this policy; and
2. only legal process against the Owner may affect the proceeds of this policy.

Any proceeds payable after this request is withdrawn by the Owner shall not be affected by this provision.

PREMIUMS

POLICY
PROTECTION
PERIOD

The Policy Protection Period is shown in the Data Section. An increase in coverage does not initiate a new Policy Protection Period.

PAYMENT OF
PREMIUMS

The first premium is due on or before the Date of Issue. This first premium cannot be less than the Minimum Monthly Premium shown in the Data Section.

During the Policy Protection Period the payment of cumulative premiums, in excess of withdrawals and loans, at least equal to the Minimum Monthly Premiums payable since the Effective Date of the policy will keep the policy in force to the next Monthly Policy Date, as long as the Accumulated Value is sufficient to provide for Monthly Deductions. Otherwise, this policy will remain in force as long as the Cash Surrender Value is sufficient to provide for Monthly Deductions.

The Planned Periodic Premiums are the premiums the Applicant has chosen to pay. Planned Periodic Premiums may be paid on an annual, semi-annual, quarterly, or monthly basis. The Owner may change the amount or frequency of such premiums at any time by sending a written notice to us at our Administrative Office. However, we may limit any increase in either amount or frequency.

Premiums in addition to the Planned Periodic Premiums may be necessary to keep this policy and the coverages provided by this policy and any additional benefit riders in force.

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We will accept **Unscheduled Premiums**, which are premiums in addition to the **Planned Periodic Premiums**. We may limit the number and amount of **Unscheduled Premiums** if payment of the premium results in more than a dollar for dollar increase in death benefit.

All premiums are limited by a minimum and a maximum. The minimum is \$25 per premium. The maximum is the greater of:

1. the limit imposed by the Internal Revenue Code for qualifying the policy as "Life Insurance" for Federal Income Tax purposes, or
2. the amount necessary to keep the policy in force.

We will not accept any premium in excess of the maximum. We will return any premiums not accepted and any interest credited to such premiums to the Owner within 60 days after the end of the Policy Year in which the premiums were received.

The first premium may be paid to us either through our duly authorized agent in exchange for a receipt signed by that agent or at our Administrative Office. All later premiums must be paid to us at our Administrative Office.

NET PREMIUM

A Net Premium is determined by multiplying a premium received times 1 minus the Percent of Premium Expense Charge stated in the Data Section.

GRACE PERIOD

If on any Monthly Policy Date the Cash Surrender Value is less than the Monthly Deduction on such date, a Grace Period shall start, unless:

1. the policy is within the Policy Protection Period; and
2. the Accumulated Value less any debt to us on this policy is greater than the Monthly Deduction on that date; and
3. the cumulative premiums paid since the policy's Effective Date, less any withdrawals and less any debt to us on the policy, are greater than or equal to the cumulative Minimum Monthly Premiums due since the policy's Effective Date.

A Grace Period shall be 61 days. During a Grace Period this policy shall remain in force.

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The premium needed to keep the policy in force beyond a Grace Period which ends during the Policy Protection Period shall equal the greater of (a) or (b) where:

- a) equals the sum of the Minimum Monthly Premiums in effect on the policy over all of the months from the Effective Date of the policy to the start of the Grace Period, plus all withdrawals, plus three times the Minimum Monthly Premium in effect at the beginning of the Grace Period, plus any debt to us on this policy, less all premiums paid; and where
- b) equals the premium which will be sufficient to produce an Accumulated Value, net of policy debt, equal to two times the Monthly Deduction due on the date the Grace Period began.

The premium needed to keep the policy in force beyond a Grace Period which ends after the Policy Protection Period shall be the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due on the date the Grace Period began.

We will mail notice of the premium needed to the last known address of the Owner or to any assignee of record at least 30 days prior to termination of coverage. If such premium is unpaid on the later of:

- 1. the last day of the Grace Period; or
- 2. the 31st day after such notice is sent;

then this policy shall terminate without value.

A Grace Period will not begin solely because payments of Planned Periodic Premiums are discontinued. Whether or not premiums are paid, Monthly Deductions will be made from the Accumulated Value. The terms of this Grace Period provision will determine if and when a Grace Period starts.

REINSTATEMENT

If this policy terminates after the end of a Grace Period, it may be reinstated. It must be reinstated on a Monthly Policy Date within five years from the start of such Grace Period and prior to the end of the Premium Payment Period.

For Reinstatement we will require:

1. an application for Reinstatement; and
2. proof to our satisfaction that the Insured is insurable; and
3. payment of an amount determined as follows:
 - a) If Reinstatement occurs during a Policy Protection Period and the Owner chooses to reinstate the Policy Protection Period, the required payment shall be an amount equal to the premium which will be sufficient to produce an Accumulated Value, net of policy debt, four times the Monthly Deduction due on the date the Grace Period began, or, if greater:
 - i. the sum of the Minimum Monthly Premiums in effect on the policy over all the months from the Effective Date of this policy to the start of the Grace Period; plus
 - ii. three times the Minimum Monthly Premium shown in the Data Section; plus
 - iii. all withdrawals; plus
 - iv. any debt to us on the policy; less
 - v. all premiums paid.
 - b) If Reinstatement occurs after the Policy Protection Period or during the Policy Protection Period but the Owner chooses not to reinstate the Policy Protection Period, the required payment shall be a premium which will make the Cash Surrender Value sufficient to provide:
 - i. two times the Monthly Deduction due on the date the Grace Period began; plus
 - ii. three times the Monthly Deduction due on the date of Reinstatement.

We will send the Owner notice of the required payment upon request.

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In the event of Reinstatement:

1. the Accumulated Value of the policy at the time of final lapse will be restored along with the Cash Value available for deductions at the time that the Grace Period began; and
2. the schedule of Surrender Charges for the policy months following the date the Grace Period began shall become the schedule of Surrender Charges for the policy months following the date of Reinstatement; and
3. the schedule of Monthly Expense Charges for the policy months following the date the Grace Period began shall become the schedule of Monthly Expense Charges for the policy months following the date of Reinstatement.
4. any Policy Loan that was in force at the time that the Grace Period began may be repaid or may be reinstated.

DEATH BENEFIT AND POLICY CHANGES

DEATH BENEFIT

We will pay the Death Benefit to the Beneficiary when we receive at our Administrative Office due proof that the Insured died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of the Insured's death to the date of payment. We will set the rate of interest at not less than the Accumulated Value Interest Rate shown in the Data Section or as mandated by state law. If the Death Benefit is not paid within 30 days after we receive at our Administrative Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8.00% per year.

COVERAGE AT AND AFTER AGE 121

If your policy is in force at Attained Age 121, the Face Amount of this policy will be set equal to the Accumulated Value, and the Death Benefit Option will automatically revert to Option A. The Death Benefit Option may not thereafter be changed, and no additional premium will be accepted on this policy. All Monthly Deductions on this policy will cease. The Owner may, however, continue to access the Cash Surrender Value and to make or repay Policy Loans.

You may surrender your policy if you do not want coverage to continue past Attained Age 121.

Continuing coverage beyond Attained Age 100 may cause your policy to fail to qualify as life insurance under the Internal Revenue Code and you may be subject to adverse tax consequences. You should consult a tax advisor before you choose to continue your policy after Attained Age 100.

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DEATH BENEFIT OPTIONS

The Owner may elect either of two Death Benefit Options, Option A or Option B. The Death Benefit Option is stated in the Data Section.

Option A. Under Option A, the Death Benefit is equal to the greater of:

1. the Face Amount of the policy on the date of the Insured's death; or
2. the Death Benefit Factor shown in the Data Section multiplied by the Accumulated Value on the date of the Insured's death;

less the amount of any Monthly Deductions then due and any debt to us on this policy.

Option B. Under Option B, the Death Benefit is equal to the greater of:

1. the Face Amount plus the Accumulated Value of the policy on the date of the Insured's death; or
2. the Death Benefit Factor shown in the Data Section multiplied by the Accumulated Value on the date of the Insured's death;

less the amount of any Monthly Deductions then due and any debt to us on this policy.

CHANGES IN FACE AMOUNT AND DEATH BENEFIT OPTION

The Owner may request any of the following changes. We will make a change subject to the conditions stated. These changes may be made only while the Insured is living and after the first Policy Anniversary. We will send the Owner a revised or additional Data Section if any of these changes is made.

Face Amount Increases. We will require an application from the Owner and proof to our satisfaction that the Insured is then insurable. An increase in Face Amount must satisfy the minimum Face Amount requirements of the policy and must be initiated before the end of Attained Age 85 and shall be effective upon the Monthly Policy Date on or next following our approval.

Each increase in Face Amount will have its own coverage segment that has its own Monthly Cost of Insurance charges, Monthly Expense Charge per Thousand, and Surrender Charges, as well as new incontestability and suicide exclusion periods.

Face Amount Decreases. We will require a written request from the Owner. A decrease in Face Amount shall be effective upon the Monthly Policy Date on or next following our receipt of the request.

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Decreases shall not be permitted which would reduce the sum of the Face Amount to less than any of the following:

1. the minimum insurance amount for which the policy would qualify as "Life Insurance" for Federal Income Tax purposes under the Internal Revenue Code; or
2. the Minimum Face Amount shown in the Data Section; or
3. 75% of the largest total Face Amount in force at any time in the twelve policy months prior to our receipt of the request.

A decrease in Face Amount will affect units of Face Amount in the reverse order in which they were created.

Death Benefit Option Changes.The Death Benefit Option may be changed once each Policy Year after the first Policy Anniversary. We will require a written request from the Owner. A change will be effective on any Monthly Policy Date requested. The change may be made only if after such change the policy would qualify as "Life Insurance" for Federal Income Tax purposes under the Internal Revenue Code. The Minimum Monthly Premium will be recomputed to reflect the change in Death Benefit Options.

1. Upon a change from Option A to Option B, the Face Amount shall decrease by an amount equal to the Accumulated Value of the policy just prior to the Effective Date of the change. However, the change may be made only if after such change the Face Amount would not be less than the Minimum Face Amount shown in the Data Section.
2. Upon a change from Option B to Option A, the Face Amount shall increase by an amount equal to the Accumulated Value just prior to the Effective Date of the change. No additional Surrender Charges shall be imposed solely because of this change.

SUICIDE LIMITATION

If the Insured dies within two years of the Effective Date as the result of suicide, while sane or insane, we will pay only a sum equal to:

1. the premiums paid; less
2. any withdrawals made; less
3. any debt to us on this policy.

Payment will be made to the Beneficiary.

A similar two-year period shall apply to any increase in Face Amount for which an application is required. Such period shall begin on the Effective Date of any such increase. During such period if the Insured dies as the result of suicide, while sane or insane, we will pay, in lieu of any such increase in Face Amount, only a sum equal to the Cost of Insurance that we have deducted from the Accumulated Value for such increase.

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POLICY VALUES

ACCUMULATED VALUE

The Accumulated Value on the policy Effective Date is the initial Net Premium minus the initial Monthly Deduction.

On any Monthly Policy Date after the first Monthly Policy Date, the Accumulated Value shall be equal to:

1. the Accumulated Value on the just prior Monthly Policy Date; plus
2. one month's interest on the Accumulated Value on the just prior Monthly Policy Date; plus
3. the amount of all net premiums received since the just prior Monthly Policy Date; plus
4. interest on net premiums received since the just prior Monthly Policy Date from the date of receipt to the Monthly Policy Date; less
5. any withdrawals on the Monthly Policy Date; less
6. the Monthly Deduction for the month next following the Monthly Policy Date.

On any other day the Accumulated Value shall be equal to:

1. the Accumulated Value on the just prior Monthly Policy Date; plus
2. interest on the Accumulated Value on the just prior Monthly Policy Date from the just prior Monthly Policy Date to such day; plus
3. the amount of all net premiums received since the just prior Monthly Policy Date; plus
4. interest on net premiums received since the just prior Monthly Policy Date from the date of receipt to such day.

If this policy is reinstated, the Accumulated Value on the date of Reinstatement shall be:

1. the Accumulated Value on the date the Grace Period began; less
2. two times the Monthly Deduction due on the date the Grace Period began; plus
3. the net premium paid to reinstate the policy.

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MONTHLY DEDUCTION

The Monthly Deduction due on a Monthly Policy Date shall be the Monthly Cost of Insurance, plus the Monthly Expense Charge, plus the Monthly Policy Fee, plus the monthly cost of any additional benefit riders in force on this policy.

MONTHLY COST OF INSURANCE

The Monthly Cost of Insurance shall be based on the risk classification and duration of this policy, and the Insured's sex and Issue Age.

The Monthly Cost of Insurance for a given policy is equal to the applicable Monthly Cost of Insurance Rate multiplied by the Net Amount at Risk

The Net Amount at Risk is the excess of:

1. the Death Benefit plus any debt to us on such date, divided by the sum of 1 plus the monthly Accumulated Value Interest Rate shown in the Data Section; over
2. the Accumulated Value of this policy on such date.

We may change the Cost of Insurance rates from time to time based on our expectations of future experience. Future experience can include, but is not limited to, investment earnings, mortality, persistency, taxes and expenses. Any change in the Cost of Insurance rates shall apply to all policies of the same size and duration, insuring persons of the same sex, Attained Age, and rate class as the Insured. The Cost of Insurance rates shall not be greater than the rates set forth in the Table of Guaranteed Maximum Cost of Insurance rates shown in the Data Section. These rates are based on the Mortality Table named in the Data Section.

INTEREST CREDITING

We will credit your Accumulated Value with interest at rates that we will determine. The rate of interest will be determined periodically in advance and such rates may be different for loaned and unloaned amounts and may vary by policy year and date of premium deposit. Interest will be credited daily. Interest is nonforfeitable after crediting except indirectly due to surrender charges. The rates of interest will never be less than the monthly Accumulated Value Interest Rate shown in the Data Section.

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CASH SURRENDER AND WITHDRAWALS

CASH SURRENDER VALUE

The Owner may, by written request to us, surrender this policy while the Insured is living for its Cash Surrender Value. We may require that the policy be returned to us. When this policy has been surrendered, it shall be null and void and all rights shall cease.

The Cash Surrender Value on any day shall be equal to:

1. the Accumulated Value on such day; less
2. any Surrender Charge which applies on such day; less
3. any debt to us on this policy.

The Surrender Charges are shown in the Data Section.

WITHDRAWALS

After the first Policy Anniversary and prior to the last day of the Premium Payment Period, the Owner may make withdrawals by written request to us. Withdrawals shall be subject to all of the following terms.

1. Withdrawals may be made only on a Monthly Policy Date which follows receipt of such request.
2. A Withdrawal Fee of \$25.00 will be charged for each withdrawal made.
3. The amount withdrawn may not exceed the Cash Surrender Value on the Monthly Policy Date less three times the Monthly Deduction for such Monthly Policy Date.
4. The Accumulated Value will be decreased by the amount of the withdrawal.
5. If Death Benefit Option A is in effect on the date of the withdrawal, the Face Amount of the policy will be reduced by an amount equal to the amount of the withdrawal plus the Withdrawal Fee.

POLICY LOANS

POLICY LOANS

We will loan an amount up to the Loan Value of the policy less the amount of any outstanding debt, at any time after the first Policy Year. At the time of the loan the policy must be in force. The policy shall be the sole security for the loan and must be duly assigned to us.

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LOAN VALUE

The Loan Value on any day is equal to:

1. the Accumulated Value on such day; less
2. the Surrender Charge on such day, if applicable; less
3. three times the Monthly Deductions due on the most recent prior Monthly Policy Date.

LOAN INTEREST RATE

Any loan shall bear interest from the date the loan is made. The Loan Interest Rate may change from Policy Year to Policy Year.

The Loan Interest Rate on the Effective Date of the policy is stated in the Data Section. Such rate shall apply to any debt to us on this policy until the rate is changed by us. We may change the Loan Interest Rate only on a Policy Anniversary, after which the changed rate will apply to any new or existing debt to us on the policy. The Loan Interest Rate is subject to a minimum annual interest rate equal to the Accumulated Value Interest Rate shown in the Data Section plus 1% and shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the greater of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs; or
2. the yearly Accumulated Value Interest Rate shown in the Data Section plus 1%.

The Published Monthly Average shall be the Moody's Corporate Bond Yield Average - Monthly Average Corporates, as published by Moody's Investors Service, Inc., or any successor to it. If at any time that Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year less than the Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Loan Interest Rate for this policy. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year more than the Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give to the Owner:

1. notice of the Loan Interest Rate in effect for this policy at the time a loan is made; and
2. at least 30 days advance notice of any increase in the Loan Interest Rate, if there is any debt to us on this policy.

Life Insurance Company of the Southwest
*Administrative Office: One National Life Drive * Montpelier, Vermont 05604 * (800) 732-8939*
*Home Office: 1300 West Mockingbird Lane * Dallas, Texas 75247*

In no event shall the Loan Interest Rate exceed the highest loan interest rate allowed by law of the state in which this policy is delivered.

GENERAL LOAN TERMS

After the loan is made, loan interest shall be due on the next and all later Policy Anniversaries. If any interest is not paid when due, it shall be added to the loan and bear interest on the same terms.

The debt secured by this policy includes loans, unpaid loan interest and accrued loan interest not otherwise due.

All or any part of the debt may be paid to us at any time prior to:

1. the death of the Insured; and
2. surrender of the policy.

However, during a Grace Period the debt may not be repaid. Unless the Owner specifies, any payment to us shall be deemed a premium payment and not payment of the debt. At the death of the Insured or upon the surrender of the policy, all debt shall become due at once. It shall be paid from the policy values.

The Accumulated Value removed from the policy to establish a Loan Collateral Account will be held apart from other Accumulated Value in this policy and may be credited interest at a different rate than that of other Accumulated Value in the policy.

PAYMENT OPTIONS

In lieu of a lump sum settlement, all or part of the proceeds of this policy may be applied under a Payment Option. When proceeds are applied under a Payment Option, all other rights and benefits under this policy shall cease.

In addition to the following options, other payment options may be available.

OPTION EFFECTIVE DATE

The Option Effective Date is the date the proceeds become payable.

Life Insurance Company of the Southwest

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GENERAL PAYMENT
OPTION TERMS

If the proceeds to be placed under a Payment Option are less than \$5,000, we may pay them in one sum to the payee who otherwise would receive the first payment under the option. If any payments would be less than \$100, we will change the frequency to provide payments of at least \$100.

If the proceeds are assigned on the Option Effective Date, we will pay the assignee's share in one sum and place only the balance under the option. After the Option Effective Date neither the payments nor the remaining value may be assigned or encumbered. To the extent the law permits, they are not subject to any claims against the payee.

We may require proof to our satisfaction that any payee is alive on the date any payment is due.

CHOICE OF
OPTION

Choice of an option may be made:

1. by the Owner if the Insured is living; or
2. by the Beneficiary if the Insured is not living and if no option is in effect.

Equivalent payments for 12-, 6-, 3-, or 1-month intervals may be chosen. The options are described in terms of monthly payments. We will quote the amount of other payments on request.

We may issue a document stating the terms of the option.

CHANGE OF
PAYMENT OPTION

The right to change Payment Options exists under Options 1, 2, and 4. At the time of change the remaining value under the old option shall become the proceeds to be placed under the new option.

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

Lump sum payments may be taken from the remaining proceeds placed under Payment Options 1, 2, and 4.

Under Options 1 and 4 all or any part of the remaining value may be taken at any time, though no more than four transactions may be made during any calendar year.

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Under Option 2 the entire remaining value may be taken at any time.

No lump sum removal of proceeds may be made under Options 3, 5, 6, or 7.

OPTION 1
-PAYMENT OF
INTEREST ONLY

Interest at a rate of 1.50% per year shall be paid either for:

1. the life of a chosen human being; or
2. a chosen period.

We may pay more interest in any given year. Upon the earlier of the death of the chosen human being or the end of the chosen period, any remaining value will be paid. The first payment shall be made one month after the Option Effective Date. If the payee is not a human being, payments may not continue for more than 30 years.

OPTION 2
-PAYMENTS FOR A
STATED TIME

Equal monthly payments shall be made for a stated number of years. The first payment shall be made on the Option Effective Date. The amount of each monthly payment is shown in the table. The monthly payments are based on an interest rate of 1.50% per year. We may pay more interest in any year.

Option 2 Table
 Monthly Payments for Each \$1,000 of Proceeds

Stated Number of Years	Monthly Payments
5	17.28
6	14.51
7	12.53
8	11.04
9	9.89
10	8.96
11	8.21
12	7.58
13	7.05
14	6.59
15	6.20
16	5.85
17	5.55
18	5.27
19	5.03
20	4.81
21	4.62
22	4.44
23	4.28
24	4.13
25	3.99
26	3.86
27	3.75
28	3.64
29	3.54
30	3.44

OPTION 3
 -PAYMENTS FOR
 LIFE

Equal monthly payments shall be made for any guaranteed period chosen and thereafter during the life of a chosen human being. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the age and sex of the chosen human being on the Option Effective Date and on any guaranteed period chosen. We may require proof to our satisfaction of such age. We may require like proof that such human being is alive on the date any payment is due. The guaranteed period may be five or ten years or a Refund period. A Refund period extends until the sum of the payments is equal to the proceeds placed under the option. The monthly payments are based on an interest rate of 1.50% per year. We may pay more interest in any year during the guaranteed period. We will quote the amount of monthly payments for lower ages and guaranteed periods not shown in the Option 3 Table on request.

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Option 3 Table
 Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Guaranteed Period

Age	Male			Female		
	None	10 Years	Refund	None	10 Years	Refund
50	\$3.24	\$3.22	\$3.02	\$3.00	\$2.99	\$2.86
51	3.31	3.29	3.08	3.06	3.05	2.91
52	3.39	3.36	3.13	3.13	3.11	2.96
53	3.47	3.44	3.19	3.19	3.18	3.02
54	3.55	3.51	3.25	3.26	3.25	3.07
55	3.63	3.60	3.31	3.34	3.32	3.13
56	3.73	3.68	3.38	3.41	3.39	3.19
57	3.82	3.77	3.45	3.50	3.47	3.26
58	3.92	3.87	3.52	3.58	3.56	3.32
59	4.03	3.97	3.60	3.68	3.64	3.39
60	4.15	4.07	3.67	3.78	3.74	3.46
61	4.27	4.19	3.76	3.88	3.83	3.54
62	4.40	4.30	3.84	3.99	3.94	3.62
63	4.54	4.42	3.93	4.11	4.05	3.70
64	4.69	4.55	4.02	4.23	4.16	3.79
65	4.85	4.69	4.12	4.37	4.28	3.88
66	5.02	4.83	4.23	4.51	4.41	3.98
67	5.20	4.98	4.33	4.66	4.55	4.08
68	5.39	5.13	4.45	4.83	4.69	4.19
69	5.60	5.29	4.57	5.00	4.84	4.30
70	5.82	5.45	4.70	5.19	5.00	4.43
71	6.05	5.62	4.82	5.39	5.17	4.55
72	6.30	5.79	4.96	5.61	5.34	4.68
73	6.57	5.96	5.11	5.85	5.52	4.82
74	6.85	6.14	5.25	6.11	5.71	4.98
75	7.15	6.32	5.41	6.39	5.91	5.13
76	7.47	6.51	5.59	6.69	6.11	5.30
77	7.82	6.69	5.75	7.01	6.31	5.47
78	8.19	6.87	5.93	7.36	6.52	5.66
79	8.59	7.05	6.14	7.74	6.73	5.85
80	9.01	7.22	6.34	8.16	6.93	6.04
81	9.47	7.39	6.55	8.60	7.13	6.29
82	9.95	7.56	6.77	9.09	7.33	6.50
83	10.47	7.71	7.00	9.61	7.52	6.76
84	11.02	7.86	7.25	10.18	7.69	7.00
85+	11.61	8.00	7.52	10.79	7.86	7.26

+ Higher ages the same

Life Insurance Company of the Southwest

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OPTION 4
-PAYMENTS OF A
STATED AMOUNT

Equal monthly payments of a stated amount shall be made until the proceeds, with interest at 1.50% per year on the unpaid balance, are used up. The first payment shall be made on the Option Effective Date. The amount chosen must be at least \$10 per month for each \$1,000 of proceeds placed under this option. We may add more interest to the unpaid balance in any year, which will extend the number of payments. The last payment will be for the balance only.

OPTION 5 - LIFE
ANNUITY

Equal monthly payments shall be made in the same manner as Option 3 except:

1. the amount of each payment shall be based on our current settlement rates on the Option Effective Date; and
2. no additional interest shall be paid.

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

Equal monthly payments shall be made while two chosen human beings are both living. Upon the death of either, two-thirds of the amount of such payments shall continue during the life of the survivor. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the ages and sexes of the chosen human beings on the Option Effective Date. We may require proof to our satisfaction of their ages. We may require like proof that any chosen human being is alive on the date any payment conditioned on the life of such human being is due. The initial amount of each monthly payment is shown in the table. We will quote the amount of monthly payments for any other age combination on request. The monthly payments are based on an interest rate of 1.50% per year. No additional interest shall be paid.

Option 6 Table
Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Ages of Both	One Male and One Female	Ages of Both	One Male and One Female
50	\$2.97	68	\$4.72
51	3.03	69	4.89
52	3.09	70	5.06
53	3.16	71	5.25
54	3.22	72	5.46
55	3.29	73	5.68
56	3.37	74	5.91
57	3.45	75	6.16
58	3.53	76	6.43
59	3.62	77	6.72
60	3.72	78	7.04
61	3.82	79	7.37
62	3.92	80	7.74
63	4.04	81	8.12
64	4.16	82	8.54
65	4.28	83	8.99
66	4.42	84	9.48
67	4.57	85+	9.99

+ Higher ages the same

OPTION 7 - 50%
SURVIVOR
ANNUITY

Equal monthly payments shall be made during the life of the chosen primary human being. Upon the death of the chosen primary human being, 50% of the amount of such payments shall continue during the life of the chosen secondary human being. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the ages and sexes of the chosen human beings on the Option Effective Date. We may require proof to our satisfaction of their ages. We may require like proof that any chosen human being is alive on the date any payment conditioned on the life of such human being is due. The initial amount of each monthly payment is shown in the table. We will quote the amount of monthly payments for any other age combination on request. The monthly payments are based on an interest rate of 1.50% per year. No additional interest shall be paid.

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*Home Office: 1300 West Mockingbird Lane * Dallas, Texas 75247*

Option 7 Table
 Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Ages of Both	Male Primary Female Secondary	Female Primary Male Secondary	Ages of Both	Male Primary Female Secondary	Female Primary Male Secondary
50	\$2.96	\$2.85	68	\$4.67	\$4.44
51	3.01	2.90	69	4.83	4.60
52	3.07	2.96	70	5.00	4.76
53	3.14	3.02	71	5.19	4.93
54	3.20	3.08	72	5.38	5.12
55	3.27	3.15	73	5.59	5.32
56	3.35	3.22	74	5.82	5.53
57	3.43	3.29	75	6.06	5.77
58	3.51	3.37	76	6.31	6.01
59	3.60	3.45	77	6.59	6.28
60	3.69	3.53	78	6.88	6.57
61	3.79	3.62	79	7.20	6.89
62	3.89	3.72	80	7.54	7.22
63	4.00	3.82	81	7.90	7.59
64	4.12	3.93	82	8.29	7.98
65	4.24	4.05	83	8.71	8.40
66	4.38	4.17	84	9.16	8.86
67	4.52	4.30	85+	9.64	9.34

+ Higher ages the same

Life Insurance Company of the Southwest
 Administrative Office: One National Life Drive * Montpelier, Vermont 05604 * (800) 732-8939
 Home Office: 1300 West Mockingbird Lane * Dallas, Texas 75247

Flexible Premium Adjustable Benefit Life Insurance. Flexible premiums are payable through the end of the Premium Payment Period or until the prior death of the Insured. The adjustable Death Benefit is payable upon the death of the Insured. This policy is nonparticipating.

LIFE INSURANCE COMPANY OF THE SOUTHWEST

ADMINISTRATIVE OFFICE: ONE NATIONAL LIFE DRIVE, MONTPELIER, VERMONT 05604
HOME OFFICE: 1300 WEST MOCKINGBIRD LANE, DALLAS, TEXAS, 75247

**LIMITATIONS AND EXCLUSIONS UNDER THE
ARKANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association. ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract holders will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policyowners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions and require continued residency in the state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

**The Arkansas Life and Health Insurance Guaranty Association
c/o the Liquidation Division
1023 West Capital
Little Rock, Arkansas 72201**

**Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904**

The state law that provides for this safety-net is called the Arkansas Life and Health Insurance Guaranty Association Act. ("Act"). On the next page is a brief summary of this Act's coverages, exclusions and limits. This summary does not cover all provisions of the act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are **NOT** protected by the Guaranty Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does **NOT** provide coverage for:

- any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends and voting rights and experience rating credits;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which these benefits could be provided out of the assets of the impaired or insolvent insurer.



We, Life Insurance Company of the Southwest, agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Administrative Office due proof that the Insured died while this policy was in force.

Flexible Premium Adjustable Benefit Life Insurance. Unisex Version. Flexible premiums are payable through the end of the Premium Payment Period or until the prior death of the Insured. The adjustable Death Benefit is payable upon the death of the Insured. This policy is nonparticipating.

Right to Review Policy. This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Effective Date. We will then refund any premium paid.

Effective Date:	04/15/2010
Policy Number:	LS6100003
Face Amount:	\$100,000
Insured:	Ethan Allen
Issue Age:	35
Owner:	Peter Allen
Beneficiary:	As stated in the application unless later changed

The data and the terms on this and all following pages are part of this policy.

This policy is a legal contract between the policy Owner and Life Insurance Company of the Southwest. READ YOUR POLICY CAREFULLY.

Signed for Life Insurance Company of the Southwest at Dallas, Texas, as of the Effective Date, by

Mehran Assad
Chairman of the Board

Walter H. Mayo
President
Jacque Crawford
Secretary

(who code/agency #)

DATA SECTION

POLICY NUMBER: [LS1234567]

INSURED: [ETHAN ALLEN]

ISSUE AGE: [35]

FACE AMOUNT: [\$100,000]

OWNER: [AS STATED IN THE APPLICATION UNLESS LATER CHANGED]
BENEFICIARY: [AS STATED IN THE APPLICATION UNLESS LATER CHANGED]

MONTHLY POLICY DATE: [15TH]

DEATH BENEFIT OPTION: [A]

MINIMUM MONTHLY PREMIUM: [\$46.95]
MONTHLY GUARANTEED PREMIUM: [\$46.95]
POLICY PROTECTION PERIOD: [APR 15, 2010 – APR 14, 2020]

PLANNED PERIODIC PREMIUM: [\$46.95] PAYABLE [MONTHLY]
FOR PREMIUM PAYMENT PERIOD: [APR 15, 2010 TO APR 15, 2095]

THIS POLICY MAY TERMINATE PRIOR TO THE END OF THE PREMIUM PAYMENT PERIOD IF PREMIUMS PAID ARE INSUFFICIENT TO CONTINUE COVERAGE. PREMIUMS IN ADDITION TO THE PLANNED PERIODIC PREMIUM MAY BE NECESSARY TO KEEP THIS COVERAGE IN FORCE.

POLICY LOANS AND WITHDRAWALS WILL REDUCE THE CASH SURRENDER VALUE OF THIS POLICY AND MAY RESULT IN TERMINATION OF THIS POLICY PRIOR TO THE DEATH OF THE INSURED.

MINIMUM FACE AMOUNT: [\$100,000]
WITHDRAWAL FEE: \$25 FOR EACH WITHDRAWAL

ADDITIONAL BENEFIT RIDERS:
DEATH BENEFIT PROTECTION RIDER

THE LOAN INTEREST RATE IS VARIABLE. THE LOAN INTEREST RATE AT THE EFFECTIVE DATE IS 5.60%

IBLD/U

DATA SECTION
COVER PAGE

[LS1234567]

DATA SECTION

GUARANTEED BASIS OF CALCULATIONS

FACE AMOUNT: [\$100,000]
EFFECTIVE DATE: [APR 15, 2010]

ACCUMULATED VALUE INTEREST RATE: 0.2466270% COMPOUNDED MONTHLY, WHICH IS EQUIVALENT TO 3.00% COMPOUNDED PER YEAR.

MORTALITY TABLE: COMMISSIONERS 2001 CSO ULTIMATE NON-SMOKER
AGE NEAREST BIRTHDAY

THE INSURED HAS BEEN CLASSIFIED A [STANDARD NON-TOBACCO.]

TABLE OF GUARANTEED MAXIMUM COST OF INSURANCE RATES
(PER \$1,000 PER MONTH)

<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>	<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>	<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>
[35	0.08755	56	0.49744	77	3.85838
36	0.09256	57	0.55198	78	4.29504
37	0.09756	58	0.60151	79	4.79624
38	0.10424	59	0.65612	80	5.34445
39	0.11008	60	0.72087	81	5.98839
40	0.11759	61	0.79914	82	6.67043
41	0.12677	62	0.89266	83	7.39888
42	0.13762	63	0.99727	84	8.20834
43	0.15098	64	1.10709	85	9.11819
44	0.16601	65	1.22385	86	10.09483
45	0.18439	66	1.34332	87	11.23311
46	0.20110	67	1.46638	88	12.45482
47	0.22115	68	1.59985	89	13.75173
48	0.23369	69	1.73866	90	15.06753
49	0.24874	70	1.90505	91	16.13555
50	0.26880	71	2.09235	92	17.38188
51	0.29222	72	2.33420	93	18.85740
52	0.32234	73	2.58974	94	20.57378
53	0.35582	74	2.86083	95	22.59883
54	0.39686	75	3.15805	96	24.55392
55	0.44629	76	3.48344	97	26.70183]

DATA SECTION

GUARANTEED BASIS OF CALCULATIONS

TABLE OF GUARANTEED MAXIMUM COST OF INSURANCE RATES
(PER \$1,000 PER MONTH)

<u>ATTAINED AGE</u>	<u>RATE</u>	<u>ATTAINED AGE</u>	<u>RATE</u>	<u>ATTAINED AGE</u>	<u>RATE</u>
98	27.88683	106	51.76130	114	83.33333
99	29.59716	107	56.82753	115	83.33333
100	31.84722	108	62.38782	116	83.33333
101	34.04178	109	68.68356	117	83.33333
102	36.60255	110	75.75322	118	83.33333
103	39.60097	111	83.33333	119	83.33333
104	43.12057	112	83.33333	120	83.33333
105	47.20895	113	83.33333	121+	0.00000]

DEFINITION OF LIFE INSURANCE TEST: [GUIDELINE PREMIUM TEST]

[GUIDELINE SINGLE PREMIUM: \$ 13,566.89
GUIDELINE LEVEL PREMIUM: \$ 1,163.42]

TABLE OF DEATH BENEFIT STANDARD FACTORS

<u>ATTAINED AGE</u>	<u>DEATH BENEFIT FACTOR</u>	<u>ATTAINED AGE</u>	<u>DEATH BENEFIT FACTOR</u>	<u>ATTAINED AGE</u>	<u>DEATH BENEFIT FACTOR</u>
0 - 40	2.50	54	1.57	68	1.17
41	2.43	55	1.50	69	1.16
42	2.36	56	1.46	70	1.15
43	2.29	57	1.42	71	1.13
44	2.22	58	1.38	72	1.11
45	2.15	59	1.34	73	1.09
46	2.09	60	1.30	74	1.07
47	2.03	61	1.28	75 - 90	1.05
48	1.97	62	1.26	91	1.04
49	1.91	63	1.24	92	1.03
50	1.85	64	1.22	93	1.02
51	1.78	65	1.20	94+	1.01
52	1.71	66	1.19		
53	1.64	67	1.18		

DATA SECTION

FACE AMOUNT: [\$100,000]
EFFECTIVE DATE: [APR 15, 2010]

PERCENT OF PREMIUM EXPENSE CHARGE: 6.00%

MONTHLY EXPENSE CHARGE: [\$30.92]

MONTHLY POLICY FEE: \$5.00

SURRENDER CHARGES

TWELVE MONTH PERIOD BEGINNING	SURRENDER CHARGE
[APR 15, 2010	\$938.00
APR 15, 2011	917.00
APR 15, 2012	895.00
APR 15, 2013	873.00
APR 15, 2014	850.00
APR 15, 2015	826.00
APR 15, 2016	801.00
APR 15, 2017	776.00
APR 15, 2018	750.00
APR 15, 2019	724.00
APR 15, 2020	612.00
APR 15, 2021	497.00
APR 15, 2022	378.00
APR 15, 2023	256.00
APR 15, 2024	130.00
APR 15, 2025 AND LATER	0.00]

DATA SECTION

DEATH BENEFIT PROTECTION RIDER

POLICY NUMBER: [LS1234567]

INSURED: [ETHAN ALLEN]

EFFECTIVE DATE: [APR 15, 2010]

GUARANTEED MONTHLY COST PER \$1,000 OF FACE AMOUNT: \$0.00

DEATH BENEFIT PROTECTION INTEREST RATE: 5.00%

THE DEATH BENEFIT PROTECTION PERIOD IS IN EFFECT THROUGH [APR 14, 2030]

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We, Life Insurance Company of the Southwest, agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Administrative Office due proof that the Insured died while this policy was in force.

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of the first premium. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

On the Effective Date the entire contract between the parties is this policy and a copy of the application and all riders and endorsements which are attached at issue. Any change of this contract must be written and may be made only by one of our authorized officers or registrars. We will send the Owner a copy of any application for a change which we approve. It and any additional Data Section shall become part of this contract on the effective date of such change.

REPRESENTATIONS

Any statement made by or for the Insured shall be deemed a representation and not a warranty. Unless such statement is in the attached application or in any subsequent application, it shall not be used to:

1. make this policy void; or
2. make any increase in Face Amount void; or
3. make any Reinstatement void; or
4. defend any claim.

INCONTESTABILITY

After this policy has been in force during the life of the Insured for two years from the Effective Date of the policy, we will not contest it; however,

1. we may contest any increase in Face Amount for which an application is required until such increase has been in force during the life of the Insured for two years from its Effective Date; and
2. we may contest any Reinstatement until such Reinstatement has been in force during the life of the Insured for two years from its Effective Date.

The statement on which the contest will be based shall be material to the risk accepted or hazard assumed by the Company.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

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POLICY EFFECTIVE
DATES

The insurance coverage goes into effect on the Effective Date shown in the Data Section.

Any increase in Face Amount for which an application is required shall become effective on the Monthly Policy Date on or next following the date we approve the application for such increase in Face Amount.

Any increase in Face Amount for which an application is not required shall become effective on the Monthly Policy Date on or next following the date we receive the request for such increase unless otherwise provided by the policy.

Any decrease in Face Amount requested shall become effective on the Monthly Policy Date on or next following the date we receive the request for such decrease.

Any Reinstatement of this policy shall become effective on the Monthly Policy Date on or next following the date we approve the application for Reinstatement.

Any change of Death Benefit Option shall become effective on the Monthly Policy Date on or next following the date we receive the request for such change.

POLICY MONTHS,
YEARS AND
ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Effective Date. The Monthly Policy Date shown in the Data Section occurs on the same day each month or on the last day of any month having no such date. The Effective Date is the first Monthly Policy Date.

MISSTATEMENT OF
AGE

The Issue Age shown in the Data Section is the age of the Insured on his or her birthday nearest to the Effective Date. It is based on the date of birth shown in the application.

If the age of the Insured has been misstated, we will adjust the Death Benefit to be the amount it would have been purchased at the correct age in consideration of the most recent Monthly Cost of Insurance by adjusting the Net Amount at Risk by the ratio of the incorrect Monthly Cost of Insurance Rate to the correct Monthly Cost of Insurance Rate. The adjustment shall take effect on the Monthly Policy Date on or next following the date we receive proof to our satisfaction of such misstatement. If the Insured has died, we will adjust the Death Benefit as of the last Monthly Policy Date prior to the Insured's death.

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ATTAINED AGE

The Attained Age of the Insured on any date is the Issue Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Effective Date.

PAYMENT OF BENEFITS

We will pay all benefits under this policy at our Administrative Office. Before payment of any Death Benefit we may investigate the death.

POSTPONEMENT OF BENEFITS

We may delay payment of any amounts which are payable as a result of Cash Surrender or Withdrawal for up to six months after we receive written request in a form satisfactory to us. If we defer such payment for more than 30 days, we will pay interest at a rate not less than the Accumulated Value Interest Rate shown in the Data Section or as mandated by state law, from the date we receive such request to the date of payment.

We may also delay payment of any amounts which are payable as a result of a Policy Loan for up to six months after we receive written request in a form satisfactory to us.

We have the right to postpone payment which is derived from any amount recently paid to us by check or draft, until we are satisfied the check or draft has been paid by the bank or other financial institution on which it is drawn.

DEFINITION OF LIFE INSURANCE

In order for you and the beneficiary to receive the tax treatment accorded to life insurance contracts by Federal law, this policy must initially qualify and continue to qualify as life insurance under Section 7702 of the Internal Revenue Code of 1986 (the "Code"), as amended, and its rules and regulations. The definition of life insurance test shown in the Data Section is the specific method by which we determine whether your policy meets the definition of life insurance.

We have designed your policy to qualify as a life insurance contract under the Code. We reserve the right to make any reasonable adjustments to the terms or conditions of this policy if it becomes necessary to allow it to qualify as life insurance.

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BASIS OF VALUES

The Cash Surrender Values for this policy are greater than or equal to those required by or pursuant to the NAIC Universal Life Insurance Regulation, model #585. A detailed statement of the method of computing values has been filed with the Interstate Insurance Product Regulation Commissions.

The Cash Surrender Values are based on the Accumulated Value Interest Rate and Mortality Table shown in the Data Section. For Issue Ages up to 15, we use guaranteed mortality rates from the Composite tables until attained age 15. When the Insured reaches attained age 16, we use guaranteed mortality rates from the Nonsmoker table.

The Paid Up Annuity Values, and all tabled values in Payment Options, are based on the 2000 Table for Individual Annuitant Mortality (IAM) and compound interest at a rate of 1.50% per year.

NOTICES

Unless this policy provides otherwise, any requests for changes or notices:

1. from us to the Owner shall be sent to the last address known to us of the Owner; and
2. from us to an assignee shall be sent to the last address known to us of such assignee; and
3. from the Owner or an assignee to us must be in writing and received by us at our Administrative Office in Montpelier, Vermont.

ANNUAL REPORT

At least once each Policy Year we will send a report to the Owner without charge. The report will show, as of its date:

1. the beginning and ending dates of the reporting period; and
2. the Accumulated Value at the beginning and ending of the reporting period; and
3. the Transaction Summary for the reporting period; and
4. the Cash Surrender Value; and
5. any debt to us on this policy; and
6. the current Death Benefit; and
7. a disclosure notice if the policy will not maintain insurance in force until the end of the next reporting period unless further premiums are made.

The report will also show a summary of transactions of the previous year and any information required by law.

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PROJECTION REPORT

The Owner may request, in writing, a report which projects future values and future Death Benefits for this policy. The report will also show any information required by law. One such report will be made available free of charge each year. We may charge a fee for any additional reports requested during that year, such charge not to exceed \$25. The Projection Report will be based on:

1. data the Owner gives us as to Face Amount and premiums; and
2. such assumptions as either the Owner or we specify.

ROLES IN THIS POLICY

OWNER

The Owner may:

1. exercise the rights under this policy; and
2. assign the policy; and
3. release or discharge the policy; and
4. change the policy if we agree to such change; and
5. enjoy the benefits under this policy.

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner cannot change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while the Insured is alive.

BENEFICIARY

The Owner has the right to change the Beneficiary. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary who dies before the Insured shall vest in the Owner unless otherwise stated.

If used, the term "children" of any person shall include only lawful children born to or legally adopted by that person.

We may rely on an affidavit by any person who in our judgment knows the facts to identify any Beneficiary or payee not specified by name. All our liability shall cease when we pay on the basis of such affidavit.

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TRUST BENEFICIARY

Unless an authorized officer or registrar of the Company explicitly agrees in writing, the following provision shall apply when a trust is named as Beneficiary.

In no event is the Company responsible for the application or disposition of any proceeds it pays to a Trust Beneficiary. Payment to a Trust Beneficiary is a full discharge of the liability of the Company. If a designated trust provides for successor trustees, the designation in this policy includes successor trustees. Likewise, if the trust allows amendments, the trust, if so amended, remains as a designated Beneficiary.

A Trust Beneficiary is considered to be a Beneficiary who did not survive the Insured if:

1. the trust has been terminated; or
2. the specified testamentary trust does not qualify as such; or
3. for any other reason a Trust Beneficiary is not entitled to any proceeds.

CHANGE OF BENEFICIARY

If the Owner has the right, a new Beneficiary may be named from time to time during the life of the Insured by filing at our Administrative Office written notice in such form as we may require. When notice is received at our Administrative Office, the change shall take effect on the date the notice is signed by the Owner whether or not the Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Administrative Office. When notice is received at our Administrative Office, the change shall take effect on the date the notice is signed by the Owner whether or not the Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

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SPENDTHRIFT
PROVISION

If we receive at our Administrative Office written request by the Owner for this Spendthrift Provision, then, to the extent allowed by law:

1. only the Owner may transfer, anticipate, commute, or encumber the proceeds of this policy; and
2. only legal process against the Owner may affect the proceeds of this policy.

Any proceeds payable after this request is withdrawn by the Owner shall not be affected by this provision.

PREMIUMS

POLICY
PROTECTION
PERIOD

The Policy Protection Period is shown in the Data Section. An increase in coverage does not initiate a new Policy Protection Period.

PAYMENT OF
PREMIUMS

The first premium is due on or before the Date of Issue. This first premium cannot be less than the Minimum Monthly Premium shown in the Data Section.

During the Policy Protection Period the payment of cumulative premiums, in excess of withdrawals and loans, at least equal to the Minimum Monthly Premiums payable since the Effective Date of the policy will keep the policy in force to the next Monthly Policy Date, as long as the Accumulated Value is sufficient to provide for Monthly Deductions. Otherwise, this policy will remain in force as long as the Cash Surrender Value is sufficient to provide for Monthly Deductions.

The Planned Periodic Premiums are the premiums the Applicant has chosen to pay. Planned Periodic Premiums may be paid on an annual, semi-annual, quarterly, or monthly basis. The Owner may change the amount or frequency of such premiums at any time by sending a written notice to us at our Administrative Office. However, we may limit any increase in either amount or frequency.

Premiums in addition to the Planned Periodic Premiums may be necessary to keep this policy and the coverages provided by this policy and any additional benefit riders in force.

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We will accept **Unscheduled Premiums**, which are premiums in addition to the **Planned Periodic Premiums**. We may limit the number and amount of **Unscheduled Premiums** if payment of the premium results in more than a dollar for dollar increase in death benefit.

All premiums are limited by a minimum and a maximum. The minimum is \$25 per premium. The maximum is the greater of:

1. the limit imposed by the Internal Revenue Code for qualifying the policy as "Life Insurance" for Federal Income Tax purposes, or
2. the amount necessary to keep the policy in force.

We will not accept any premium in excess of the maximum. We will return any premiums not accepted and any interest credited to such premiums to the Owner within 60 days after the end of the Policy Year in which the premiums were received.

The first premium may be paid to us either through our duly authorized agent in exchange for a receipt signed by that agent or at our Administrative Office. All later premiums must be paid to us at our Administrative Office.

NET PREMIUM

A Net Premium is determined by multiplying a premium received times 1 minus the Percent of Premium Expense Charge stated in the Data Section.

GRACE PERIOD

If on any Monthly Policy Date the Cash Surrender Value is less than the Monthly Deduction on such date, a Grace Period shall start, unless:

1. the policy is within the Policy Protection Period; and
2. the Accumulated Value less any debt to us on this policy is greater than the Monthly Deduction on that date; and
3. the cumulative premiums paid since the policy's Effective Date, less any withdrawals and less any debt to us on the policy, are greater than or equal to the cumulative Minimum Monthly Premiums due since the policy's Effective Date.

A Grace Period shall be 61 days. During a Grace Period this policy shall remain in force.

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The premium needed to keep the policy in force beyond a Grace Period which ends during the Policy Protection Period shall equal the greater of (a) or (b) where:

- a) equals the sum of the Minimum Monthly Premiums in effect on the policy over all of the months from the Effective Date of the policy to the start of the Grace Period, plus all withdrawals, plus three times the Minimum Monthly Premium in effect at the beginning of the Grace Period, plus any debt to us on this policy, less all premiums paid; and where
- b) equals the premium which will be sufficient to produce an Accumulated Value, net of policy debt, equal to two times the Monthly Deduction due on the date the Grace Period began.

The premium needed to keep the policy in force beyond a Grace Period which ends after the Policy Protection Period shall be the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due on the date the Grace Period began.

We will mail notice of the premium needed to the last known address of the Owner or to any assignee of record at least 30 days prior to termination of coverage. If such premium is unpaid on the later of:

1. the last day of the Grace Period; or
2. the 31st day after such notice is sent;

then this policy shall terminate without value.

A Grace Period will not begin solely because payments of Planned Periodic Premiums are discontinued. Whether or not premiums are paid, Monthly Deductions will be made from the Accumulated Value. The terms of this Grace Period provision will determine if and when a Grace Period starts.

REINSTATEMENT

If this policy terminates after the end of a Grace Period, it may be reinstated. It must be reinstated on a Monthly Policy Date within five years from the start of such Grace Period and prior to the end of the Premium Payment Period.

For Reinstatement we will require:

1. an application for Reinstatement; and
2. proof to our satisfaction that the Insured is insurable; and
3. payment of an amount determined as follows:
 - a) If Reinstatement occurs during a Policy Protection Period and the Owner chooses to reinstate the Policy Protection Period, the required payment shall be an amount equal to the premium which will be sufficient to produce an Accumulated Value, net of policy debt, four times the Monthly Deduction due on the date the Grace Period began, or, if greater:
 - i. the sum of the Minimum Monthly Premiums in effect on the policy over all the months from the Effective Date of this policy to the start of the Grace Period; plus
 - ii. three times the Minimum Monthly Premium shown in the Data Section; plus
 - iii. all withdrawals; plus
 - iv. any debt to us on the policy; less
 - v. all premiums paid.
 - b) If Reinstatement occurs after the Policy Protection Period or during the Policy Protection Period but the Owner chooses not to reinstate the Policy Protection Period, the required payment shall be a premium which will make the Cash Surrender Value sufficient to provide:
 - i. two times the Monthly Deduction due on the date the Grace Period began; plus
 - ii. three times the Monthly Deduction due on the date of Reinstatement.

We will send the Owner notice of the required payment upon request.

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In the event of Reinstatement:

1. the Accumulated Value of the policy at the time of final lapse will be restored along with the Cash Value available for deductions at the time that the Grace Period began; and
2. the schedule of Surrender Charges for the policy months following the date the Grace Period began shall become the schedule of Surrender Charges for the policy months following the date of Reinstatement; and
3. the schedule of Monthly Expense Charges for the policy months following the date the Grace Period began shall become the schedule of Monthly Expense Charges for the policy months following the date of Reinstatement.
4. any Policy Loan that was in force at the time that the Grace Period began may be repaid or may be reinstated.

DEATH BENEFIT AND POLICY CHANGES

DEATH BENEFIT

We will pay the Death Benefit to the Beneficiary when we receive at our Administrative Office due proof that the Insured died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of the Insured's death to the date of payment. We will set the rate of interest at not less than the Accumulated Value Interest Rate shown in the Data Section or as mandated by state law. If the Death Benefit is not paid within 30 days after we receive at our Administrative Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8.00% per year.

COVERAGE AT AND AFTER AGE 121

If your policy is in force at Attained Age 121, the Face Amount of this policy will be set equal to the Accumulated Value, and the Death Benefit Option will automatically revert to Option A. The Death Benefit Option may not thereafter be changed, and no additional premium will be accepted on this policy. All Monthly Deductions on this policy will cease. The Owner may, however, continue to access the Cash Surrender Value and to make or repay Policy Loans.

You may surrender your policy if you do not want coverage to continue past Attained Age 121.

Continuing coverage beyond Attained Age 100 may cause your policy to fail to qualify as life insurance under the Internal Revenue Code and you may be subject to adverse tax consequences. You should consult a tax advisor before you choose to continue your policy after Attained Age 100.

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DEATH BENEFIT OPTIONS

The Owner may elect either of two Death Benefit Options, Option A or Option B. The Death Benefit Option is stated in the Data Section.

Option A. Under Option A, the Death Benefit is equal to the greater of:

1. the Face Amount of the policy on the date of the Insured's death; or
2. the Death Benefit Factor shown in the Data Section multiplied by the Accumulated Value on the date of the Insured's death;

less the amount of any Monthly Deductions then due and any debt to us on this policy.

Option B. Under Option B, the Death Benefit is equal to the greater of:

1. the Face Amount plus the Accumulated Value of the policy on the date of the Insured's death; or
2. the Death Benefit Factor shown in the Data Section multiplied by the Accumulated Value on the date of the Insured's death;

less the amount of any Monthly Deductions then due and any debt to us on this policy.

CHANGES IN FACE AMOUNT AND DEATH BENEFIT OPTION

The Owner may request any of the following changes. We will make a change subject to the conditions stated. These changes may be made only while the Insured is living and after the first Policy Anniversary. We will send the Owner a revised or additional Data Section if any of these changes is made.

Face Amount Increases. We will require an application from the Owner and proof to our satisfaction that the Insured is then insurable. An increase in Face Amount must satisfy the minimum Face Amount requirements of the policy and must be initiated before the end of Attained Age 85 and shall be effective upon the Monthly Policy Date on or next following our approval.

Each increase in Face Amount will have its own coverage segment that has its own Monthly Cost of Insurance charges, Monthly Expense Charge per Thousand, and Surrender Charges, as well as new incontestability and suicide exclusion periods.

Face Amount Decreases. We will require a written request from the Owner. A decrease in Face Amount shall be effective upon the Monthly Policy Date on or next following our receipt of the request.

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Decreases shall not be permitted which would reduce the sum of the Face Amount to less than any of the following:

1. the minimum insurance amount for which the policy would qualify as "Life Insurance" for Federal Income Tax purposes under the Internal Revenue Code; or
2. the Minimum Face Amount shown in the Data Section; or
3. 75% of the largest total Face Amount in force at any time in the twelve policy months prior to our receipt of the request.

A decrease in Face Amount will affect units of Face Amount in the reverse order in which they were created.

Death Benefit Option Changes.The Death Benefit Option may be changed once each Policy Year after the first Policy Anniversary. We will require a written request from the Owner. A change will be effective on any Monthly Policy Date requested. The change may be made only if after such change the policy would qualify as "Life Insurance" for Federal Income Tax purposes under the Internal Revenue Code. The Minimum Monthly Premium will be recomputed to reflect the change in Death Benefit Options.

1. Upon a change from Option A to Option B, the Face Amount shall decrease by an amount equal to the Accumulated Value of the policy just prior to the Effective Date of the change. However, the change may be made only if after such change the Face Amount would not be less than the Minimum Face Amount shown in the Data Section.
2. Upon a change from Option B to Option A, the Face Amount shall increase by an amount equal to the Accumulated Value just prior to the Effective Date of the change. No additional Surrender Charges shall be imposed solely because of this change.

SUICIDE LIMITATION

If the Insured dies within two years of the Effective Date as the result of suicide, while sane or insane, we will pay only a sum equal to:

1. the premiums paid; less
2. any withdrawals made; less
3. any debt to us on this policy.

Payment will be made to the Beneficiary.

A similar two-year period shall apply to any increase in Face Amount for which an application is required. Such period shall begin on the Effective Date of any such increase. During such period if the Insured dies as the result of suicide, while sane or insane, we will pay, in lieu of any such increase in Face Amount, only a sum equal to the Cost of Insurance that we have deducted from the Accumulated Value for such increase.

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POLICY VALUES

ACCUMULATED VALUE

The Accumulated Value on the policy Effective Date is the initial Net Premium minus the initial Monthly Deduction.

On any Monthly Policy Date after the first Monthly Policy Date, the Accumulated Value shall be equal to:

1. the Accumulated Value on the just prior Monthly Policy Date; plus
2. one month's interest on the Accumulated Value on the just prior Monthly Policy Date; plus
3. the amount of all net premiums received since the just prior Monthly Policy Date; plus
4. interest on net premiums received since the just prior Monthly Policy Date from the date of receipt to the Monthly Policy Date; less
5. any withdrawals on the Monthly Policy Date; less
6. the Monthly Deduction for the month next following the Monthly Policy Date.

On any other day the Accumulated Value shall be equal to:

1. the Accumulated Value on the just prior Monthly Policy Date; plus
2. interest on the Accumulated Value on the just prior Monthly Policy Date from the just prior Monthly Policy Date to such day; plus
3. the amount of all net premiums received since the just prior Monthly Policy Date; plus
4. interest on net premiums received since the just prior Monthly Policy Date from the date of receipt to such day.

If this policy is reinstated, the Accumulated Value on the date of Reinstatement shall be:

1. the Accumulated Value on the date the Grace Period began; less
2. two times the Monthly Deduction due on the date the Grace Period began; plus
3. the net premium paid to reinstate the policy.

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MONTHLY DEDUCTION

The Monthly Deduction due on a Monthly Policy Date shall be the Monthly Cost of Insurance, plus the Monthly Expense Charge, plus the Monthly Policy Fee, plus the monthly cost of any additional benefit riders in force on this policy.

MONTHLY COST OF INSURANCE

The Monthly Cost of Insurance shall be based on the risk classification and duration of this policy, and the Insured's Issue Age.

The Monthly Cost of Insurance for a given policy is equal to the applicable Monthly Cost of Insurance Rate multiplied by the Net Amount at Risk

The Net Amount at Risk is the excess of:

1. the Death Benefit plus any debt to us on such date, divided by the sum 1 plus the monthly Accumulated Value Interest Rate shown in the Data Section; over
2. the Accumulated Value of this policy on such date.

We may change the Cost of Insurance rates from time to time based on our expectations of future experience. Future experience can include, but is not limited to, investment earnings, mortality, persistency, taxes and expenses. Any change in the Cost of Insurance rates shall apply to all policies of the same size and duration, insuring persons of the same Attained Age and rate class as the Insured. The Cost of Insurance rates shall not be greater than the rates set forth in the Table of Guaranteed Maximum Cost of Insurance rates shown in the Data Section. These rates are based on the Mortality Table named in the Data Section.

INTEREST CREDITING

We will credit your Accumulated Value with interest at rates that we will determine. The rate of interest will be determined periodically in advance and such rates may be different for loaned and unloaned amounts and may vary by policy year and date of premium deposit. Interest will be credited daily. Interest is nonforfeitable after crediting except indirectly due to surrender charges. The rates of interest will never be less than the monthly Accumulated Value Interest Rate shown in the Data Section.

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CASH SURRENDER AND WITHDRAWALS

CASH SURRENDER VALUE

The Owner may, by written request to us, surrender this policy while the Insured is living for its Cash Surrender Value. We may require that the policy be returned to us. When this policy has been surrendered, it shall be null and void and all rights shall cease.

The Cash Surrender Value on any day shall be equal to:

1. the Accumulated Value on such day; less
2. any Surrender Charge which applies on such day; less
3. any debt to us on this policy.

The Surrender Charges are shown in the Data Section.

WITHDRAWALS

After the first Policy Anniversary and prior to the last day of the Premium Payment Period, the Owner may make withdrawals by written request to us. Withdrawals shall be subject to all of the following terms.

1. Withdrawals may be made only on a Monthly Policy Date which follows receipt of such request.
2. A Withdrawal Fee of \$25.00 will be charged for each withdrawal made.
3. The amount withdrawn may not exceed the Cash Surrender Value on the Monthly Policy Date less three times the Monthly Deduction for such Monthly Policy Date.
4. The Accumulated Value will be decreased by the amount of the withdrawal.
5. If Death Benefit Option A is in effect on the date of the withdrawal, the Face Amount of the policy will be reduced by an amount equal to the amount of the withdrawal plus the Withdrawal Fee.

POLICY LOANS

POLICY LOANS

We will loan an amount up to the Loan Value of the policy less the amount of any outstanding debt, at any time after the first Policy Year. At the time of the loan the policy must be in force. The policy shall be the sole security for the loan and must be duly assigned to us.

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LOAN VALUE

The Loan Value on any day is equal to:

1. the Accumulated Value on such day; less
2. the Surrender Charge on such day, if applicable; less
3. three times the Monthly Deductions due on the most recent prior Monthly Policy Date.

LOAN INTEREST RATE

Any loan shall bear interest from the date the loan is made. The Loan Interest Rate may change from Policy Year to Policy Year.

The Loan Interest Rate on the Effective Date of the policy is stated in the Data Section. Such rate shall apply to any debt to us on this policy until the rate is changed by us. We may change the Loan Interest Rate only on a Policy Anniversary, after which the changed rate will apply to any new or existing debt to us on the policy. The Loan Interest Rate is subject to a minimum annual interest rate equal to the Accumulated Value Interest Rate shown in the Data Section plus 1% and shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the greater of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs; or
2. the yearly Accumulated Value Interest Rate shown in the Data Section plus 1%.

The Published Monthly Average shall be the Moody's Corporate Bond Yield Average - Monthly Average Corporates, as published by Moody's Investors Service, Inc., or any successor to it. If at any time that Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year less than the Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Loan Interest Rate for this policy. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year more than the Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give to the Owner:

1. notice of the Loan Interest Rate in effect for this policy at the time a loan is made; and
2. at least 30 days advance notice of any increase in the Loan Interest Rate, if there is any debt to us on this policy.

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In no event shall the Loan Interest Rate exceed the highest loan interest rate allowed by law of the state in which this policy is delivered.

GENERAL LOAN TERMS

After the loan is made, loan interest shall be due on the next and all later Policy Anniversaries. If any interest is not paid when due, it shall be added to the loan and bear interest on the same terms.

The debt secured by this policy includes loans, unpaid loan interest and accrued loan interest not otherwise due.

All or any part of the debt may be paid to us at any time prior to:

1. the death of the Insured; and
2. surrender of the policy.

However, during a Grace Period the debt may not be repaid. Unless the Owner specifies, any payment to us shall be deemed a premium payment and not payment of the debt. At the death of the Insured or upon the surrender of the policy, all debt shall become due at once. It shall be paid from the policy values.

The Accumulated Value removed from the policy to establish a Loan Collateral Account will be held apart from other Accumulated Value in this policy and may be credited interest at a different rate than that of other Accumulated Value in the policy.

PAYMENT OPTIONS

In lieu of a lump sum settlement, all or part of the proceeds of this policy may be applied under a Payment Option. When proceeds are applied under a Payment Option, all other rights and benefits under this policy shall cease.

In addition to the following options, other payment options may be available.

OPTION EFFECTIVE DATE

The Option Effective Date is the date the proceeds become payable.

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GENERAL PAYMENT
OPTION TERMS

If the proceeds to be placed under a Payment Option are less than \$5,000, we may pay them in one sum to the payee who otherwise would receive the first payment under the option. If any payments would be less than \$100, we will change the frequency to provide payments of at least \$100.

If the proceeds are assigned on the Option Effective Date, we will pay the assignee's share in one sum and place only the balance under the option. After the Option Effective Date neither the payments nor the remaining value may be assigned or encumbered. To the extent the law permits, they are not subject to any claims against the payee.

We may require proof to our satisfaction that any payee is alive on the date any payment is due.

CHOICE OF
OPTION

Choice of an option may be made:

1. by the Owner if the Insured is living; or
2. by the Beneficiary if the Insured is not living and if no option is in effect.

Equivalent payments for 12-, 6-, 3-, or 1-month intervals may be chosen. The options are described in terms of monthly payments. We will quote the amount of other payments on request.

We may issue a document stating the terms of the option.

CHANGE OF
PAYMENT OPTION

The right to change Payment Options exists under Options 1, 2, and 4. At the time of change the remaining value under the old option shall become the proceeds to be placed under the new option.

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

Lump sum payments may be taken from the remaining proceeds placed under Payment Options 1, 2, and 4.

Under Options 1 and 4 all or any part of the remaining value may be taken at any time, though no more than four transactions may be made during any calendar year.

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Under Option 2 the entire remaining value may be taken at any time.

No lump sum removal of proceeds may be made under Options 3, 5, 6, or 7.

OPTION 1
-PAYMENT OF
INTEREST ONLY

Interest at a rate of 1.50% per year shall be paid either for:

1. the life of a chosen human being; or
2. a chosen period.

We may pay more interest in any given year. Upon the earlier of the death of the chosen human being or the end of the chosen period, any remaining value will be paid. The first payment shall be made one month after the Option Effective Date. If the payee is not a human being, payments may not continue for more than 30 years.

OPTION 2
-PAYMENTS FOR A
STATED TIME

Equal monthly payments shall be made for a stated number of years. The first payment shall be made on the Option Effective Date. The amount of each monthly payment is shown in the table. The monthly payments are based on an interest rate of 1.50% per year. We may pay more interest in any year.

Option 2 Table
 Monthly Payments for Each \$1,000 of Proceeds

Stated Number of Years	Monthly Payments
5	17.28
6	14.51
7	12.53
8	11.04
9	9.89
10	8.96
11	8.21
12	7.58
13	7.05
14	6.59
15	6.20
16	5.85
17	5.55
18	5.27
19	5.03
20	4.81
21	4.62
22	4.44
23	4.28
24	4.13
25	3.99
26	3.86
27	3.75
28	3.64
29	3.54
30	3.44

OPTION 3
 -PAYMENTS FOR
 LIFE

Equal monthly payments shall be made for any guaranteed period chosen and thereafter during the life of a chosen human being. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the age of the chosen human being on the Option Effective Date and on any guaranteed period chosen. We may require proof to our satisfaction of such age. We may require like proof that such human being is alive on the date any payment is due. The guaranteed period may be five or ten years or a Refund period. A Refund period extends until the sum of the payments is equal to the proceeds placed under the option. The monthly payments are based on an interest rate of 1.50% per year. We may pay more interest in any year during the guaranteed period. We will quote the amount of monthly payments for lower ages and guaranteed periods not shown in the Option 3 Table on request.

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Option 3 Table
Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Guaranteed Period

Age	None	10 Years	Refund
50	\$3.10	\$3.08	\$2.92
51	3.16	3.14	2.97
52	3.23	3.21	3.03
53	3.30	3.28	3.08
54	3.37	3.35	3.14
55	3.45	3.43	3.20
56	3.53	3.50	3.26
57	3.62	3.59	3.33
58	3.71	3.68	3.39
59	3.81	3.77	3.46
60	3.92	3.87	3.54
61	4.03	3.97	3.62
62	4.15	4.08	3.70
63	4.27	4.19	3.79
64	4.41	4.31	3.88
65	4.55	4.44	3.97
66	4.70	4.57	4.07
67	4.86	4.71	4.17
68	5.04	4.86	4.28
69	5.22	5.01	4.40
70	5.42	5.17	4.52
71	5.63	5.33	4.64
72	5.86	5.51	4.78
73	6.11	5.69	4.93
74	6.38	5.87	5.08
75	6.66	6.06	5.22
76	6.97	6.25	5.39
77	7.30	6.45	5.57
78	7.65	6.65	5.75
79	8.04	6.84	5.93
80	8.45	7.04	6.15
81	8.90	7.23	6.37
82	9.38	7.41	6.59
83	9.90	7.59	6.85
84	10.46	7.75	7.06
85+	11.07	7.91	7.36

+ Higher ages the same

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OPTION 4
-PAYMENTS OF A
STATED AMOUNT

Equal monthly payments of a stated amount shall be made until the proceeds, with interest at 1.50% per year on the unpaid balance, are used up. The first payment shall be made on the Option Effective Date. The amount chosen must be at least \$10 per month for each \$1,000 of proceeds placed under this option. We may add more interest to the unpaid balance in any year, which will extend the number of payments. The last payment will be for the balance only.

OPTION 5 - LIFE
ANNUITY

Equal monthly payments shall be made in the same manner as Option 3 except:

1. the amount of each payment shall be based on our current settlement rates on the Option Effective Date; and
2. no additional interest shall be paid.

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

Equal monthly payments shall be made while two chosen human beings are both living. Upon the death of either, two-thirds of the amount of such payments shall continue during the life of the survivor. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the ages of the chosen human beings on the Option Effective Date. We may require proof to our satisfaction of their ages. We may require like proof that any chosen human being is alive on the date any payment conditioned on the life of such human being is due. The initial amount of each monthly payment is shown in the table. We will quote the amount of monthly payments for any other age combination on request. The monthly payments are based on an interest rate of 1.50% per year. No additional interest shall be paid.

Option 6 Table
Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Ages of Both	Initial Monthly Payment	Ages of Both	Initial Monthly Payment
50	\$2.95	68	\$4.68
51	3.01	69	4.84
52	3.07	70	5.02
53	3.14	71	5.20
54	3.20	72	5.40
55	3.27	73	5.62
56	3.35	74	5.85
57	3.43	75	6.10
58	3.51	76	6.36
59	3.60	77	6.65
60	3.69	78	6.96
61	3.79	79	7.29
62	3.89	80	7.65
63	4.00	81	8.03
64	4.12	82	8.45
65	4.25	83	8.90
66	4.38	84	9.38
67	4.52	85+	9.90

+ Higher ages the same

OPTION 7 - 50%
SURVIVOR
ANNUITY

Equal monthly payments shall be made during the life of the chosen primary human being. Upon the death of the chosen primary human being, 50% of the amount of such payments shall continue during the life of the chosen secondary human being. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the ages of the chosen human beings on the Option Effective Date. We may require proof to our satisfaction of their ages. We may require like proof that any chosen human being is alive on the date any payment conditioned on the life of such human being is due. The initial amount of each monthly payment is shown in the table. We will quote the amount of monthly payments for any other age combination on request. The monthly payments are based on an interest rate of 1.50% per year. No additional interest shall be paid.

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Option 7 Table
 Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Ages of Both	Initial Monthly Payment	Ages of Both	Initial Monthly Payment
50	\$2.89	68	\$4.52
51	2.94	69	4.67
52	3.00	70	4.83
53	3.06	71	5.01
54	3.12	72	5.20
55	3.19	73	5.40
56	3.26	74	5.62
57	3.34	75	5.85
58	3.41	76	6.10
59	3.50	77	6.37
60	3.59	78	6.66
61	3.68	79	6.97
62	3.78	80	7.30
63	3.88	81	7.66
64	3.99	82	8.05
65	4.11	83	8.47
66	4.24	84	8.92
67	4.37	85+	9.40

+ Higher ages the same

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Flexible Premium Adjustable Benefit Life Insurance. Unisex Version. Flexible premiums are payable through the end of the Premium Payment Period or until the prior death of the Insured. The adjustable Death Benefit is payable upon the death of the Insured. This policy is nonparticipating.

LIFE INSURANCE COMPANY OF THE SOUTHWEST

ADMINISTRATIVE OFFICE: ONE NATIONAL LIFE DRIVE, MONTPELIER, VERMONT 05604
HOME OFFICE: 1300 WEST MOCKINGBIRD LANE, DALLAS, TEXAS, 75247

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IMPACT OF
WITHDRAWALS
AND POLICY LOANS

Withdrawals and policy loans taken against the policy will impact the calculation described in the Conditions of this Rider. If a withdrawal made or a policy loan taken against the policy leaves the policy out of compliance with the Conditions of this Rider, a Notice of Pending Termination of this Rider will be sent to the Owner.

DEFINITION OF
LIFE INSURANCE

In order for you and the beneficiary to receive the tax treatment accorded to life insurance contracts by Federal law, the policy to which this rider is attached, must initially qualify and continue to qualify as life insurance under Section 7702 of the Internal Revenue Code of 1986 ("the Code"), as amended, and its rules and regulations. The Definition of Life Insurance Test shown in the policy Data Section is the specific method by which we determine whether your policy meets the Definition of Life Insurance.

A premium will not be accepted which would cause the policy to which this rider is attached to violate the Definition of Life Insurance as defined in the above paragraph. If the minimum premium necessary to satisfy the Conditions of this Rider cannot be paid due to the Definition of Life Insurance premium limitations, this rider will terminate.

COST OF THIS
RIDER

The monthly cost of this rider is shown in the Data Section. It will be based on the Face Amount of the policy. If, while this rider is in force, any increase or decrease in the Face Amount is made, the monthly cost of this rider will similarly increase or decrease. The monthly cost of this rider will be deducted from the Accumulated Value of the policy in the same manner as is the Monthly Deduction.

SUSPENSION OF
MONTHLY
DEDUCTIONS

If, while this rider is in force, the Cash Surrender Value of the policy is not sufficient to cover the Monthly Deductions, Monthly Deductions will be deducted from the Accumulated Value until the Accumulated Value is exhausted, and will thereafter be deferred until such time as the policy has positive Accumulated Value. Monthly Deductions in arrears will not be accumulated with interest.

Upon the death of the Insured, we will waive any Monthly Deductions then in arrears. Otherwise, Monthly Deductions in arrears will be due from policy values upon termination of this rider.

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SUICIDE
LIMITATION

If the Insured dies within two years of the date of issue of this rider as the result of suicide, while sane or insane, we will pay only the sum set forth in the Suicide Limitation provision of the policy. Payment will be made to the Beneficiary.

INCONTESTABILITY

After this rider has been in force during the life of the Insured for two years from its date of issue, we will not contest it.

CONSIDERATION

This rider is issued in consideration of the application for this rider and the monthly cost of this rider. This rider and a copy of the application for this rider will become part of the policy on its Date of Issue.

NOTICE OF
PENDING
TERMINATION OF
THIS RIDER

If on any Monthly Policy Date the Conditions of this Rider are not met, the Owner will be sent notice that unless the premium described below is paid during the first 61 days measured from the date we mailed such notice, this rider will terminate. The required premium will be the minimum premium accumulated with interest sufficient to satisfy the Conditions of this Rider on the Monthly Policy Date three months following the Monthly Policy Date on which the failure to meet the Conditions of this Rider prompted the mailing of such notice.

TERMINATION OF
THIS RIDER

This rider will terminate on the earliest of:

1. the end of the 61st day following our mailing of a Notice of Pending Termination of this Rider, if prior to that time the premium described in Notice of Pending Termination of this Rider is not paid; or
2. the date the Death Benefit Option of the policy is changed to Option B;
or
3. the date the policy terminates. If the policy is reinstated, this rider will not be reinstated; or
4. any Monthly Policy Date requested, if before that date we receive at our Administrative Office written request for termination of this rider.
5. the end of the Death Benefit Protection Period as stated in this rider's Data Section.

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When this rider terminates:

1. all rights under this rider will cease; and
2. it cannot be reinstated; and
3. the policy will be considered separate and complete without this rider.

If this rider terminates while the Cash Surrender Value of the policy is zero, the policy may enter a Grace Period and an additional payment, as determined by the Grace Period provision of the policy, may be required to keep the policy in force.

Signed for Life Insurance Company of the Southwest at Dallas, Texas, as of the date of issue of this rider, by

Jacque Lynn Benton

Secretary

Life Insurance Company of the Southwest

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Application for Life Insurance

Part 1 - Proposed Primary Insured (PPI) and Plan Information - Please PRINT

1. Name _____	2. Place of Birth - State/Country _____	3. Date of Birth _____	4. Issue at Age _____
5. Home Address (if mailing address different, provide in Remarks) _____			
6. Sex <input type="checkbox"/> M <input type="checkbox"/> F	7. Soc. Sec. # _____	8. Telephone #'s and best time to call H () W () C ()	
9. Are you a citizen of <input type="checkbox"/> USA <input type="checkbox"/> Other Country _____ Type of VISA _____ Alien Registration # _____			
10. Employer and time employed _____		11. Occupation (w/specific duties) _____	
12. Annual Income \$ _____		13. Are you actively at work full time (30 hours per week) and able to perform all your regular duties? <input type="checkbox"/> Yes <input type="checkbox"/> No	
14a. Driver's License # _____	14b. State _____	15. Riders and Amounts (Check website for rider availability)	
16. Product Name _____		<input type="checkbox"/> Accelerated Benefits (ABR) (Complete ABR Disclosure form)	
17. Face Amount \$ _____		<input type="checkbox"/> Waiver of Premium (WP)	
18. Death Benefit Option (IUL/UL only) <input type="checkbox"/> A - Level <input type="checkbox"/> B - Increasing		<input type="checkbox"/> Waiver of Specified Premium (WSP) (Harbor, Horizon, Adv79) (Annual Premium Waived) \$ _____	
19. Definition of Life Insurance Test (Applies to IUL/UL only. GPT is used if policy NOT a MEC.) <input type="checkbox"/> Guideline Premium Test (GPT) <input type="checkbox"/> Cash Value Accumulation Test (CVAT)		<input type="checkbox"/> Additional Protection Benefit (APB) (Paragon, Horizon, Adv79) \$ _____	
20. Premium Information		<input type="checkbox"/> Children's Term Rider (CTR) \$ _____	
a. Premium Mode _____		<input type="checkbox"/> Disability Income (DIR) <input type="checkbox"/> 2 Yr <input type="checkbox"/> 5 Yr \$ _____	
b. Planned Periodic Premium \$ _____		a. Do you have any disability insurance, including employer sponsored short or long-term coverage? (If Yes, give details in Remarks) <input type="checkbox"/> Yes <input type="checkbox"/> No	
c. Cash with Application \$ _____		<input type="checkbox"/> Long Term Care (LTC) (Complete 8099 LTC kit)	
21. Identify the source of funds for premium payment		<input type="checkbox"/> Extension of Benefits (EB) <input type="checkbox"/> w/Inflation Protection (IP) (Complete 8099 LTC Kit)	
<input type="checkbox"/> Income/Savings <input type="checkbox"/> Home equity		<input type="checkbox"/> Accidental Death Benefit (ADB) \$ _____	
<input type="checkbox"/> Payment by third party <input type="checkbox"/> Loan/Premium Finance		<input type="checkbox"/> Guaranteed Insurability (GIR) \$ _____	
<input type="checkbox"/> Other _____		<input type="checkbox"/> Death Benefit Protection (DBP)	
22. Primary Beneficiary, Relationship, Date of Birth, S.S. # and Address (if different than PPI) _____		<input type="checkbox"/> No-Lapse Guarantee (NLG) (Horizon only) (OIR, APB & BSB N/A if NLG elected)	
		<input type="checkbox"/> Balance Sheet Benefit (BSB) (Paragon & Horizon) (% Waived) _____ %	
		<input type="checkbox"/> Other Insured (Complete 8122)	
		23. Owner, Relationship, Address, Date of Birth, & S.S.# (if other than PPI) _____	

Part 2 - General Information for Proposed Primary Insured (If 'Yes', provide details in Remarks)

1. Have you used any type of product containing tobacco or nicotine within the last 24 months? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
Product Type: _____ Frequency: _____ Date Last Used: _____	
2. Have you ever applied for life, health, or disability insurance or reinstatement of same, which was declined, postponed, rated or modified in any way? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Are you or do you have any intention of becoming a member of a military organization? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Have you had any moving vehicle violations in the last 3 years, or a suspended license or DUI in the last 5 years? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Have you ever been convicted of a felony or misdemeanor? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Have there been any bankruptcy proceedings against you within the last 7 years? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Within the past 6 months have you applied for or do you have any applications pending for life or disability insurance? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Have you received or applied for disability or worker's compensation from any source? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Within the last 3 years, have you participated in or do you intend to participate in any type of racing, scuba, skin, sport or sky diving; competition sport; parachuting or hang gliding; BASE or bungee cord jumping; big game hunting; mountain climbing; cave exploring; rodeos or snowmobiling? (If 'Yes', complete form 1480) _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Do you participate in any aviation activity other than as a fare paying passenger? (If 'Yes', complete form 1480) _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Do you intend to travel or reside outside of the USA for more than 2 weeks in a year? (If 'Yes', complete form 1480) _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
12. Have you been offered any cash incentive or other consideration (such as free insurance) as an inducement to apply for or become an insured under this life insurance policy, or have you been involved in any discussions about the possible sale or transfer of this policy to an unrelated third party, such as (but not limited to) a life settlement company or investor group? _____	<input type="checkbox"/> Yes <input type="checkbox"/> No

Part 3 - Inforce & Replacement Information

1. Do you have any existing life insurance policies or annuity contracts? (Include face & ADB amounts, company name & year of issue) If none - check this box:

2. Has there been or will there be a lapse, surrender, replacement, reissue, conversion, or change to reduce amount, premium, or period of coverage of any existing life, disability or annuity contract if the applied for policy or rider is issued? Yes No
(If Yes, Replacement forms must be provided)

3. Will there be any substantial borrowing on any life insurance policy if the applied for policy or rider is issued? Yes No
(List company name(s) and policy number(s) in Remarks)

Part 4 - Health History of the Proposed Primary Insured (Give details, dates & results for any 'Yes' questions 1-10 in Remarks)
 Complete Part 4 if money was collected with the application or an LSW exam is not being done.

1. Name, Address and Phone No. of Personal Physician <i>(If none, so state)</i>	Date last seen	Reason consulted & outcome
---	----------------	----------------------------

2. Height Weight Change in last year? Yes No Details:

3. Are you taking any medication? *(If 'Yes', list type, dose and frequency in the Remarks section.)* Yes No

4. In the last 10 years have you been diagnosed, treated, taken medication for, or know of having any indication of any:

<ol style="list-style-type: none"> a. Heart Murmur, Rheumatic Fever or Anemia <input type="checkbox"/> Yes <input type="checkbox"/> No b. Chest Pain, Heart Disease/Disorder or Heart Surgery <input type="checkbox"/> Yes <input type="checkbox"/> No c. Sleep Apnea, Emphysema, Asthma or Lung Disease <input type="checkbox"/> Yes <input type="checkbox"/> No d. Ulcer, Jaundice, Hepatitis or Chronic Indigestion <input type="checkbox"/> Yes <input type="checkbox"/> No e. Eyes, Ears, Nose, or Throat Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No f. Diseases of the Central Nervous System or Headaches <input type="checkbox"/> Yes <input type="checkbox"/> No g. Spine, Bones, Muscles, Joints, Skin or Thyroid Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No h. Stroke, Dizzy Spells, Epilepsy, Convulsions, Paralysis or Unconsciousness <input type="checkbox"/> Yes <input type="checkbox"/> No i. Veins, Blood, or other Circulatory System Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No j. Protein, Sugar, or Blood in the Urine <input type="checkbox"/> Yes <input type="checkbox"/> No k. Alzheimer's or Dementia <input type="checkbox"/> Yes <input type="checkbox"/> No 	<ol style="list-style-type: none"> l. Kidney Stone, Kidney or Bladder Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No m. Depression, Anxiety, or other Psychological Condition <input type="checkbox"/> Yes <input type="checkbox"/> No n. Gout, Arthritis, Back Pain or Back Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No o. Diabetes or High Blood Sugar <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it controlled by diet alone? <input type="checkbox"/> Yes <input type="checkbox"/> No p. Cancer, Polyp, or Other Tumor <input type="checkbox"/> Yes <input type="checkbox"/> No q. Esophagus, Stomach, Intestinal, Liver or Gall Bladder Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No r. Prostate, Pelvic Organs, or Breast Disease <input type="checkbox"/> Yes <input type="checkbox"/> No s. Alcohol or Drug Abuse <input type="checkbox"/> Yes <input type="checkbox"/> No t. High Blood Pressure or High Cholesterol <input type="checkbox"/> Yes <input type="checkbox"/> No
---	---

5. Within the past 10 years have you tested positive for exposure to the Human Immunodeficiency Virus (HIV), or has a physician or other medical professional diagnosed you as having Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or AIDS related conditions? Yes No

6. In the past 10 years have you used narcotic drugs, amphetamines, cocaine, marijuana or drugs not prescribed by a doctor? Yes No

7. Within the past 5 years have you:
 - a. had x-rays, electrocardiograms, heart catheterization or other diagnostic tests? Yes No
 - b. been admitted to a hospital or been advised or plan to enter a hospital for observation, operation or treatment of any kind? Yes No
 - c. consulted any medical professional other than your personal physician? Yes No

8. Do you have any pending appointments with any medical professional within the next 30 days? Yes No

9. Do you have any family history of diabetes, cancer, heart disease, Huntington's Disease or polycystic kidney disease? Yes No

10. Family History	Age if alive	State of Health	Age at death	Cause of death
Father	_____	_____	_____	_____
Mother	_____	_____	_____	_____
Siblings	_____	_____	_____	_____

Part 5 - Children's Term Rider Information (Complete only if CTR is requested. Complete HIPAA for each Child)

1. Names and Dates of Birth of all Children to be covered

2. To the best of your knowledge: *(If 'Yes', give details in Remarks)*

<ol style="list-style-type: none"> a. Is any Child's health impaired in any way? <input type="checkbox"/> Yes <input type="checkbox"/> No b. Has any Child shown any signs of abnormal physical or mental development? <input type="checkbox"/> Yes <input type="checkbox"/> No 	<ol style="list-style-type: none"> c. Does any Child not reside with you? <input type="checkbox"/> Yes <input type="checkbox"/> No d. Does any Child take medication prescribed by a doctor? <input type="checkbox"/> Yes <input type="checkbox"/> No
---	---

Part 6 - Bank Authorization (Complete for Check-O-Matic or automatic bank draft & include voided check or deposit slip)

I authorize LSW to draft monthly payments from my account: Checking Savings Money Market
 Draft 1st premium, no money collected

Draft on the 1st 8th
 15th 22nd day each month **or** Draft on the next available date after policy issue.

Application for Life Insurance - Continued

Conditional Receipt (to be given to applicant upon premium payment to agent) (Not to be used for Qualified Pension or Profit Sharing Trust.)

NOTE: All premium checks should be made payable to LSW. Do not make a check payable to the agent or leave the payee blank.

This receipt should not be issued (and will be deemed void) and premium should not be paid if Parts 1, 2, 3 and 5 of the application are not completely answered. No agent or medical examiner may waive a complete answer to any question in the application.

\$ _____ has been received from _____ as payment for the life insurance applied for on this date, subject to the following.

Coverage under this policy receipt, not to exceed the face amount(s) applied for or \$300,000, whichever is less, will take effect as described below.

Coverage under this receipt will begin on the LATER of: **a)** the date the application is signed, **b)** the date the first full modal premium has been paid, **c)** the date the last medical requirement requested by LSW is completed, or **d)** the effective date, if any, requested on the application.

Prior to delivery of the policy, coverage will be effective if:

1. the first full modal premium has been paid, and the check or draft is honored when presented for payment, and
2. LSW receives all medical examinations, tests and records within 60 days from the date of the application, and
3. LSW determines that each Proposed Insured is acceptable to it, under applicable underwriting standards, for the plan, benefits, amount and rate class applied for, and
4. there is no material misrepresentation in the application or in any medical information furnished to LSW.

Termination of Coverage. Coverage under this receipt will end on the FIRST of: **a)** insurance beginning under the policy applied for, **b)** LSW declines the application or offers the applicant a policy other than the one applied for, **c)** 60 days from the date coverage under this receipt begins, or **d)** LSW notifies the applicant in writing that coverage is ended. If LSW terminates coverage under this receipt or declines the application, or if the applicant refuses a policy issued other than as applied for, LSW will refund the full amount paid under this receipt. If a Proposed Insured dies by suicide, LSW's liability under this receipt is limited to a full refund of the premium paid. (Suicide clause not applicable to Missouri.)

Licensed Agent's Signature: _____ Licensed Agent's Name: (Print) _____

Signed at: (City & State) _____ on this day of: (mm/dd/yyyy) _____

Detach

Important Notices (to be given to the Applicant and Proposed Insured(s))

Insurance Information Practices: We must collect certain amounts of necessary and helpful personal information in order to properly underwrite and administer your insurance coverage. The amount and type of information collected may vary depending on the amount and type of insurance for which you have applied. Our information practices provide that:

1. Personal information may be collected from sources other than yourself;
2. Such information as well as other personal or privileged information subsequently collected by us or our agent, may, in certain circumstances be disclosed to third parties without your authorization; and
3. You have a right of access and correction with respect to all personal information collected.

If you would like to obtain a more detailed explanation of our information practices, including your rights of access to and correction of personal information, please contact our Administrative Office (1 National Life Drive, Montpelier, VT 05604).

Investigative Consumer Report Notice: In compliance with the Fair Credit Reporting Act (FCRA), this is to notify you that as part of our underwriting process an investigative consumer report may be obtained through personal interviews with neighbors, friends, associates or others concerning your character, general reputation, personal characteristics and mode of living. You have the right to be personally interviewed if we order an investigative consumer report. Please notify us if this is your wish. You may contact our Administrative Office for additional information regarding the nature and scope of this inquiry and a summary of your rights under FCRA. On written request, we will inform you whether a report was requested and provide additional information. LSW may telephone you directly to obtain the information described above. An interviewer in the Administrative Office may ask you to review and clarify information provided on the application or may ask additional questions. Whenever possible, calls will be made at your convenience and to the telephone number you provided.

Medical Information Bureau Notice: Information regarding your insurability will be treated as confidential. LSW or its reinsurers may, however, make a brief report thereon to the Medical Information Bureau (MIB, Inc.), a non-profit membership organization of life insurance companies which operates an information exchange on behalf of its members. If you apply to another insurance company, the Bureau, on request, will supply such company with the information in its file. On receipt of a request from you, the Bureau will arrange disclosure of any information it may have in your file. (Medical information will be released only to your attending physician.) If you question the accuracy of information in the Bureau's file, you may contact the Bureau and make a correction in accordance with procedures set forth in the Fair Credit Reporting Act. The address of the Bureau's information office is 50 Braintree Hill, Suite 400, Braintree, MA 02184-8734, telephone number (866) 692-6901, website: www.mib.com.

LSW may release information in its files to other life insurance companies to whom you may apply for life or health insurance, or to whom a claim for benefits may be submitted.

Supplemental Other Insured Rider Application for Life Insurance

Part 1 - Proposed Other Insured (POI) and Plan Information

1. Name	2. Place of Birth - State/Country	3. Date of Birth	4. Issue at Age
5. Home Address (street, city, state and zip)			
6. Sex <input type="checkbox"/> M <input type="checkbox"/> F	7. Soc. Sec. #	8. Telephone #'s and best time to call H () W () C ()	
9. Are you a citizen of <input type="checkbox"/> USA <input type="checkbox"/> Other Country _____ Type of VISA _____ Alien Registration # _____			
10. Employer and time employed		11. Occupation (w/specific duties)	
12. Annual Income \$		13a. Driver's License #	13b. State
15. Primary Insured, Relationship and S.S. #		14. Face Amount \$	
16. Primary Beneficiary, Relationship and S.S. #		17. Riders and Amounts	
		<input type="checkbox"/> Accidental Death Benefit (ADB) \$ _____ <input type="checkbox"/> Disability Income (DIR) <input type="checkbox"/> 2 Year <input type="checkbox"/> 5 Year \$ _____ a. Do you have any disability insurance, including employer sponsored short or long-term coverage? <input type="checkbox"/> Yes <input type="checkbox"/> No (If Yes, give details in Remarks)	
		<input type="checkbox"/> Guaranteed Insurability (GIR) \$ _____ <input type="checkbox"/> Long Term Care (LTC) \$ _____ <input type="checkbox"/> Extension of Benefits (EB) <input type="checkbox"/> with Inflation Protection (IP) (Complete 8099 LTC kit when applying for LTC and/or EB)	
		<input type="checkbox"/> Other _____ \$ _____	

Part 2 - Inforce & Replacement Information

- Do you have any existing life insurance policies or annuity contracts? (Include face & ADB amounts, company name & year of issue). If none, check this box:
- Has there been or will there be a lapse, surrender, replacement, reissue, conversion, or change to reduce amount, premium, or period of coverage of any existing life, disability or annuity contract if the applied for policy or rider is issued? Yes No
(If Yes, Replacement forms must be provided.)
- Will there be any substantial borrowing on any life insurance policy if the applied for policy or rider is issued? Yes No
(List Company Name(s) and Policy Number(s) in Remarks)

Part 3 - General Information for Proposed Other Insured (If 'Yes', provide details in Remarks)

- Have you used any type of product containing tobacco or nicotine within the last 24 months? Yes No
Product Type: _____ Frequency: _____ Date Last Used: _____
- Are you actively at work full time (30 hours per week) and able to perform all your regular duties? Yes No
- Have you ever applied for life, health, or disability insurance or reinstatement of same, which was declined, postponed, rated or modified in any way? Yes No
- Are you or do you have any intention of becoming a member of a military organization? Yes No
- Have you had any moving vehicle violations in the last 3 years, or a suspended license or DUI in the last 5 years? Yes No
- Have you ever been convicted of a felony or misdemeanor? Yes No
- Have there been any bankruptcy proceedings against you within the last 7 years? Yes No
- Within the past 6 months have you applied for or do you have any applications pending for life or disability insurance? Yes No
- Have you received or applied for disability or worker's compensation from any source? Yes No
- Within the last 3 years, have you participated in or do you intend to participate in any type of racing; scuba, skin, sport or sky diving; competition sport; parachuting or hang gliding; BASE or bungee cord jumping; big game hunting; mountain climbing; cave exploring; rodeos or snowmobiling? (If 'Yes', complete form 1480) Yes No
- Do you participate in any aviation activity other than as a fare paying passenger? (If 'Yes', complete form 1480) Yes No
- Do you intend to travel or reside outside of the USA for more than 2 weeks in a year? (If 'Yes', complete form 1480) Yes No
- Have you been offered any cash incentive or other consideration (such as free insurance) as an inducement to apply for or become an insured under this life insurance policy, or have you been involved in any discussions about the possible sale or transfer of this policy to an unrelated third party, such as (but not limited to) a life settlement company or investor group? Yes No

Supplemental Other Insured Rider
Application for Life Insurance - Continued

Part 4 - Health History of the Proposed Other Insured (Give details, dates, and results for any 'Yes' answer to questions 1-10 in Remarks.)
 Complete Part 4 if money was collected with the application or an LSW exam is not being done.

1. Name, Address and Phone No. of Personal Physician (If none, so state)	Date last seen	Reason consulted & outcome
2. Height Weight Change in last year? <input type="checkbox"/> Yes <input type="checkbox"/> No Details:		
3. Are you taking any medication? (If 'Yes', list type, dose and frequency in the Remarks section.) <input type="checkbox"/> Yes <input type="checkbox"/> No		
4. In the last 10 years have you been diagnosed, treated, taken medication for, or know of having any indication of any:		
a. Heart Murmur, Rheumatic Fever or Anemia <input type="checkbox"/> Yes <input type="checkbox"/> No b. Chest Pain, Heart Disease/Disorder or Heart Surgery <input type="checkbox"/> Yes <input type="checkbox"/> No c. Sleep Apnea, Emphysema, Asthma or Lung Disease <input type="checkbox"/> Yes <input type="checkbox"/> No d. Ulcer, Jaundice, Hepatitis or Chronic Indigestion <input type="checkbox"/> Yes <input type="checkbox"/> No e. Eyes, Ears, Nose, or Throat Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No f. Diseases of the Central Nervous System or Headaches <input type="checkbox"/> Yes <input type="checkbox"/> No g. Spine, Bones, Muscles, Joints, Skin or Thyroid Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No h. Stroke, Dizzy Spells, Epilepsy, Convulsions, Paralysis or Unconsciousness <input type="checkbox"/> Yes <input type="checkbox"/> No i. Veins, Blood, or other Circulatory System Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No j. Protein, Sugar, or Blood in the Urine <input type="checkbox"/> Yes <input type="checkbox"/> No k. Alzheimer's or Dementia <input type="checkbox"/> Yes <input type="checkbox"/> No	l. Kidney Stone, Kidney or Bladder Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No m. Depression, Anxiety, or other Psychological Condition <input type="checkbox"/> Yes <input type="checkbox"/> No n. Gout, Arthritis, Back Pain or Back Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No o. Diabetes or High Blood Sugar <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it controlled by diet alone? <input type="checkbox"/> Yes <input type="checkbox"/> No p. Cancer, Polyp, or Other Tumor <input type="checkbox"/> Yes <input type="checkbox"/> No q. Esophagus, Stomach, Intestinal, Liver or Gall Bladder Disorder <input type="checkbox"/> Yes <input type="checkbox"/> No r. Prostate, Pelvic Organs, or Breast Disease <input type="checkbox"/> Yes <input type="checkbox"/> No s. Alcohol or Drug Abuse <input type="checkbox"/> Yes <input type="checkbox"/> No t. High Blood Pressure or High Cholesterol <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. Within the past 10 years have you tested positive for exposure to the Human Immunodeficiency Virus (HIV), or has a physician or other medical professional diagnosed you as having Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or AIDS related conditions? <input type="checkbox"/> Yes <input type="checkbox"/> No		
6. In the past 10 years have you used narcotic drugs, amphetamines, cocaine, marijuana or drugs not prescribed by a doctor? <input type="checkbox"/> Yes <input type="checkbox"/> No		
7. Within the past 5 years have you:		
a. had x-rays, electrocardiograms, heart catheterization or other diagnostic tests? <input type="checkbox"/> Yes <input type="checkbox"/> No		
b. been admitted to a hospital or been advised or plan to enter a hospital for observation, operation or treatment of any kind? <input type="checkbox"/> Yes <input type="checkbox"/> No		
c. consulted any medical professional other than your personal physician? <input type="checkbox"/> Yes <input type="checkbox"/> No		
8. Do you have any pending appointments with any medical professional within the next 30 days? <input type="checkbox"/> Yes <input type="checkbox"/> No		
9. Do you have any family history of diabetes, cancer, heart disease, Huntington's Disease or polycystic kidney disease? <input type="checkbox"/> Yes <input type="checkbox"/> No		
10. Family History	Age if alive	State of Health
Father	_____	_____
Mother	_____	_____
Siblings	_____	_____
	Age at death	Cause of death
	_____	_____

Part 5 - Remarks (Provide the details to questions as requested. Use form 8123 if additional space is needed.)

Section & Number: _____ Additional Information: _____

Part 6 - Agreement and Authorization

I understand and agree that all answers given above and in any medical exam are to the best of my knowledge and belief complete and true. All such answers and this application shall be part of any contract issued. I have read the IMPORTANT NOTICES, including the notices required by the Fair Credit Reporting Act and the Medical Information Bureau (MIB). To the extent allowed by law, I waive all rights governing disclosure of medical exams or treatment. I authorize any medical practitioner or facility, insurer, the MIB and any other organization or person that has any records or knowledge of me or my health to give such information to LSW or its reinsurers. I understand and agree that any such information may be reported to the MIB. This authorization is valid for 30 months from the date signed and a photocopy shall be as valid as the original. I also certify, under the penalties of perjury, that the Social Security Number of the Proposed Other Insured, Primary Insured, and Primary Beneficiary are correct.

The Agent taking this application has no authority to make, change or discharge any contract hereby applied for. The Agent may not extend credit on behalf of the Company. No statement made to or information acquired by any representative of the Company shall bind the Company unless set out in writing in this application.

NOTICE: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Signature of Proposed Other Insured age 15 & up (or Parent or Guardian)	Date	Signature of Applicant/Owner (if other than POI)
Signed at (City and State)	Signature of Licensed Agent	Licensed Agent Name & Number (Print)

SERFF Tracking Number: NALF-126395119 State: Arkansas
 Filing Company: Life Insurance Company of the Southwest State Tracking Number: 44680
 Company Tracking Number: 8796(0210)
 TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life
 Adjustable Life
 Product Name: LSW Income Builder UL
 Project Name/Number: LSW Income Builder UL/8796(0210)

Supporting Document Schedules

Item Status: **Status**
Date:

Satisfied - Item: Flesch Certification

Comments:

Attachments:

AR Consent to submit rates cert.pdf
 AR Reg 19 cert.pdf
 AR Reg 34 cert.pdf
 Arkansas Readability supp app.pdf
 Arkansas Readability app.pdf
 Arkansas Readability Rider.pdf
 Arkansas Readability Uni.pdf
 Arkansas Readability.pdf

Item Status: **Status**
Date:

Satisfied - Item: Application

Comments:

Application attached under Form Schedule

Item Status: **Status**
Date:

Bypassed - Item: Outline of Coverage

Bypass Reason: not applicable

Comments:

Item Status: **Status**
Date:

Satisfied - Item: Third Party Authorization

Comments:

Attachment:

Third Party Authorization.pdf

SERFF Tracking Number: NALF-126395119 State: Arkansas
Filing Company: Life Insurance Company of the Southwest State Tracking Number: 44680
Company Tracking Number: 8796(0210)
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life
Adjustable Life
Product Name: LSW Income Builder UL
Project Name/Number: LSW Income Builder UL/8796(0210)

Item Status: **Status**
Date:

Satisfied - Item: Responsible Officer Certification

Comments:

Attachment:

Responsible Officer Cert.pdf

Item Status: **Status**
Date:

Satisfied - Item: Actuary Illustration Certification

Comments:

Attachment:

Actuary Illustration Certification.pdf

Item Status: **Status**
Date:

Satisfied - Item: John Doe Annual Statement

Comments:

Attachments:

AnnualStatement-8797.DBPR.pdf

AnnualStatement-8796.DBPR.pdf

Item Status: **Status**
Date:

Satisfied - Item: John Doe Illustration

Comments:

Attachments:

Illustration-8797.DBPR.pdf

Illustration-8796.DBPR.pdf

Item Status: **Status**
Date:

Satisfied - Item: Cover Letter

SERFF Tracking Number: NALF-126395119 State: Arkansas
Filing Company: Life Insurance Company of the Southwest State Tracking Number: 44680
Company Tracking Number: 8796(0210)
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life
Adjustable Life
Product Name: LSW Income Builder UL
Project Name/Number: LSW Income Builder UL/8796(0210)

Comments:

Attachment:

AR Letter.pdf

Item Status:

Status

Date:

Satisfied - Item: Advertising Sample

Comments:

Attachment:

Advertising Piece IncomeBuilder.pdf

Item Status:

Status

Date:

Satisfied - Item: Life Insurance & Annuities
Replacement

Comments:

The attached form is used for replacement of life insurance or annuity policies.

Attachment:

8027.pdf

Item Status:

Status

Date:

Satisfied - Item: 30 Day Replacement Notice

Comments:

The attached notice will be used for 30 days notice.

Attachment:

30Day Free Look-9409-Extended.pdf

Consent to Submit Rates and/or Cost Bases for Approval

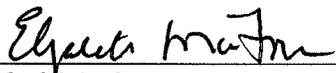
The Life Insurance Company of the Southwest does hereby consent and agree:

A. that all premium rates and/or cost bases both "maximum" and "current or projected" used in relation to policy form number 8796AR(0210), 8797AR(0210), 8805(0210), 8121AR(0210) & 8122AR(0210), must be filed with the Insurance Commissioner of the State of Arkansas ("Commissioner") at least sixty (60) days prior to their proposed effective date. Such rates and/or cost bases shall be deemed effective sixty (60) days after they are filed with the Commissioner, unless the Commissioner shall approve or disapprove such rates and/or cost bases prior to the expiration of sixty (60) days.

or

B. that where the policy is a flexible or indeterminate premium whole life policy which provides for frequent changes in interest rates based on financial market conditions, the Company may file a range of rates it will stay within and will notify the Department at least sixty (60) days prior to any change in the range of rates. The Company must also document the method used to calculate its premium and range of rates.

Life Insurance Company of the Southwest



Elizabeth MacGowan
Designated Representative

12/23/09

Date

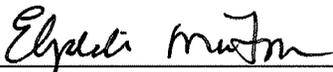
Arkansas Certification

Re: 8796AR(0210), Flexible Premium Adjustable Benefit Life Insurance.
8797AR(0210), Flexible Premium Adjustable Benefit Life Insurance. Unisex.
8805(0210), Death Benefit Protection Rider.
8121AR(0210), Application for Life Insurance.
8122AR(0210), Supplemental Other Insured Rider Application for Life Insurance.

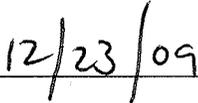
I, Elizabeth MacGowan, certify for Life Insurance Company of the Southwest, headquartered in Montpelier, Vermont, that the forms referenced above meet the provisions of Regulation 19§10B, as well as all applicable requirements of the Arkansas Insurance Department.

I further certify that the forms referenced above are in compliance with Regulation 49 concerning Life & Health Guaranty Association Notices and Arkansas Insurance Code 23-79-138 concerning required policy information.

Signed on behalf of Life Insurance Company of the Southwest, by



Elizabeth MacGowan
Designated Representative



Date

CERTIFICATION
STATE OF ARKANSAS

Re: 8796AR(0210), Flexible Premium Adjustable Benefit Life Insurance.
 8797AR(0210), Flexible Premium Adjustable Benefit Life Insurance. Unisex.
 8805(0210), Death Benefit Protection Rider.
 8121AR(0210), Application for Life Insurance.
 8122AR(0210), Supplemental Other Insured Rider Application for Life Insurance.

I, Elizabeth MacGowan, certify for Life Insurance Company of the Southwest that the forms referenced above are in compliance with Regulation 34 published by the Arkansas Insurance Department.

Life Insurance Company of the Southwest



Elizabeth MacGowan
Designated Representative

 12/23/09

Date

Arkansas Certification

This is to certify that the attached Form Number 8122AR(0210) has achieved a Flesch Reading Score of 74.0 and complies in all respects with the requirements of Arkansas Statute Annotated Section 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

Life Insurance Company of the Southwest

Elizabeth MacGowan

Elizabeth MacGowan
Designated Representative

January 15, 2010

Date

Arkansas Certification

This is to certify that the attached Form Number 8121AR(0210) has achieved a Flesch Reading Score of 68.5 and complies in all respects with the requirements of Arkansas Statute Annotated Section 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

Life Insurance Company of the Southwest

Elizabeth MacGowan

Elizabeth MacGowan
Designated Representative

January 15, 2010

Date

Arkansas Certification

This is to certify that the attached Form Number 8805(0210) has achieved a Flesch Reading Score of 81.7 and complies in all respects with the requirements of Arkansas Statute Annotated Section 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

Life Insurance Company of the Southwest

Elizabeth MacGowan

Elizabeth MacGowan
Designated Representative

January 15, 2010

Date

Arkansas Certification

This is to certify that the attached Form Number 8797AR(0210) has achieved a Flesch Reading Score of 87.4 and complies in all respects with the requirements of Arkansas Statute Annotated Section 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

Life Insurance Company of the Southwest

Elizabeth MacGowan

Elizabeth MacGowan
Designated Representative

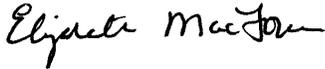
January 15, 2010

Date

Arkansas Certification

This is to certify that the attached Form Number 8796AR(0210) has achieved a Flesch Reading Score of 87.4 and complies in all respects with the requirements of Arkansas Statute Annotated Section 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

Life Insurance Company of the Southwest



Elizabeth MacGowan
Designated Representative

January 15, 2010

Date



January 16, 2009

To Whom It May Concern:

This letter is to authorize **Elizabeth MacGowan**, Vice President – Product Development, of National Life Insurance Company, Montpelier, Vermont, as a **Designated Representative** of Life Insurance Company of the Southwest to submit product filings on their behalf.

All questions and comments regarding this filing should first be addressed to Mrs. MacGowan. I stand ready, however, to answer for Life Insurance Company of the Southwest directly should that need arise.

Mrs. MacGowan may be contacted at:

National Life Insurance Company
One National Life Drive
Montpelier, Vermont 05604
Phone: 802-229-3589

Life Insurance Company of the Southwest thanks you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Wade H. Mayo".

Wade H. Mayo
President & Chief Executive Officer

*Wade H. Mayo
President and CEO*

March 23, 2009

To Whom It May Concern:

This letter is to authorize **Nancy W. Winings**, 2nd Vice President – Product Development, of National Life Insurance Company, Montpelier, Vermont, as a **Designated Representative** of Life Insurance Company of the Southwest to submit product filings on their behalf.

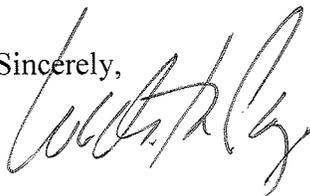
All questions and comments regarding this filing should first be addressed to Mrs. Winings. I stand ready, however, to answer for Life Insurance Company of the Southwest directly should that need arise.

Mrs. Winings may be contacted at:

National Life Insurance Company
One National Life Drive
Montpelier, Vermont 05604
Phone: 802-229-3917
Fax: 802-229-7197

Life Insurance Company of the Southwest thanks you for your consideration in this matter.

Sincerely,



Wade H. Mayo



January 16, 2009

To Whom It May Concern:

This letter is to authorize **Michelle D. Goodwin**, Policy Forms Analyst, of National Life Insurance Company, Montpelier, Vermont, as a **Designated Representative** of Life Insurance Company of the Southwest to submit product filings on their behalf.

All questions and comments regarding this filing should first be addressed to Mrs. Goodwin. I stand ready, however, to answer for Life Insurance Company of the Southwest directly should that need arise.

Mrs. Goodwin may be contacted at:

National Life Insurance Company
One National Life Drive
Montpelier, Vermont 05604
Phone: 802-229-7441
Fax: 802-229-3743

Life Insurance Company of the Southwest thanks you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Mayo", written over the word "Sincerely,".

Wade H. Mayo
President & Chief Executive Officer

Wade H. Mayo
President and CEO

March 23, 2009

To Whom It May Concern:

This letter is to authorize **Stephanie Burmester**, Associate Actuary, of National Life Insurance Company, Montpelier, Vermont, as a **Designated Representative** of Life Insurance Company of the Southwest to submit product filings on their behalf.

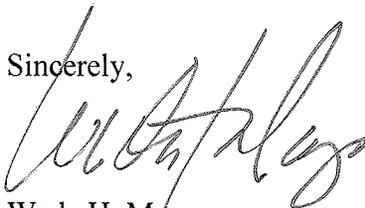
All questions and comments regarding this filing should first be addressed to Mrs. Burmester. I stand ready, however, to answer for Life Insurance Company of the Southwest directly should that need arise.

Mrs. Burmester may be contacted at:

National Life Insurance Company
One National Life Drive
Montpelier, Vermont 05604
Phone: 802-229-3433
Fax: 802-229-7197

Life Insurance Company of the Southwest thanks you for your consideration in this matter.

Sincerely,



Wade H. Mayo

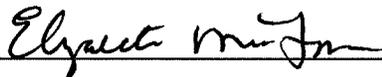
Life Insurance Company of the Southwest

**Responsible Officer Certification
To Accompany Policy Form Submissions**

**Regarding: 8796(0210), Flexible Premium Adjustable Benefit Life Insurance
8797(0210), Flexible Premium Adjustable Benefit Life Insurance, Unisex
8805(0210), Death Benefit Protection Rider**

I, Elizabeth MacGowan, am the Vice President of Product Development at National Life Insurance Company (of which the Life Insurance Company of the Southwest is a subsidiary). I am an officer of the Company.

1. Life Insurance Company of the Southwest will provide its agents with disclosure information about the expense allocation method used in the product illustrations for the policy forms referenced above.
2. The scales used in insurer authorized illustrations are those scales certified by the illustration actuary.
3. Policies applied for in this state have illustrations that meet the format requirements of the illustration regulation.



Date 12/17/09

Elizabeth MacGowan
Responsible Officer for Life Insurance Company of the Southwest

Responsible Officer Certification for Submission

Life Insurance Company of the Southwest

**Illustration Actuary Certification
To Accompany Policy Form Submissions**

**Regarding: 8796(0210), Flexible Premium Adjustable Benefit Life Insurance
8797(0210), Flexible Premium Adjustable Benefit Life Insurance, Unisex
8805(0210), Death Benefit Protection Rider**

I, Craig A. Smith, am a Vice President and Chief Actuary of the National Life Insurance Company (of which the Life Insurance Company of the Southwest is a subsidiary) and am a member of the American Academy of Actuaries in good standing. I was appointed on August 2, 2004 by the Board of Directors of the Life Insurance Company of the Southwest to be the illustration actuary for this plan of insurance for all states. I meet the Academy requirements for making this certification and the requirements of applicable state regulations.

The scale used in illustrating non-guaranteed elements for the plan of insurance written on the policy form described above meets the illustration regulation requirements of this state. The disciplined current scale for this plan is in conformity with that regulation and with the Actuarial Standard of Practice for Compliance with the NAIC Life Insurance Model Regulation (ASOP 24) promulgated by the Actuarial Standards Board.

Non-guaranteed elements illustrated for new policies are consistent with those illustrated for similar in force policies. Illustrated non-guaranteed elements for new and in force policies subject to this regulation are consistent with the non-guaranteed elements amounts actually credited or charged to the same or similar forms.

The expenses used in the calculation of the disciplined current scale for all policy forms subject to the illustration regulation were fully allocated.

In making this certification, I have reviewed expense allocations, actuarial assumptions and actuarial methods, and such tests of actuarial calculations as I considered necessary.



Date 1/13/2010

Craig A. Smith, FSA, MAAA
Appointed Illustration Actuary for Life Insurance Company of the Southwest

LSW Income Builder UL

ANNUAL STATEMENT

Flexible Premium Adjustable Benefit Life

Statement Date: April 15, 2011

Report Period: 04/15/2010 to 04/14/2011

#BWNCDPH

|||||

ETHAN ALLEN

ONE MAIN STREET

MONTPELIER, VT 05602

Account Summary

Beginning Accumulated Value:	\$0.00
Gross Premium:	\$563.40
Withdrawals, including Withdrawal	\$0.00
Fees:	
Monthly Deductions:	\$513.67
Interest Credited:	\$1.51
Ending Accumulated Value:	\$51.24

Policy Information

Policy Number:	LS1234567
Primary Insured:	Ethan Allen
Policy Effective Date:	April 15, 2010
Issue Age:	35
Underwriting Class:	Unisex Nonsmoker

Summary of Insurance Benefits

	Beginning Values	Ending Values
Face Amount:	\$100,000.00	\$100,000.00
Death Benefit:	\$100,000.00	\$100,000.00
Accumulated Value:	\$0.00	\$51.24
Total Loan Balance:	\$0.00	\$0.00
Surrender Charge:	\$0.00	\$938.00
Cash Surrender Value:	\$0.00	\$0.00

The following riders are attached to this policy:

Death Benefit Protection Rider

Please note that taking withdrawals or policy loans may result in the termination of the Death Benefit Protection Rider and failure to meet the premium requirement or changing the death benefit option will result in termination of the Death Benefit Protection Rider.

Please refer to your policy for more information.

Statement Date: April 15, 2011
Policy Number: LS1234567
Owner: Ethan Allen

Loan Information

Beginning Loan Balance:	\$0.00
New Loans Taken:	\$0.00
Loan Repayments:	\$0.00
Accrued Loan Interest:	\$0.00
Ending Loan Balance:	\$0.00

The Variable Loan Interest Rate during this report period was 5.60%. For the next report period it will be 5.60 %.

Enhanced Policy Protection Period Rider

Accumulated Premiums Paid:	\$563.40
Accumulated Withdrawals Taken:	\$0.00
Loan Balance:	\$0.00
Accumulated Monthly Guaranteed Premiums:	\$563.40

Premiums and withdrawals are accumulated at an annual effective rate of 5%.

Statement Date: April 15, 2011
Policy Number: LS1234567
Owner: Ethan Allen

Transaction Summary

Beginning Accumulated Value \$0.00

Policy Month Ending	Premiums Received	Expense Charges	Rider Charges	Cost of Insurance	Withdrawals	Withdrawal Fees	Interest Credited	Accumulated Value
04/15/10	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.02	\$4.16
05/15/10	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.04	\$8.34
06/15/10	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.06	\$12.55
07/15/10	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.08	\$16.77
08/15/10	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.10	\$21.01
09/15/10	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.12	\$25.27
10/15/10	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.14	\$29.54
11/15/10	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.15	\$33.84
12/15/10	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.17	\$38.16
01/15/11	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.19	\$42.50
02/15/11	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.21	\$46.86
03/15/11	\$46.95	\$38.74	\$0.00	\$4.07	\$0.00	\$0.00	\$0.23	\$51.24
	\$563.40	\$464.84	\$0.00	\$48.82	\$0.00	\$0.00	\$1.51	

Statement Date: April 15, 2011
Policy Number: LS1234567
Owner: Ethan Allen

Forecast Information

The following one-year projection of values is mandated by state insurance regulations. The assumptions used in the projection comply with state requirements and are shown below. The projection demonstrates results under one possible set of assumptions and is not a prediction of future policy values.

Assumptions used in forecast

- | | | |
|--|---------------------------------|----------------|
| • Minimum Guaranteed Interest of 3.0% | Projections Date: | April 15, 2012 |
| • Guaranteed Maximum Charges | Projected Death Benefit: | \$100,000 |
| • Payment of Planned Periodic Premiums | Projected Accumulated Value: | \$40.40 |
| • No loan principal repayments | Projected Cash Surrender Value: | \$0.00 |
| • Loan Interest paid in cash when due | | |
| • No Acceleration of Proceeds | | |

Note: The policy's cash surrender value will not maintain insurance in force until the end of the next reporting period assuming guaranteed interest, mortality and expenses unless further premium payments are made.

IMPORTANT POLICY OWNER NOTICE: You should consider requesting more detailed information about your policy to understand how it may perform in the future. You should not consider replacement of your policy or make changes in your coverage without requesting a current illustration. You may annually request, without charge, such an illustration by contacting the Life Administrative Office or your agent. If you do not receive a current illustration of your policy within 30 days from your request, you should contact your state insurance department.

Statement Date: April 15, 2011
Policy Number: LS1234567
Owner: Ethan Allen

Glossary of Terms

Beginning Accumulated Value:	The value of all funds in your policy on the first day of the policy year prior to any financial transactions processed on that day except for any dividend credited.
Premiums Received:	The actual premium payments for your policy received during the month shown.
Expense Charges:	The dollar amount deducted from your premium payment or accumulated value to cover administrative costs. It includes the monthly administrative charge and the accumulated value percent of premium expense charge.
Rider Charges:	The charge for any riders included in your policy.
Cost of Insurance:	The current monthly cost of pure insurance protection for your policy.
Withdrawals:	The amount of surrender value that was withdrawn from the policy at your request. Withdrawals reduce the accumulated value of your policy and the current death benefit.
Interest Credited:	The amount of interest credited to the accumulated value for the month shown. Current interest rates are declared monthly for new premium payments and are never less than the 3.00% guaranteed in this policy.
Ending Accumulated Value:	The value of all funds in this policy at the end of the month shown. It is equal to the preceding month's ending accumulated value plus premiums received and interest credited minus cost of insurance, rider charges, expense charges, and withdrawals.



For Service Contact:

A. K. Green
19 Vista Drive
Barre, Vermont 05641
802 479-3333

Or Our Local Office:

Starr Barnum
2100 Church Street
Burlington, Vermont 05601
802 860-3333

LSW Income Builder UL

ANNUAL STATEMENT

Flexible Premium Adjustable Benefit Life

Statement Date: April 15, 2011

Report Period: 04/15/2010 to 04/14/2011

#BWNCDPH

|||||

ETHAN ALLEN

ONE MAIN STREET

MONTPELIER, VT 05602

Account Summary

Beginning Accumulated Value:	\$0.00
Gross Premium:	\$592.32
Withdrawals, including Withdrawal	\$0.00
Fees:	
Monthly Deductions:	\$535.75
Interest Credited:	\$1.72
Ending Accumulated Value:	\$58.29

Policy Information

Policy Number:	LS1234567
Primary Insured:	Ethan Allen
Policy Effective Date:	April 15, 2010
Issue Age:	35
Underwriting Class:	Male Nonsmoker

Summary of Insurance Benefits

	Beginning Values	Ending Values
Face Amount:	\$100,000.00	\$100,000.00
Death Benefit:	\$100,000.00	\$100,000.00
Accumulated Value:	\$0.00	\$58.29
Total Loan Balance:	\$0.00	\$0.00
Surrender Charge:	\$0.00	\$953.00
Cash Surrender Value:	\$0.00	\$0.00

The following riders are attached to this policy:

Death Benefit Protection Rider

Please note that taking withdrawals or policy loans may result in the termination of the Death Benefit Protection Rider and failure to meet the premium requirement or changing the death benefit option will result in termination of the Death Benefit Protection Rider.

Please refer to your policy for more information.

Statement Date: April 15, 2011
Policy Number: LS1234567
Owner: Ethan Allen

Loan Information

Beginning Loan Balance:	\$0.00
New Loans Taken:	\$0.00
Loan Repayments:	\$0.00
Accrued Loan Interest:	\$0.00
Ending Loan Balance:	\$0.00

The Variable Loan Interest Rate during this report period was 5.60%. For the next report period it will be 5.60 %.

Enhanced Policy Protection Period Rider

Accumulated Premiums Paid:	\$592.32
Accumulated Withdrawals Taken:	\$0.00
Loan Balance:	\$0.00
Accumulated Monthly Guaranteed Premiums:	\$592.32

Premiums and withdrawals are accumulated at an annual effective rate of 5%.

Statement Date: April 15, 2011
Policy Number: LS1234567
Owner: Ethan Allen

Transaction Summary

Beginning Accumulated Value \$0.00

Policy Month Ending	Premiums Received	Expense Charges	Rider Charges	Cost of Insurance	Withdrawals	Withdrawal Fees	Interest Credited	Accumulated Value
04/15/10	\$49.36	\$39.99	\$0.00	\$4.66	\$0.00	\$0.00	\$0.02	\$4.73
05/15/10	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.04	\$9.49
06/15/10	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.07	\$14.27
07/15/10	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.09	\$19.07
08/15/10	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.11	\$23.90
09/15/10	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.13	\$28.74
10/15/10	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.15	\$33.61
11/15/10	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.18	\$38.50
12/15/10	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.20	\$43.41
01/15/11	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.22	\$48.35
02/15/11	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.24	\$53.31
03/15/11	\$49.36	\$39.99	\$0.00	\$4.65	\$0.00	\$0.00	\$0.27	\$58.29
	\$592.32	\$479.90	\$0.00	\$55.85	\$0.00	\$0.00	\$1.72	

Statement Date: April 15, 2011
Policy Number: LS1234567
Owner: Ethan Allen

Forecast Information

The following one-year projection of values is mandated by state insurance regulations. The assumptions used in the projection comply with state requirements and are shown below. The projection demonstrates results under one possible set of assumptions and is not a prediction of future policy values.

Assumptions used in forecast

• Minimum Guaranteed Interest of 3.0%	Projections Date:	April 15, 2012
• Guaranteed Maximum Charges	Projected Death Benefit:	\$100,000
• Payment of Planned Periodic Premiums	Projected Accumulated Value:	\$57.72
• No loan principal repayments	Projected Cash Surrender Value:	\$0.00
• Loan Interest paid in cash when due		
• No Acceleration of Proceeds		

Note: The policy's cash surrender value will not maintain insurance in force until the end of the next reporting period assuming guaranteed interest, mortality and expenses unless further premium payments are made.

IMPORTANT POLICY OWNER NOTICE: You should consider requesting more detailed information about your policy to understand how it may perform in the future. You should not consider replacement of your policy or make changes in your coverage without requesting a current illustration. You may annually request, without charge, such an illustration by contacting the Life Administrative Office or your agent. If you do not receive a current illustration of your policy within 30 days from your request, you should contact your state insurance department.

Statement Date: April 15, 2011
Policy Number: LS1234567
Owner: Ethan Allen

Glossary of Terms

Beginning Accumulated Value:	The value of all funds in your policy on the first day of the policy year prior to any financial transactions processed on that day except for any dividend credited.
Premiums Received:	The actual premium payments for your policy received during the month shown.
Expense Charges:	The dollar amount deducted from your premium payment or accumulated value to cover administrative costs. It includes the monthly administrative charge and the accumulated value percent of premium expense charge.
Rider Charges:	The charge for any riders included in your policy.
Cost of Insurance:	The current monthly cost of pure insurance protection for your policy.
Withdrawals:	The amount of surrender value that was withdrawn from the policy at your request. Withdrawals reduce the accumulated value of your policy and the current death benefit.
Interest Credited:	The amount of interest credited to the accumulated value for the month shown. Current interest rates are declared monthly for new premium payments and are never less than the 3.00% guaranteed in this policy.
Ending Accumulated Value:	The value of all funds in this policy at the end of the month shown. It is equal to the preceding month's ending accumulated value plus premiums received and interest credited minus cost of insurance, rider charges, expense charges, and withdrawals.



For Service Contact:

A. K. Green
19 Vista Drive
Barre, Vermont 05641
802 479-3333

Or Our Local Office:

Starr Barnum
2100 Church Street
Burlington, Vermont 05601
802 860-3333

A Life Insurance Illustration
LSW Income Builder UL - Universal Life - Policy Form Series 8797(0210)
Statement of Policy Cost and Benefit Information
Prepared for
The Client

Presented by National Life

Age 35
Standard NT
Unisex
State - VT

Benefit	Amount	
LSW Income Builder UL	\$100,000	Option A (Level)

See Summary of Additional Benefits for information on any riders.

Agent address:
1 National Life Drive
Montpelier, Vermont 05604
802 229-3333

LSW Income Builder UL is a flexible premium, interest sensitive adjustable death benefit individual life insurance policy, commonly referred to as Universal Life.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown.

Death Benefit Protection Rider provides that the policy will not lapse in the first 20 policy years even if the net cash surrender value is less than or equal to zero provided that premiums paid reduced by withdrawals, both accumulated with interest, less the policy loan balance, equals or exceeds the accumulation with interest of the Monthly Guaranteed Premiums.

For the initial benefit amount, the monthly Minimum Guaranteed Premium is \$93.42. The Monthly Guaranteed Premium may change if the policyholder exercises certain rights in the contract. The interest rate at which premiums, withdrawals and Monthly Guaranteed Premiums are accumulated is equal to an effective annual rate of 5.00%. Please consult the rider form for more details.

Definitions of key terms and column headings:

Age - The insured's age at nearest birthday.

Policy Year - The year of the policy for which information is being illustrated.

Planned Premium - The annual premium that is required under the illustrated policy.

Guaranteed Accumulated Value End Year - The guaranteed equity at the end of the policy year.

Guaranteed Cash Surrender Value End Year - The guaranteed equity at the end of the policy year less any outstanding policy loans, loan interest, and applicable surrender charges.

Guaranteed Death Benefit End Year - The guaranteed death benefit at the end of the policy year less any policy loans, loan interest and applicable surrender charges.

Current Accumulated Value End Year* - The policy equity at the end of the policy year based on the current interest rates and policy charges. Current interest rates and policy charges are not guaranteed.

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8797(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Unisex
 State - VT

Benefit	Amount	
LSW Income Builder UL	\$100,000	Option A (Level)
See Summary of Additional Benefits for information on any riders.		

Current Cash Surrender Value End Year* - The policy equity at the end of the policy year, based on the current interest rates and policy charges, after deductions for any applicable surrender charges and any outstanding policy loans and loan interest. Current interest rates and policy charges are not guaranteed.

Current Death Benefit End Year* - The entire policy death benefit at the end of the year, based on current interest rates and policy charges, after deductions for any outstanding policy loans and loan interest. Current interest rates and policy charges are not guaranteed.

Total Level Guideline Premium - The sum of the guideline level premiums calculated for the current policy year and each prior year. It is a level premium calculated at issue based on policy guarantees and an interest rate not less than 4% as specified in IRC section 7702.

Total Single Guideline Premium - The sum of the guideline single premium calculated for the current policy year and each prior year. It is calculated at issue based on policy guarantees and an interest rate not less than 6% as specified in IRC section 7702.

Total Maximum Guideline Premium - The larger of the numbers in the total guideline level and the total guideline single premium columns. For a policy to qualify as life insurance, the sum of all premiums paid in the current and prior policy years cannot exceed the amount shown in this column for the current year. This must be true in every policy year.

Total Premium - The MEC total premium for any policy year is the sum of the premiums paid into the policy in the current policy year and prior policy years that are used to determine the MEC status of the policy.

MEC Total 7 Pay Premium - The MEC total 7 pay premium for any policy year is the sum of the annual payments calculated under IRC Section 7702A (the seven pay premium) for this and all prior policy years that determine whether or not the contract is a modified endowment contract (MEC). Upon the first occurrence of a number in the MEC total premium column exceeding the number for the same policy year in this column, the policy will become a MEC. Distributions other than death proceeds from a MEC, including policy loans and partial surrenders of funds will be treated as taxable gain received first and recovery of premium second. In addition to regular income tax, a 10% federal tax penalty is applicable to any taxable distribution from the MEC before the insured reaches age 59 ½. This includes policy terminations.

Guaranteed Annual Cash Flow - The annual (cost) of the policy or the annual amount of proceeds received from the policy before income taxes are included, based on guaranteed values.

Current Annual Cash Flow* - The annual (cost) of the policy or the annual amount of proceeds received from the policy before income taxes are included, based on the current interest rate and charges.

Averaged Annual Cash Flow* - The annual (cost) of the policy or the annual amount of proceeds received from the policy before income taxes are included, based on the assumption credited interest rate and other charges are

LIFE INSURANCE COMPANY OF THE SOUTHWEST, DALLAS, TX 75247-4921

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8797(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Unisex
 State - VT

Benefit	Amount	
LSW Income Builder UL	\$100,000	Option A (Level)
See Summary of Additional Benefits for information on any riders.		

an average of current and guaranteed rates.

Averaged Net Equity End Year* - The entire policy equity at the end of the year after deductions for any outstanding policy loans and loan interest. Values in this column are based on the assumption credited interest rate and other charges are an average of current and guaranteed rates.

Averaged Net Death Benefit End Year* - The entire policy death benefit at the end of the year after deductions for any outstanding policy loans and loan interest. Values in this column are based on the assumption credited interest rate and other charges are an average of current and guaranteed rates.

* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

Annual Planned Payments of \$1,121.04 have been assumed to be received at the beginning of each billing period.

All values shown are end of policy year values.

A surrender charge is assessed on full surrender of a policy in the first fifteen policy years from the date of issue or the date of an increase in face amount. The cash surrender values in this proposal reflect applicable surrender charges. Partial withdrawals are available if the policy has positive cash surrender value. The accumulated value of the policy will be reduced by the sum of the partial withdrawal and the withdrawal fee of \$25.

The Guaranteed Basis uses an interest rate and maximum monthly deductions guaranteed by the Company. It is the most conservative basis used for the calculation of illustrated values.

The policy as illustrated on a current basis will provide coverage for the lifetime of the insured based on the current interest rate credited and the current charges by the Company.

The policy as proposed on an average basis will provide coverage for the lifetime of the insured based on the average interest rate credited and the average charges by the Company. The average interest rate is the average of the guaranteed interest rate and the current illustrated interest rate. The average charges are the average of guaranteed charges and current charges.

The policy as illustrated on a guaranteed basis will provide coverage for 39 policy years based on the guaranteed interest rate credited and the guaranteed charges by the Company. Coverage will then terminate unless a higher premium is paid.

The maximum level premium that can be paid into this policy based on Section 7702 of the Internal Revenue Code is \$1,105.42.

This illustration reflects an annual .5% interest rate enhancement starting in policy year 6 and a .6% interest rate enhancement starting in policy year 21. This interest rate enhancement is not guaranteed.

LIFE INSURANCE COMPANY OF THE SOUTHWEST, DALLAS, TX 75247-4921

December 11, 2009
 TCxxxxx(xxxx)

This illustration is not complete without all pages.

Copyright

Page 3 of 11

v10.1

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8797(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Unisex
 State - VT

Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

The following is a statement of costs and benefits for the LSW Income Builder UL policy illustrated on the following pages. The Net Payment Index shows your average annual outlay per \$1000 of Death Benefit. The Surrender Cost Index is the average annual amount of each planned premium that is not returned if the policy is surrendered for its cash value at the end of the year cited.

INTEREST ADJUSTED COST INDEXES AT 5%

CURRENT BASIS

	YEAR 10	YEAR 20
Net Payment	\$11.21	\$11.08
Surrender Cost	\$4.12	\$2.78

GUARANTEED BASIS

	YEAR 10	YEAR 20
Net Payment	\$11.21	\$11.08
Surrender Cost	\$7.63	\$7.94

An explanation of the intended use of the above cost indexes is provided in the Life Insurance Buyer's Guide.

Please Note: The illustrated values that make up this ledger proposal should not be regarded as an offer nor as a contract to insure. If the presentation, of which this ledger is a part results in a policy being issued with different illustrated values than those in this ledger, the actual values illustrated with the policy shall control.

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8797(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Unisex
 State - VT

Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

Summary of Additional Benefits

Rider	Insured's Issue Age/ Classification	Initial Benefit Amount	Coverage to Age	Guaranteed Monthly Cost in Year 1	Current Monthly Cost in Year 1
Death Benefit Protection Rider Monthly Guarantee Premium \$93.42	35	100,000	55	None	None

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8797(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Unisex
 State - VT

Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

This illustration of LSW Income Builder UL values assumes payments are made in the amounts shown and that the illustrated rates and monthly deductions will continue in the future. The interest rate used in the calculation of current values is 6.00%. The interest rate used in the calculation of guaranteed values is 3.00%.

Policy Year	Planned Premium	Guaranteed Values			*Current Values at 6.00%		
		Guaranteed Accumulated Value End Year	Guaranteed Cash Surrender Value End Year	Guaranteed Death Benefit End Year	Current Accumulated Value End Year*	Current Cash Surrender Value End Year*	Current Death Benefit End Year*
1	\$ 1,121.04	\$ 517	\$ 0	\$100,000	\$ 540	\$ 0	\$ 100,000
2	1,121.04	1,051	0	100,000	1,394	0	100,000
3	1,121.04	1,600	0	100,000	2,300	341	100,000
4	1,121.04	2,167	208	100,000	3,261	1,302	100,000
5	1,121.04	2,740	781	100,000	4,269	2,310	100,000
6	1,121.04	3,319	1,556	100,000	5,353	3,590	100,000
7	1,121.04	3,904	2,337	100,000	6,497	4,930	100,000
8	1,121.04	4,496	3,124	100,000	7,705	6,334	100,000
9	1,121.04	5,106	3,931	100,000	8,994	7,819	100,000
10	1,121.04	5,713	4,734	100,000	10,347	9,367	100,000
	\$11,210.40						
11	1,016.56	6,181	5,397	100,000	11,674	10,890	100,000
12	1,038.08	6,662	6,074	100,000	13,100	12,513	100,000
13	1,105.42	7,202	6,810	100,000	14,680	14,288	100,000
14	1,105.42	7,748	7,552	100,000	16,355	16,159	100,000
15	1,105.42	8,301	8,301	100,000	18,132	18,132	100,000
16	1,105.42	8,850	8,850	100,000	20,019	20,019	100,000

* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8797(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

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 Standard NT
 Unisex
 State - VT

Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

This illustration of LSW Income Builder UL values assumes payments are made in the amounts shown and that the illustrated rates and monthly deductions will continue in the future. The interest rate used in the calculation of current values is 6.00%. The interest rate used in the calculation of guaranteed values is 3.00%.

Policy Year	Planned Premium	Guaranteed Values			*Current Values at 6.00%		
		Guaranteed Accumulated Value End Year	Guaranteed Cash Surrender Value End Year	Guaranteed Death Benefit End Year	Current Accumulated Value End Year*	Current Cash Surrender Value End Year*	Current Death Benefit End Year*
17	\$ 1,105.42	\$ 9,396	\$ 9,396	\$100,000	\$ 22,024	\$ 22,024	\$ 100,000
18	1,105.42	9,916	9,916	100,000	24,156	24,156	100,000
19	1,105.42	10,421	10,421	100,000	26,422	26,422	100,000
20	1,105.42	10,900	10,900	100,000	28,825	28,825	100,000
	\$22,108.40						
21	1,105.42	11,342	11,342	100,000	31,366	31,366	100,000
22	1,105.42	11,736	11,736	100,000	34,048	34,048	100,000
23	1,105.42	12,090	12,090	100,000	36,891	36,891	100,000
24	1,105.42	12,405	12,405	100,000	39,909	39,909	100,000
25	1,105.42	12,667	12,667	100,000	43,110	43,110	100,000
30	1,105.42	12,667	12,667	100,000	62,325	62,325	100,000
	\$33,162.60						
35	1,105.42	9,086	9,086	100,000	88,875	88,875	103,095
40	1,105.42	0	0	100,000	125,732	125,732	134,533
	\$44,216.80						

* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8797(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Unisex
 State - VT

Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

This illustration of LSW Income Builder UL values assumes payments are made in the amounts shown and that the illustrated rates and monthly deductions will continue in the future. The interest rate used in the calculation of current values is 6.00%. The interest rate used in the calculation of guaranteed values is 3.00%.

Policy Year	Planned Premium	Guaranteed Values			*Current Values at 6.00%		
		Guaranteed Accumulated Value End Year	Guaranteed Cash Surrender Value End Year	Guaranteed Death Benefit End Year	Current Accumulated Value End Year*	Current Cash Surrender Value End Year*	Current Death Benefit End Year*
45	\$ 1,105.42	\$ 0	\$ 0	\$100,000	\$ 176,136	\$ 176,136	\$ 184,943
50	1,105.42 \$55,271.00	0	0	100,000	243,434	243,434	255,605
55	1,105.42	0	0	100,000	331,545	331,545	348,122
60	1,105.42 \$66,325.20	0	0	100,000	450,794	450,794	455,301
65	1,105.42	0	0	100,000	617,212	617,212	623,384
70	1,105.42 \$77,379.40	0	0	100,000	842,441	842,441	850,865
75	1,105.42	0	0	100,000	1,147,984	1,147,984	1,159,464
80	1,105.42 \$88,433.60	0	0	100,000	1,562,483	1,562,483	1,578,108
85	\$ 1,105.42 \$93,960.70	\$ 0	\$ 0	\$100,000	\$2,124,788	\$2,124,788	\$2,146,036

* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8797(0210)
 Statement of Policy Cost and Benefit Information
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 The Client

Presented by National Life

Age 35
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Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
1	\$100,000	\$ 1,105	\$12,227	\$12,227	\$ 1,121	\$ 3,246
2	100,000	2,211	12,227	12,227	2,242	6,492
3	100,000	3,316	12,227	12,227	3,363	9,738
4	100,000	4,422	12,227	12,227	4,484	12,984
5	100,000	5,527	12,227	12,227	5,605	16,230
6	100,000	6,633	12,227	12,227	6,726	19,476
7	100,000	7,738	12,227	12,227	7,847	22,722
8	100,000	8,843	12,227	12,227	8,968	25,968
9	100,000	9,949	12,227	12,227	10,089	29,214
10	100,000	11,054	12,227	12,227	11,210	32,460
11	100,000	12,160	12,227	12,227	12,226	35,706
12	100,000	13,265	12,227	13,265	13,265	38,952
13	100,000	14,370	12,227	14,370	14,370	42,198
14	100,000	15,476	12,227	15,476	15,475	45,444
15	100,000	16,581	12,227	16,581	16,581	48,690
16	100,000	17,687	12,227	17,687	17,686	51,936
17	100,000	18,792	12,227	18,792	18,792	55,182
18	100,000	19,898	12,227	19,898	19,897	58,428
19	100,000	21,003	12,227	21,003	21,002	61,674
20	100,000	22,108	12,227	22,108	22,108	64,920
21	100,000	23,214	12,227	23,214	23,213	68,166
22	100,000	24,319	12,227	24,319	24,319	71,412
23	100,000	25,425	12,227	25,425	25,424	74,658

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE ITS QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

LIFE INSURANCE COMPANY OF THE SOUTHWEST, DALLAS, TX 75247-4921

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8797(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Unisex
 State - VT

Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
24	\$100,000	\$26,530	\$12,227	\$26,530	\$26,530	\$77,904
25	100,000	27,635	12,227	27,635	27,635	81,150

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE ITS QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

Policy Cost and Benefit Summary

Prepared for
The Client

Presented by National Life

Age 35
Standard NT
Male
State - VT

\$100,000 LSW Income Builder UL with benefits previously described.

Policy Year	Guaranteed Annual Cash Flow	Guaranteed End Year Net Cash Value	Guaranteed End Year Net Death Benefit	Current Annual Cash Flow*	Current End Year Net Cash Value*	Current End Year Net Death Benefit*
5	\$ (1,121)	\$ 781	\$100,000	\$ (1,121)	\$ 2,310	\$100,000
10	(1,121)	4,734	100,000	(1,121)	9,367	100,000
20	(1,105)	10,900	100,000	(1,105)	28,825	100,000
36	(1,105)	7,744	100,000	(1,105)	95,343	109,645

Policy Year	Averaged Annual Cash Flow*	Averaged Net Equity End Year*	Averaged Net Death Benefit End Year*
5	\$ (1,121)	\$ 1,524	\$100,000
10	(1,121)	6,890	100,000
20	(1,105)	18,598	100,000
36	(1,105)	41,035	100,000

* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.

Date _____ Applicant By _____

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Date _____ Agent _____

A Life Insurance Illustration
LSW Income Builder UL - Universal Life - Policy Form Series 8796(0210)
Statement of Policy Cost and Benefit Information
Prepared for
The Client

Presented by National Life

Age 35
Standard NT
Male
State - VT

Benefit	Amount	
LSW Income Builder UL	\$100,000	Option A (Level)

See Summary of Additional Benefits for information on any riders.

Agent address:
1 National Life Drive
Montpelier, Vermont 05604
802 229-3333

LSW Income Builder UL is a flexible premium, interest sensitive adjustable death benefit individual life insurance policy, commonly referred to as Universal Life.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown.

Death Benefit Protection Rider provides that the policy will not lapse in the first 20 policy years even if the net cash surrender value is less than or equal to zero provided that premiums paid reduced by withdrawals, both accumulated with interest, less the policy loan balance, equals or exceeds the accumulation with interest of the Monthly Guaranteed Premiums.

For the initial benefit amount, the monthly Minimum Guaranteed Premium is \$93.42. The Monthly Guaranteed Premium may change if the policyholder exercises certain rights in the contract. The interest rate at which premiums, withdrawals and Monthly Guaranteed Premiums are accumulated is equal to an effective annual rate of 5.00%. Please consult the rider form for more details.

Definitions of key terms and column headings:

Age - The insured's age at nearest birthday.

Policy Year - The year of the policy for which information is being illustrated.

Planned Premium - The annual premium that is required under the illustrated policy.

Guaranteed Accumulated Value End Year - The guaranteed equity at the end of the policy year.

Guaranteed Cash Surrender Value End Year - The guaranteed equity at the end of the policy year less any outstanding policy loans, loan interest, and applicable surrender charges.

Guaranteed Death Benefit End Year - The guaranteed death benefit at the end of the policy year less any policy loans, loan interest and applicable surrender charges.

Current Accumulated Value End Year* - The policy equity at the end of the policy year based on the current interest rates and policy charges. Current interest rates and policy charges are not guaranteed.

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8796(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Male
 State - VT

Benefit	Amount	
LSW Income Builder UL	\$100,000	Option A (Level)

See Summary of Additional Benefits for information on any riders.

Current Cash Surrender Value End Year* - The policy equity at the end of the policy year, based on the current interest rates and policy charges, after deductions for any applicable surrender charges and any outstanding policy loans and loan interest. Current interest rates and policy charges are not guaranteed.

Current Death Benefit End Year* - The entire policy death benefit at the end of the year, based on current interest rates and policy charges, after deductions for any outstanding policy loans and loan interest. Current interest rates and policy charges are not guaranteed.

Total Level Guideline Premium - The sum of the guideline level premiums calculated for the current policy year and each prior year. It is a level premium calculated at issue based on policy guarantees and an interest rate not less than 4% as specified in IRC section 7702.

Total Single Guideline Premium - The sum of the guideline single premium calculated for the current policy year and each prior year. It is calculated at issue based on policy guarantees and an interest rate not less than 6% as specified in IRC section 7702.

Total Maximum Guideline Premium - The larger of the numbers in the total guideline level and the total guideline single premium columns. For a policy to qualify as life insurance, the sum of all premiums paid in the current and prior policy years cannot exceed the amount shown in this column for the current year. This must be true in every policy year.

Total Premium - The MEC total premium for any policy year is the sum of the premiums paid into the policy in the current policy year and prior policy years that are used to determine the MEC status of the policy.

MEC Total 7 Pay Premium - The MEC total 7 pay premium for any policy year is the sum of the annual payments calculated under IRC Section 7702A (the seven pay premium) for this and all prior policy years that determine whether or not the contract is a modified endowment contract (MEC). Upon the first occurrence of a number in the MEC total premium column exceeding the number for the same policy year in this column, the policy will become a MEC. Distributions other than death proceeds from a MEC, including policy loans and partial surrenders of funds will be treated as taxable gain received first and recovery of premium second. In addition to regular income tax, a 10% federal tax penalty is applicable to any taxable distribution from the MEC before the insured reaches age 59 ½. This includes policy terminations.

Guaranteed Annual Cash Flow - The annual (cost) of the policy or the annual amount of proceeds received from the policy before income taxes are included, based on guaranteed values.

Current Annual Cash Flow* - The annual (cost) of the policy or the annual amount of proceeds received from the policy before income taxes are included, based on the current interest rate and charges.

Averaged Annual Cash Flow* - The annual (cost) of the policy or the annual amount of proceeds received from the policy before income taxes are included, based on the assumption credited interest rate and other charges are

LIFE INSURANCE COMPANY OF THE SOUTHWEST, DALLAS, TX 75247-4921

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8796(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Male
 State - VT

Benefit	Amount	
LSW Income Builder UL	\$100,000	Option A (Level)
See Summary of Additional Benefits for information on any riders.		

an average of current and guaranteed rates.

Averaged Net Equity End Year* - The entire policy equity at the end of the year after deductions for any outstanding policy loans and loan interest. Values in this column are based on the assumption credited interest rate and other charges are an average of current and guaranteed rates.

Averaged Net Death Benefit End Year* - The entire policy death benefit at the end of the year after deductions for any outstanding policy loans and loan interest. Values in this column are based on the assumption credited interest rate and other charges are an average of current and guaranteed rates.

* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

Annual Planned Payments of \$1,121.04 have been assumed to be received at the beginning of each billing period.

All values shown are end of policy year values.

A surrender charge is assessed on full surrender of a policy in the first fifteen policy years from the date of issue or the date of an increase in face amount. The cash surrender values in this proposal reflect applicable surrender charges. Partial withdrawals are available if the policy has positive cash surrender value. The accumulated value of the policy will be reduced by the sum of the partial withdrawal and the withdrawal fee of \$25.

The Guaranteed Basis uses an interest rate and maximum monthly deductions guaranteed by the Company. It is the most conservative basis used for the calculation of illustrated values.

The policy as illustrated on a current basis will provide coverage for the lifetime of the insured based on the current interest rate credited and the current charges by the Company.

The policy as proposed on an average basis will provide coverage for the lifetime of the insured based on the average interest rate credited and the average charges by the Company. The average interest rate is the average of the guaranteed interest rate and the current illustrated interest rate. The average charges are the average of guaranteed charges and current charges.

The policy as illustrated on a guaranteed basis will provide coverage for 39 policy years based on the guaranteed interest rate credited and the guaranteed charges by the Company. Coverage will then terminate unless a higher premium is paid.

The maximum level premium that can be paid into this policy based on Section 7702 of the Internal Revenue Code is \$1,105.42.

This illustration reflects an annual .5% interest rate enhancement starting in policy year 6 and a .6% interest rate enhancement starting in policy year 21. This interest rate enhancement is not guaranteed.

LIFE INSURANCE COMPANY OF THE SOUTHWEST, DALLAS, TX 75247-4921

December 11, 2009
 TCxxxxx(xxxx)

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A Life Insurance Illustration
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 Statement of Policy Cost and Benefit Information
 Prepared for
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Presented by National Life

Age 35
 Standard NT
 Male
 State - VT

Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

The following is a statement of costs and benefits for the LSW Income Builder UL policy illustrated on the following pages. The Net Payment Index shows your average annual outlay per \$1000 of Death Benefit. The Surrender Cost Index is the average annual amount of each planned premium that is not returned if the policy is surrendered for its cash value at the end of the year cited.

INTEREST ADJUSTED COST INDEXES AT 5%

CURRENT BASIS

	YEAR 10	YEAR 20
Net Payment	\$11.21	\$11.08
Surrender Cost	\$4.12	\$2.78

GUARANTEED BASIS

	YEAR 10	YEAR 20
Net Payment	\$11.21	\$11.08
Surrender Cost	\$7.63	\$7.94

An explanation of the intended use of the above cost indexes is provided in the Life Insurance Buyer's Guide.

Please Note: The illustrated values that make up this ledger proposal should not be regarded as an offer nor as a contract to insure. If the presentation, of which this ledger is a part results in a policy being issued with different illustrated values than those in this ledger, the actual values illustrated with the policy shall control.

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8796(0210)
 Statement of Policy Cost and Benefit Information
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Age 35
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 Male
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Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

Summary of Additional Benefits

Rider	Insured's Issue Age/ Classification	Initial Benefit Amount	Coverage to Age	Guaranteed Monthly Cost in Year 1	Current Monthly Cost in Year 1
Death Benefit Protection Rider Monthly Guarantee Premium \$93.42	35	100,000	55	None	None

A Life Insurance Illustration
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 Male
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Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

This illustration of LSW Income Builder UL values assumes payments are made in the amounts shown and that the illustrated rates and monthly deductions will continue in the future. The interest rate used in the calculation of current values is 6.00%. The interest rate used in the calculation of guaranteed values is 3.00%.

Policy Year	Planned Premium	Guaranteed Values			*Current Values at 6.00%		
		Guaranteed Accumulated Value End Year	Guaranteed Cash Surrender Value End Year	Guaranteed Death Benefit End Year	Current Accumulated Value End Year*	Current Cash Surrender Value End Year*	Current Death Benefit End Year*
1	\$ 1,121.04	\$ 517	\$ 0	\$100,000	\$ 540	\$ 0	\$ 100,000
2	1,121.04	1,051	0	100,000	1,394	0	100,000
3	1,121.04	1,600	0	100,000	2,300	341	100,000
4	1,121.04	2,167	208	100,000	3,261	1,302	100,000
5	1,121.04	2,740	781	100,000	4,269	2,310	100,000
6	1,121.04	3,319	1,556	100,000	5,353	3,590	100,000
7	1,121.04	3,904	2,337	100,000	6,497	4,930	100,000
8	1,121.04	4,496	3,124	100,000	7,705	6,334	100,000
9	1,121.04	5,106	3,931	100,000	8,994	7,819	100,000
10	1,121.04	5,713	4,734	100,000	10,347	9,367	100,000
	\$11,210.40						
11	1,016.56	6,181	5,397	100,000	11,674	10,890	100,000
12	1,038.08	6,662	6,074	100,000	13,100	12,513	100,000
13	1,105.42	7,202	6,810	100,000	14,680	14,288	100,000
14	1,105.42	7,748	7,552	100,000	16,355	16,159	100,000
15	1,105.42	8,301	8,301	100,000	18,132	18,132	100,000
16	1,105.42	8,850	8,850	100,000	20,019	20,019	100,000

* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

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Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

This illustration of LSW Income Builder UL values assumes payments are made in the amounts shown and that the illustrated rates and monthly deductions will continue in the future. The interest rate used in the calculation of current values is 6.00%. The interest rate used in the calculation of guaranteed values is 3.00%.

Policy Year	Planned Premium	Guaranteed Values			*Current Values at 6.00%		
		Guaranteed Accumulated Value End Year	Guaranteed Cash Surrender Value End Year	Guaranteed Death Benefit End Year	Current Accumulated Value End Year*	Current Cash Surrender Value End Year*	Current Death Benefit End Year*
17	\$ 1,105.42	\$ 9,396	\$ 9,396	\$100,000	\$ 22,024	\$ 22,024	\$ 100,000
18	1,105.42	9,916	9,916	100,000	24,156	24,156	100,000
19	1,105.42	10,421	10,421	100,000	26,422	26,422	100,000
20	1,105.42	10,900	10,900	100,000	28,825	28,825	100,000
	\$22,108.40						
21	1,105.42	11,342	11,342	100,000	31,366	31,366	100,000
22	1,105.42	11,736	11,736	100,000	34,048	34,048	100,000
23	1,105.42	12,090	12,090	100,000	36,891	36,891	100,000
24	1,105.42	12,405	12,405	100,000	39,909	39,909	100,000
25	1,105.42	12,667	12,667	100,000	43,110	43,110	100,000
30	1,105.42	12,667	12,667	100,000	62,325	62,325	100,000
	\$33,162.60						
35	1,105.42	9,086	9,086	100,000	88,875	88,875	103,095
40	1,105.42	0	0	100,000	125,732	125,732	134,533
	\$44,216.80						

* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

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Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

This illustration of LSW Income Builder UL values assumes payments are made in the amounts shown and that the illustrated rates and monthly deductions will continue in the future. The interest rate used in the calculation of current values is 6.00%. The interest rate used in the calculation of guaranteed values is 3.00%.

Policy Year	Planned Premium	Guaranteed Values			*Current Values at 6.00%		
		Guaranteed Accumulated Value End Year	Guaranteed Cash Surrender Value End Year	Guaranteed Death Benefit End Year	Current Accumulated Value End Year*	Current Cash Surrender Value End Year*	Current Death Benefit End Year*
45	\$ 1,105.42	\$ 0	\$ 0	\$ 100,000	\$ 176,136	\$ 176,136	\$ 184,943
50	1,105.42 \$55,271.00	0	0	100,000	243,434	243,434	255,605
55	1,105.42	0	0	100,000	331,545	331,545	348,122
60	1,105.42 \$66,325.20	0	0	100,000	450,794	450,794	455,301
65	1,105.42	0	0	100,000	617,212	617,212	623,384
70	1,105.42 \$77,379.40	0	0	100,000	842,441	842,441	850,865
75	1,105.42	0	0	100,000	1,147,984	1,147,984	1,159,464
80	1,105.42 \$88,433.60	0	0	100,000	1,562,483	1,562,483	1,578,108
85	\$ 1,105.42 \$93,960.70	\$ 0	\$ 0	\$ 100,000	\$ 2,124,788	\$ 2,124,788	\$ 2,146,036

* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8796(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Male
 State - VT

Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
1	\$100,000	\$ 1,105	\$12,227	\$12,227	\$ 1,121	\$ 3,246
2	100,000	2,211	12,227	12,227	2,242	6,492
3	100,000	3,316	12,227	12,227	3,363	9,738
4	100,000	4,422	12,227	12,227	4,484	12,984
5	100,000	5,527	12,227	12,227	5,605	16,230
6	100,000	6,633	12,227	12,227	6,726	19,476
7	100,000	7,738	12,227	12,227	7,847	22,722
8	100,000	8,843	12,227	12,227	8,968	25,968
9	100,000	9,949	12,227	12,227	10,089	29,214
10	100,000	11,054	12,227	12,227	11,210	32,460
11	100,000	12,160	12,227	12,227	12,226	35,706
12	100,000	13,265	12,227	13,265	13,265	38,952
13	100,000	14,370	12,227	14,370	14,370	42,198
14	100,000	15,476	12,227	15,476	15,475	45,444
15	100,000	16,581	12,227	16,581	16,581	48,690
16	100,000	17,687	12,227	17,687	17,686	51,936
17	100,000	18,792	12,227	18,792	18,792	55,182
18	100,000	19,898	12,227	19,898	19,897	58,428
19	100,000	21,003	12,227	21,003	21,002	61,674
20	100,000	22,108	12,227	22,108	22,108	64,920
21	100,000	23,214	12,227	23,214	23,213	68,166
22	100,000	24,319	12,227	24,319	24,319	71,412
23	100,000	25,425	12,227	25,425	25,424	74,658

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE ITS QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

LIFE INSURANCE COMPANY OF THE SOUTHWEST, DALLAS, TX 75247-4921

A Life Insurance Illustration
 LSW Income Builder UL - Universal Life - Policy Form Series 8796(0210)
 Statement of Policy Cost and Benefit Information
 Prepared for
 The Client

Presented by National Life

Age 35
 Standard NT
 Male
 State - VT

Benefit Amount
 LSW Income Builder UL \$100,000 Option A (Level)
 See Summary of Additional Benefits for information on any riders.

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
24	\$100,000	\$26,530	\$12,227	\$26,530	\$26,530	\$77,904
25	100,000	27,635	12,227	27,635	27,635	81,150

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE ITS QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

Policy Cost and Benefit Summary

Prepared for
The Client

Presented by National Life

Age 35
Standard NT
Male
State - VT

\$100,000 LSW Income Builder UL with benefits previously described.

Policy Year	Guaranteed Annual Cash Flow	Guaranteed End Year Net Cash Value	Guaranteed End Year Net Death Benefit	Current Annual Cash Flow*	Current End Year Net Cash Value*	Current End Year Net Death Benefit*
5	\$ (1,121)	\$ 781	\$100,000	\$ (1,121)	\$ 2,310	\$100,000
10	(1,121)	4,734	100,000	(1,121)	9,367	100,000
20	(1,105)	10,900	100,000	(1,105)	28,825	100,000
36	(1,105)	7,744	100,000	(1,105)	95,343	109,645

Policy Year	Averaged Annual Cash Flow*	Averaged Net Equity End Year*	Averaged Net Death Benefit End Year*
5	\$ (1,121)	\$ 1,524	\$100,000
10	(1,121)	6,890	100,000
20	(1,105)	18,598	100,000
36	(1,105)	41,035	100,000

* Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.

Date _____ Applicant By _____

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Date _____ Agent _____



January 22, 2010

Director, Life & Health Division
Department of Insurance
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: **Flexible Premium Adjustable Benefit Life Insurance Submission**

Life Insurance Company of the Southwest
NAIC No. 0634-65528
FEIN No. 75-0953004

Form Numbers: 8796AR(0210), Flexible Premium Adjustable Benefit Life Insurance.
8797AR(0210), Flexible Premium Adjustable Benefit Life Insurance. Unisex Version.

8805(0210), Death Benefit Protection Rider

8121AR(0210), Life Insurance Application
8122AR(0210), Supplemental Other Insured Application for Life Insurance.

To Whom It May Concern:

Today we are submitting two new Flexible Premium Adjustable Benefit Life Insurance policies for your consideration. The marketing name for these policies is LSW Income Builder UL. The policies are identical, save that form 8797 is a Unisex Version of the policy. This Unisex Version will be used exclusively when a unisex plan of insurance is required pursuant to the Norris decision and/or Title VII of the Civil Rights Act of 1964.

Also enclosed today are two revised applications and one new rider. None of the enclosed forms, other than the two application's which are described in more detail below, will replace any forms currently approved by your Department. These forms are being submitted to the Texas Department of Insurance, representing our state of domicile, and are currently pending there.

The submitted policy will be marketed with an illustration by our licensed agents and will be available to Insureds ages 0-85. Insureds will be assigned to one of the following five rate classes: Preferred Non-tobacco, Standard Non-tobacco, Elite Non-tobacco, Preferred Tobacco, and Standard Tobacco. The minimum issue amount is \$100,000 for individual issues, \$5,000 for standard rate classes in the pension marketplace and \$100,000 for preferred rate classes in the pension marketplace. Flat extra substandard ratings and percentage substandard ratings may be applied to the policies. The proposed effective date for the submitted forms is March 30, 2010.

Death Benefit Protection Rider, Form 8805

This is a new rider to our portfolio and will not replace any currently approved rider. The Death Benefit Protection Rider will remain in force as long as the accumulated premiums paid, net of the accumulation of withdrawals taken, and net of any debt must, on each Monthly Policy Date, equal at least the accumulated Monthly Guarantee Premiums in effect on each Monthly Policy Date since the Date of Issue. An evaluation of compliance is made on each Monthly Policy Date during the Death Benefit Protection Period. If on any Monthly Policy Date the minimum premium requirement is not met, notification will be sent to the policyholder that the rider will be cancelled if a specified premium is not paid within 61 days

from the date we mail said notice. Once the rider is lapsed, it cannot be reinstated, and the underlying policy may become subject to a new grace period subject to its own terms. This rider will be made available at all issue ages 0 – 75. As noted earlier, this rider will only be made available at issue and will have a Death Benefit Protection period of 20 years. It will be available only on Option A policies. There is a charge for this rider for issue ages 51 and older. This rider will be made available on all pension plans except 412(e)(3) plans.

Application for Life Insurance, Form 8121

Form 8121AR(0210) will replace the use of form 8121AR(0707) which was approved by your Department on September 24, 2007. We have revised the application to accommodate its use with the enclosed policy forms and to add an election box for the new Death Benefit Protection Period rider. It is our intent to use the revised application with today’s submitted policies, as well as with all other life insurance products offered through our portfolio of products.

Supplemental Other Insured Rider Application for Life Insurance, Form 8122

This Supplemental Application will be required in conjunction with Life Insurance Application 8121AR(0210) to apply for our Other Insured Rider coverage. All of the changes made to the submitted Application, form 8122AR(0210) were made to the above-mentioned form, 8121AR(0210). Form 8122AR(0210) will replace the use of form 8122AR(0708) which was approved by your Department on April 3, 2008.

The Flesch Readability Score for the submitted forms are as follows:

<u>Form Number</u>	<u>Form Title</u>	<u>Flesch Score</u>
8796AR(0210),	Flexible Premium Adjustable Benefit Life Insurance. Sex Distinct Version.	87.4
8797AR(0210),	Flexible Premium Adjustable Benefit Life Insurance. Unisex Version.	87.4
8805(0210),	Death Benefit Protection Rider.	81.7
8121AR(0210),	Life Insurance Application.	68.5
8122AR(0210),	Supplemental Other Insured Rider Application for Life Insurance.	74.0

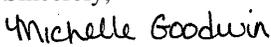
Also included with this submission are the following materials:

- Actuarial Memorandum in support of the submitted form.
- Illustration Actuary and Responsible Officer Certifications.
- Sample Annual Report and sample NAIC-compliant Illustration.
- Any required Certifications or Checklists.

We would also like to extend the use of a number of other riders and endorsements, previously approved by your Department, for use with the policy submitted today. Those forms, and their approval dates, are presented in the table below:

Rider Form Name	Rider Form Number	Approval Date
Accelerated Benefits Rider	8052(0798)	09-01-1998
Accelerated Benefits Rider 2	8095AR(0399)	04-04-2000
Accelerated Benefits Rider 3	8165(0703)	09-18-2003
Accidental Death Benefit Rider	8050(0798)	09-01-1998
Children's Term Rider	8056(0707)	09-24-2007
Disability Income Rider, 2-Year Maximum Benefit Period	8054(0798)	09-01-1998
Disability Income Rider, 5-Year Maximum Benefit Period	8065(0798)	09-01-1998
Guaranteed Insurability Rider	8051(0798)	09-01-1998
Unemployment Rider	8058(0798)	09-01-1998
Long Term Care Rider	8096AR(0899)	01-22-2003
Extension of Benefits Rider	8097AR(0899)	01-22-2003
Limitation of Liability Endorsement	8070(0798)	09-01-1998
Exclusion Endorsement	8071(0798)	09-01-1998
Other Insured Rider	8057(0707)	09-24-2007
Other Insured Rider - Unisex	8535(0707)	09-24-2007
Overloan Protection Rider	8542(0707)	09-24-2007
Qualified Plan Exchange Privilege Rider	8518(0707)	09-24-2007
Waiver of Specified Premium Rider	8519(0707)	09-24-2007
Waiver of Specified Premium Rider	8520(0707)	09-24-2007
Aircraft Limitation Rider	8516(0707)	09-24-2007
Aircraft Limitation Rider – Military	8517(0707)	09-24-2007

We appreciate your consideration of this submission. If you have any questions regarding this submission, I may be reached by telephone (collect) at 802/229-7441, by E-mail at MGoodwin@NationalLife.com, or by Fax at 802/229-3743.

Sincerely,

 Michelle Goodwin
 Policy Forms Analyst



Life Insurance Company of the Southwest

Retirement

the best years of your life



That is, if you have the cash to support it.

Think of all the exciting things you want to do during your retirement:

- travel
- volunteer
- hobbies
- education
- spend time with grandchildren

With LSW Income Builder Universal Life insurance, your family will be provided with a death benefit to help complete retirement and financial goals should you die prior to retirement. Plus, access to your policy's cash value accumulation* at retirement can supplement your income to help you make retirement the best years of your life.

Learn how Income Builder can help not only protect your family, but also help you pursue lifetime financial goals.

Agency Name

Agent Namehere

123 Street Address, Suite 123ab • Cityortown, ST 12345
123 456-7890 • www.webaddress.com

This is an insurance solicitation. An Insurance agent will contact you.

* Policy loans and withdrawals will reduce the policy's cash value and death benefit and may be a taxable event. Surrender charges may reduce the policy's cash value in early years.

LSW Income Builder Universal Life Insurance, form series 8796(0210)/8797(0210)/ICC10-8796(0210)/ICC10-8797(0210), is underwritten by Life Insurance Company of the Southwest, Dallas, Texas. National Life Group® is a trade name representing various affiliates which offer a variety of financial service products.



Important Notice
Replacement of Life Insurance or Annuities

Mailing Instructions: *LSW Annuities* - Life Insurance Company of the Southwest
NL Annuities - National Life Insurance Company
PO Box 569080, Dallas, TX 75356
Service: 800-579-2878 • Fax: 214-638-9371

LSW Life Insurance - Life Insurance of the Southwest
NL Life Insurance - National Life Insurance Company
One National Life Drive, Montpelier, VT 05604
Service: 802-229-3333 • Fax: 802-229-3868

This document must be signed by the applicant and the producer, if there is one, and a copy left with the applicant.

You are contemplating the purchase of a life insurance policy or annuity contract. In some cases this purchase may involve discontinuing or changing an existing policy or contract. If so, a replacement is occurring. Financed purchases are also considered replacements.

A replacement occurs when a new policy or contract is purchased and, in connection with the sale, you discontinue making premium payments on the existing policy or contract, or an existing policy or contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financed purchase.

A financed purchase occurs when the purchase of a new life insurance policy involves the use of funds obtained by the withdrawal or surrender of or by borrowing some or all of the policy values, including accumulated dividends, of an existing policy, to pay all or part of any premium or payment due on the new policy. A financed purchase is a replacement.

You should carefully consider whether a replacement is in your best interest. You will pay acquisition costs and there may be surrender costs deducted from your policy or contract. You may be able to make changes to your existing policy or contract to meet your insurance needs at less cost. A financed purchase will reduce the value of your existing policy and may reduce the amount paid upon the death of the insured.

We want you to understand the effects of replacements before you make your purchase decision and ask that you answer the following questions and consider the questions on page 2.

- Are you considering discontinuing making premium payments, surrendering, forfeiting, assigning to the insurer, or otherwise terminating your existing policy or contract? Yes No
- Are you considering using funds from your existing policies or contracts to pay premiums due on the new policy or contract? Yes No

If you answered 'Yes' to either of the above questions, list each existing policy or contract you are contemplating replacing (include the name of the insurer, the insured, and the contract number if available) and whether each policy will be replaced or used as a source of financing:

INSURER NAME	CONTRACT OR POLICY NO.	INSURED	REPLACED (R) OR FINANCING (F)
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____

The existing policy or contract is being replaced because: _____

Make sure you know the facts. Contact your existing company or its agent for information about the old policy or contract. If you request one, an in-force illustration, policy summary or available disclosure documents must be sent to you by the existing insurer. Ask for and retain all sales material used by the agent in the sales presentation. Be sure that you are making an informed decision.

I do not want this notice read aloud to me. _____
(Applicants must initial only if they do not want the notice read aloud.)

I certify that the responses herein are, to the best of my knowledge, accurate:

Applicant's Signature: _____ Date: (mm/dd/yyyy)

Applicant's Name: (Print.) _____ Date: (mm/dd/yyyy)

Producer's Signature: _____ Date: (mm/dd/yyyy)

Producer's Name: (Print.) _____ Date: (mm/dd/yyyy)

Important Notice: Replacement of Life Insurance or Annuities

A replacement may not be in your best interest, or your decision could be a good one. You should make a careful comparison of the costs and benefits of your existing policy or contract and the proposed policy or contract. One way to do this is to ask the company or agent that sold you your existing policy or contract to provide you with information concerning your existing policy or contract. This may include an illustration of how your existing policy or contract is working now and how it would perform in the future based on certain assumptions. Illustrations should not, however, be used as a sole basis to compare policies or contracts. You should discuss the following with your agent to determine whether replacement or financing your purchase makes sense:

PREMIUMS:

- Are they affordable?
- Could they change?
- You're older--are premiums higher for the proposed new policy?
- How long will you have to pay premiums on the new policy? On the old policy?

POLICY VALUES:

- New policies usually take longer to build cash values and to pay dividends.
- Acquisition costs for the old policy may have been paid; you will incur costs for the new one.
- What surrender charges do the policies have?
- What expense and sales charges will you pay on the new policy?
- Does the new policy provide more insurance coverage?

INSURABILITY:

- If your health has changed since you bought your old policy, the new one could cost you more, or you could be turned down.
- You may need a medical exam for a new policy.
- Claims on most new policies for up to the first two years can be denied based on inaccurate statements. Suicide limitations may begin anew on the new coverage.

IF YOU ARE KEEPING THE OLD POLICY AS WELL AS THE NEW POLICY:

- How are premiums for both policies being paid?
- How will the premiums on your existing policy be affected?
- Will a loan be deducted from death benefits?
- What values from the old policy are being used to pay premiums?

IF YOU ARE SURRENDERING AN ANNUITY OR INTEREST SENSITIVE LIFE PRODUCT:

- Will you pay surrender charges on your old contract?
- What are the interest rate guarantees for the new contract?
- Have you compared the contract charges or other policy expenses?

OTHER ISSUES TO CONSIDER FOR ALL TRANSACTIONS:

- What are the tax consequences of buying the new policy?
- Is this a tax-free exchange? (See your tax advisor).
- Is there a benefit from favorable "grandfathered" treatment of the old policy under the federal tax code?
- Will the existing insurer be willing to modify the old policy?
- How does the quality and financial stability of the new company compare with your existing company?

IMPORTANT NOTICE
THIRTY DAY FREE LOOK

The Right to Review Policy period stated on the front of the policy is extended to thirty days.

Life Insurance Company of the Southwest
*Administrative Office: One National Life Drive * Montpelier, Vermont 05604 * (800) 732-8939*
*Home Office: 1300 West Mockingbird Lane * Dallas, Texas 75247*