

SERFF Tracking Number: STFL-126469652 State: Arkansas
Filing Company: State Farm Life Insurance Company State Tracking Number: 45160
Company Tracking Number: SFL10040
TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.002 Flexible Premium
Variable
Product Name: DLA / 10040
Project Name/Number: DLA / 10040/DLA / 10040

Filing at a Glance

Company: State Farm Life Insurance Company

Product Name: DLA / 10040

TOI: A021 Individual Annuities- Deferred Non-
Variable

Sub-TOI: A021.002 Flexible Premium

Filing Type: Form

SERFF Tr Num: STFL-126469652 State: Arkansas

SERFF Status: Closed-Approved-
Closed State Tr Num: 45160

Co Tr Num: SFL10040

Author: Steve Crum

Date Submitted: 03/12/2010

State Status: Approved-Closed

Reviewer(s): Linda Bird

Disposition Date: 05/12/2010

Disposition Status: Approved-
Closed

Implementation Date:

Implementation Date Requested: 08/22/2010

State Filing Description:

General Information

Project Name: DLA / 10040

Project Number: DLA / 10040

Requested Filing Mode:

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 05/12/2010

Status of Filing in Domicile:

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 03/16/2010

Created By: Steve Crum

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Christy Conn

Filing Description:

NAIC #69108

Dear Sir or Madam:

Enclosed for your consideration are the following individual annuity forms:

Form # Form Name

10040 Individual Fixed Flexible Premium Deferred Life Annuity

SERFF Tracking Number: STFL-126469652 State: Arkansas
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 Product Name: DLA / 10040
 Project Name/Number: DLA / 10040/DLA / 10040
 10090 Individual Fixed Flexible Premium Deferred Life Annuity
 10347 Qualified Plans' Survivor Annuity Endorsement
 10353 Ownership Endorsement (Annuity)

Forms 10040 and 10090 are deferred life annuity policy forms that replace forms 94040 and 94090, respectively. Forms 94040 and 94090 were approved by your Department on August 26, 1993 and June 2, 1999, respectively.

These revised forms will have a one- year interest rate guarantee and will allow for systematic withdrawals. Issue ages for form 10040 are 0-90 for non-tax qualified and ages 16-90 for tax qualified form 10090.

Form 10090 will be issued only for business subject to the Supreme Court Norris Decision and includes changes to comply with mandates of that decision.

Form 10347 is an endorsement form that must be attached to policies that are issued in conjunction with a qualified pension or profit-sharing plan in order to maintain their tax-qualified status when and if they are distributed to the annuitant. The Internal Revenue Code Sections 401(a)(11) and 417 requires that such policies include such restrictions. Form 10347 will be used with 10090 and will be attached when the policy is issued. Form 10347 replaces form 97347, which was approved by your Department on June 2, 1999.

Form 10353 is an ownership endorsement that will be attached only to a deferred life annuity when the annuitant is under age 16 on the Policy Date. Form 10353 will be attached only at policy issue.

The following application forms will be used with the policies included in this submission.

Form #	Form Name	Date Approved
121169	Annuity Application	April 6, 2005
N-App-Ann-2004-AR	Annuity Application	April 6, 2005

In order to comply with Act 312 regarding interest on policy proceeds and refund of premiums, we will be using Arkansas-Form 1. The letter, a sample of which is attached, will be addressed either to a claimant or to a State Farm Life agent. If the original is sent to an agent, (a) a copy will be sent to the beneficiary; and (b) the following statement will be included in the agent's letter: "A copy of this letter is being mailed to the beneficiary." The beneficiary will then be made aware of the requirements of Act 312. The wording for this letter was discussed in a telephone conversation with Mr. Joe Musgrove and Mr. John States of our company.

These forms will be marketed exclusively through State Farm agents, and will be effective August 22, 2010.

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 TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.002 Flexible Premium
 Variable
 Product Name: DLA / 10040
 Project Name/Number: DLA / 10040/DLA / 10040

Company and Contact

Filing Contact Information

Christy Conn, Analyst - Contracts & Compliance christy.conn.CX2T@statefarm.com
 One State Farm Plaza 309-735-7703 [Phone]
 Bloomington, IL 61710-0001 309-766-8483 [FAX]

Filing Company Information

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

Filing Fees

Fee Required? Yes
 Fee Amount: \$200.00
 Retaliatory? Yes
 Fee Explanation: 4 forms @ \$50.00 = \$200.00

voucher #14541328
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Farm Life Insurance Company	\$200.00	03/12/2010	34822251

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Variable
Product Name: DLA / 10040
Project Name/Number: DLA / 10040/DLA / 10040

Disposition

Disposition Date: 05/12/2010

Implementation Date:

Status: Approved-Closed

Comment: Corrections made to the original submission.

Rate data does NOT apply to filing.

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 Variable
 Product Name: DLA / 10040
 Project Name/Number: DLA / 10040/DLA / 10040

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Regulation 19 Certification		Yes
Supporting Document	Arkansas-Form 1		Yes
Form (revised)	Individual Fixed Flexible Premium Deferred Life Annuity		Yes
Form	Individual Fixed Flexible Premium Deferred Life Annuity	Replaced	Yes
Form (revised)	Individual Fixed Flexible Premium Deferred Life Annuity		Yes
Form	Individual Fixed Flexible Premium Deferred Life Annuity	Replaced	Yes
Form	Qualified Plans' Survivor Annuity Endorsement		Yes
Form	Ownership Endorsement (Annuity)		Yes

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Disposition

Disposition Date: 03/16/2010

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
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Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Regulation 19 Certification		Yes
Supporting Document	Arkansas-Form 1		Yes
Form (revised)	Individual Fixed Flexible Premium Deferred Life Annuity		Yes
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 Variable
 Product Name: DLA / 10040
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Amendment Letter

Submitted Date: 05/12/2010

Comments:

Thank you for re-opening our filing.

Corrected copies of forms 10040 and 10090 have been attached to the Form Schedule tab. A minor wording correction was made to the "Termination" provision on page 8 to add clarity; no other changes were made to these forms.

The 'previous versions' of forms 10040 and 10090, which were approved by your Department on March 16, 2010, had not been implemented.

No changes were made to approved forms 10347 and 10353.

We look forward to receiving approval of this filing.

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
10040	Policy/Contract/Certificate	Individual Fixed Flexible Premium Deferred Life Annuity	Initial					10040 00 Deferred Life Annuity 20100422_bracketed.pdf
10090	Policy/Contract/Certificate	Individual Fixed Flexible Premium Deferred Life Annuity	Initial					10090 00 Deferred Life Annuity 20100422_bracketed.pdf

SERFF Tracking Number: STFL-126469652 *State:* Arkansas
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TOI: A021 Individual Annuities- Deferred Non- *Sub-TOI:* A021.002 Flexible Premium
Variable
Product Name: DLA / 10040
Project Name/Number: DLA / 10040/DLA / 10040

Note To Filer

Created By:

Linda Bird on 05/11/2010 10:12 AM

Last Edited By:

Linda Bird

Submitted On:

05/11/2010 10:12 AM

Subject:

Request to re-open filing

Comments:

Filing has been re-opened in order for corrections to be made on the original submission.

SERFF Tracking Number: STFL-126469652 *State:* Arkansas
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Company Tracking Number: SFL10040
TOI: A021 Individual Annuities- Deferred Non- *Sub-TOI:* A021.002 Flexible Premium
Variable
Product Name: DLA / 10040
Project Name/Number: DLA / 10040/DLA / 10040

Note To Reviewer

Created By:

Rhonda Brackman on 05/10/2010 03:27 PM

Last Edited By:

Rhonda Brackman

Submitted On:

05/10/2010 03:27 PM

Subject:

Request to re-open filing

Comments:

Dear Sir or Madam,

A minor error has been discovered in forms 10040 and 10090. By way of note to reveiwer, we request to re-open this filing so that the corrected forms can be submitted for your review and approval.

Respectfully,
Steve Crum,
Technician.

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 Variable
 Product Name: DLA / 10040
 Project Name/Number: DLA / 10040/DLA / 10040

Form Schedule

Lead Form Number: 10040

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	10040	Policy/Contract/Individual Fixed Flexible Premium al Deferred Life Annuity Certificate	Initial			10040 00 Deferred Life Annuity 20100422_bracketed.pdf
	10090	Policy/Contract/Individual Fixed Flexible Premium al Deferred Life Annuity Certificate	Initial			10090 00 Deferred Life Annuity 20100422_bracketed.pdf
	10347	Policy/Contract/Qualified Plans' al Survivor Annuity Endorsement Certificate: Amendment, Insert Page, Endorsement or Rider	Initial			10347 Qualified Plans End 20091130 bracketed.pdf
	10353	Policy/Contract/Ownership al Endorsement (Annuity) Certificate: Amendment, Insert Page, Endorsement or Rider	Initial			10353 Ownership End Rev 2-15- 2010.pdf_bracketed.pdf



STATE FARM LIFE INSURANCE COMPANY

Home Office, One State Farm Plaza, Bloomington, IL 61710

ANNUITANT [JOHN J DOE]
[(Male)]
AGE [45]

POLICY NUMBER [LF0000-0000]

POLICY DATE [October 15, 2010]

This Policy is based on the payment of the Initial Premium shown on page 3. State Farm Life Insurance Company will pay benefits according to the terms of this Policy.

At the time of surrender or withdrawal, a Surrender Charge may be applied. A Surrender Charge will decrease values under this Policy. See the Waiver of Surrender Charge provision on page 10.

30-Day Right to Examine this Policy. This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

Read this Policy with care. This is a legal contract between You and State Farm Life Insurance Company.

SAMPLE

[*Kim M. Brunner*]

Secretary

[*Edward B. Rust Jr.*]

President

BASIC PLAN DESCRIPTION

Individual fixed flexible premium deferred life annuity. Flexible premiums are payable until the Annuity Date. Surrender Charges shown on page 4. Waiver of Surrender Charge provision on page 10. Payment intervals start on the Annuity Date. This Policy is participating.

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P O L I C Y I D E N T I F I C A T I O N

Annuitant [JOHN J DOE] Age [45]
[(Male)]
Policy Number LF-[0000-0000]
Policy Date [October 15, 2010]
Issue Date [October 15, 2010]
Owner [JANE A DOE]

S C H E D U L E O F B E N E F I T S

Form Description
10040 Basic Plan
(Deferred Life Annuity)
Final Annuity Date: [March 15, 2060]

P R E M I U M

Initial Premium: \$[2,000.00]
Minimum Premium Payment: \$[200] until total premiums received less
Withdrawals is \$[2,000];
\$[100] if total premiums received less
Withdrawals is greater than or equal to
\$[2,000]
Maximum Premium: \$50,000 in any Policy Year after the first Policy Year.

I N T E R E S T

Minimum Guaranteed Interest Rate: 1.00% a year

Initial Premium Guaranteed Interest Rate: [2.40]% a year until [October 15, 2011]. The interest rate and guarantee period in effect when each subsequent premium is received will be applied to that premium. At the end of each subsequent guarantee period, a new interest rate and guarantee period are applicable. Each guarantee period will be at least one year. Each subsequent interest rate will not be less than the Minimum Guaranteed Interest Rate.

Nonforfeiture Interest Rate: [3.00]% a year

This interest rate is fixed on the Policy Date and is the lesser of (a) 3.00% or (b) an interest rate determined using the one-month average of the five-year Constant Maturity Treasury Rate reported by the Federal Reserve for the month that is 2 months before the Policy Date rounded to the nearest 0.05% less 1.25%. This interest rate will not be less than the Minimum Guaranteed Interest Rate.

W I T H D R A W A L

Minimum Withdrawal Amount: \$[500.00]
Maximum Number of Withdrawals in a Policy Year: [4]

C H A R G E S A N D F E E S

TABLE OF SURRENDER CHARGES

Policy Year	Surrender Charge Percentage
1	9
2	8
3	7
4	6
5	5
6	4
7	3
8	2
9	1
10 & over	0

We will waive the entire Surrender Charge if:

- (1) The Annuitant dies.
- (2) The Annuity Date is on or after the 1st Policy Anniversary.
- (3) The Annuitant qualifies for waiver due to confinement in an Eligible Hospital or Eligible Nursing Home.
- (4) The Annuitant qualifies for waiver due to Terminal Illness.

We will waive a percentage of the Surrender Charge as follows:

- (1) In the 1st Policy Year, there is no Surrender Charge on 10% of the Initial Premium prior to the 1st Policy Anniversary.
- (2) No Surrender Charge on 10% of the Accumulation Value at the end of the previous Policy Year

See the Waiver of Surrender Charge provision.

Maximum Annual Policy Fee: \$50.00

DEFINITIONS

We, Us, and Our refer to State Farm Life Insurance Company.

You and Your refer to the Owner.

Annuity Date. You may choose this date which can be no later than the Final Annuity Date. Payment intervals start on this date. The first annuity payment is at the end of the first payment interval.

Code. The United States Internal Revenue Code, as amended from time to time.

Dollars. Any money We pay, or which is paid to Us, must be in United States dollars.

Due Proof of Death. Due proof of death is required if the Annuitant or Owner, if other than the Annuitant, dies. Such proof is evidence satisfactory to Us to establish the date and fact of the death and includes such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

Eligible Hospital. An institution meeting one of the following requirements:

- (1) It is accredited as a hospital under the Hospital Accreditation Program of the Joint Commission on Accreditation of Healthcare Organizations; or
- (2) It is legally operated, has 24-hour a day supervision by a staff of doctors, has 24-hour a day nursing service by a registered nurse (RN), and either:
 - (a) It mainly provides general inpatient medical care and treatment of sick and injured persons by the use of medical and diagnostic facilities and all such facilities are located in it or under its control; or
 - (b) It mainly provides specialized inpatient medical care and treatment of sick or injured persons by the use of medical and diagnostic facilities (including x-ray and laboratory) and all such facilities are located in, are under its control, or are available to it under a written agreement with a hospital (as defined above) or with a specialized provider of these facilities.

An Eligible Hospital is not an institution, or part of one, that furnishes mainly homelike or custodial care, or training in the routines of daily living or is mainly a school.

Eligible Nursing Home. An institution or special nursing unit of a hospital meeting at least one of the following requirements:

- (1) It is Medicare approved as a provider of skilled nursing care services;
- (2) It is licensed as a skilled nursing home or as an intermediate care facility by the state it is located in; or
- (3) It meets all of the following requirements:
 - (a) It is licensed as a nursing home by the state it is located in;
 - (b) Its main function is to provide skilled, intermediate, or custodial nursing care;
 - (c) It is engaged in providing continuous room and board accommodations;
 - (d) It is under the supervision of a registered nurse (RN) or licensed practical nurse (LPN);
 - (e) It maintains a daily medical record of each patient; and
 - (f) It maintains control and records for all medications dispensed.

Final Annuity Date. The later of the Policy Anniversary when the Annuitant is age 95 and the 10th Policy Anniversary.

Guaranteed Cash Surrender Value. The greater of the Accumulation Value less any applicable Surrender Charge and the Nonforfeiture Amount.

DEFINITIONS (CONTINUED)

Nonforfeiture Amount. On any date, the greater of (1) and (2) where:

(1) is 87½% of all premiums paid from the Policy Date accumulated at the Nonforfeiture Interest Rate from the date of payment less any amount withdrawn accumulated at the Nonforfeiture Interest Rate from the date of withdrawal less an annual charge of \$50 accumulated at the Nonforfeiture Interest Rate to the date of calculation.

(2) is the present value, at the date of calculation, of the Accumulation Value then guaranteed at the later of the 10th Policy Anniversary or the Policy Anniversary on or next following the Annuitant's 70th Birthday.

The present value will be calculated on the basis of an interest rate 1% higher than the interest rates used to accumulate the Accumulation Value from the date of surrender to the Policy Anniversary designated above.

Officer. The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

Payee. If the Annuitant dies prior to the Annuity Date and a death benefit is payable, the beneficiaries, unless changed. If You surrender this Policy, the persons that You have named to receive the Guaranteed Cash Surrender Value. A payee can be other than a natural person only if We agree.

Policy Date. The date the Initial Premium starts earning interest and coverage starts under this Policy.

Policy Month, Year, or Anniversary. A policy month, year, or anniversary is measured from the Policy Date.

Request. A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

Rider. Any benefit, other than the Basic Plan, made a part of this Policy.

Successor Owner. May be named in the Application or later by Request if You are not the Annuitant. No more than two successor owners can be named.

Terminally Ill. An Annuitant with a limited life expectancy of 12 months or less is considered Terminally Ill. Proof of terminal illness must include a certification by a licensed physician.

GENERAL PROVISIONS

The Contract. This Policy contains the Basic Plan, any amendments, endorsements, and Riders. This Policy is the entire contract.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, or Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as an annuity under any section of, regulation or ruling under, the Code. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsements are subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform with such law.

This Policy will comply with applicable state law where this Policy is delivered, with respect to the coverage and benefits available to a person who is in a legally-sanctioned domestic partnership or civil union partner or to a person who is in a legally-sanctioned marriage with the Annuitant. Nothing in this provision is construed as requiring Us to provide coverage or benefits to any person who is in a legally sanctioned domestic partnership, civil union, marriage with the Annuitant in a state where such relationships are not legally recognized. For information regarding federal tax laws please consult a tax advisor.

Transaction Delay. Any payment from the Accumulation Value will usually be made within 7 days of receipt of the Request for payment. However, We may defer payment of any Guaranteed Cash Surrender Value or withdrawal for up to 6 months from the date We receive Your Request. We will not defer any Guaranteed Cash Surrender Value paid under an Annuity Option.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at the interest rate paid under the interest only method of payment or the rate and time required by law, if greater.

Minimum Value. Any paid-up annuity benefit, Guaranteed Cash Surrender Value, or Death Benefit payable under this Policy are not less than the Nonforfeiture Amount required by law where it is delivered. The insurance authority there has a statement of how these values are determined.

Assignment. You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

Error in Age or Sex. If the Annuitant's, Payee's, or second designated person's date of birth or sex is not correct, We will correct every benefit to reflect the correct age or sex, based on the rates in effect on the Annuity Date. We may require proof of the Annuitant's, Payee's, or second designated person's age and sex before annuity payments start. Any overpayment with compound interest at 6% a year will be charged against this Policy. This amount will be deducted from any annuity payments due after the error is found. Any underpayment with compound interest at 6% a year will be paid to You in one sum.

Incontestability. We will not contest this Basic Plan. Any Rider has its own incontestability provision.

GENERAL PROVISIONS (CONTINUED)

Annual Report. Each year before the Annuity Date, We will send You a report. This report will show:

- (1) the period covered by the report including the beginning and end dates covered by the report;
- (2) the Accumulation Value and the Guaranteed Cash Surrender Value at the beginning and end dates covered by the report;
- (3) the amount of the Death Benefit on the end date of the report;
- (4) any amounts added to or withdrawn from the Accumulation Value since the last report shown separately;
- (5) any applicable Surrender Charges deducted since the last report shown separately;
- (6) any dividends paid in cash; and
- (7) any other information required by law.

You may send Us a Request for additional copies of reports, but We reserve the right to charge a fee for additional copies.

Participation. We do not expect to pay dividends on this Policy; however, We may apportion and pay dividends each year. All dividends apportioned will be derived from the divisible surplus of Our participating business. Any such dividends will be paid and added to the Accumulation Value only at the end of the Policy Year unless You send Us a Request to have the dividend paid in cash. There is no right to a partial or pro-rated dividend prior to the end of the Policy Year.

Termination. If, on any Policy Anniversary, no premium has been received in the previous 2 Policy Years and the Accumulation Value on that Policy Anniversary accumulated using the Guaranteed Interest Rates in effect on that Policy Anniversary for the remainder of the guarantee period for each Guaranteed Interest Rate and the Nonforfeiture Interest Rate thereafter to the Final Annuity Date would not provide a monthly payment of \$20 using the Guaranteed Minimum Monthly Payment Factors per \$1000 for Annuity Option 1, We reserve the right to terminate this Policy and pay You the Accumulation Value in one sum.

OWNERSHIP PROVISIONS

Owner. The Owner is shown on page 3, unless changed. You may exercise any policy provision only by Request and while the Annuitant is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably named Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force. No more than two owners can be named.

Change of Owner/Successor Owner. You may change the Owner or Successor Owner by Request while the Annuitant is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

PREMIUM PROVISIONS

Payment of Premiums. You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one. The Initial Premium is shown on page 3 and is due on the Policy Date. Premiums may be paid at any time before the Annuity Date even if this Policy is continued as a paid-up deferred life annuity policy. After the Initial Premium is paid, additional premium payments are not required to continue this Policy except as provided in the Termination provision. Each premium payment must be at least the Minimum Premium Payment shown on page 3. The total premium paid in any Policy Year after the first cannot exceed the Maximum Premium shown on page 3.

Paid-up Annuity. If, on a Policy Anniversary, no premium has been received in the past Policy Year, this Policy will be continued as a paid-up deferred life annuity policy. The Accumulation Value on that Policy Anniversary will accumulate as provided in the Accumulation Value provision. On the Final Annuity Date if no choice is made, the Accumulation Value will be paid under Annuity Option 1. A Surrender Charge is not applicable.

ACCUMULATIONS PROVISIONS

Accumulation Value. The Accumulation Value on the Policy Date is the Initial Premium. The Accumulation Value on any other day equals:

- (1) Initial Premium; plus
- (2) premium payments received since the Policy Date; plus
- (3) interest credited; plus
- (4) any dividends added; less
- (5) total withdrawals, including applicable Surrender Charges deducted; less
- (6) any Annual Policy Fee.

The Accumulation Value will never be less than the Nonforfeiture Amount.

Interest Credited. Each interest rate is expressed as an effective annual interest rate. We credit interest daily to the Accumulation Value at an effective annual interest rate of not less than the Minimum Guaranteed Interest Rate shown on page 3. The Initial Premium Guaranteed Interest Rate and the guarantee period for that interest rate is shown on page 3. The interest rate and guarantee period in effect when each subsequent premium is received will be applied to that premium. At the end of each subsequent guarantee period, a new interest rate and guarantee period are applicable. Each guarantee period will be at least one year.

Annual Policy Fee. An Annual Policy Fee will be deducted from the Accumulation Value on each Policy Anniversary if the Accumulation Value is less than \$10,000. The Maximum Annual Policy Fee is shown on page 4. We may charge less than the amount shown.

SURRENDER AND WITHDRAWALS PROVISIONS

Surrender. You may surrender this Policy by Request at any time on or prior to the earlier of the Annuity Date or the date the Annuitant dies. This Policy will terminate on the date We receive Your Request or a later date if You so indicate in Your Request. We will pay You the Guaranteed Cash Surrender Value in one sum unless You choose an Annuity Option or another method of payment then available. See the Surrender Charge and Waiver of Surrender Charge provisions regarding any applicable Surrender Charge. We may defer payment of any Guaranteed Cash Surrender Value for up to 6 months after receiving Your Request unless paid under Annuity Option 1.

Withdrawals. Prior to the Annuity Date, You may withdraw part of the Guaranteed Cash Surrender Value by Request. The amount You withdraw must be at least the Minimum Withdrawal Amount shown on page 3 and must be less than the Guaranteed Cash Surrender Value. No more than 4 withdrawals can be made in any Policy Year. The total amount withdrawn will include the amount paid to You and any applicable Surrender Charge. See the Surrender Charge and Waiver of Surrender Charge provisions regarding any applicable Surrender Charge. We may defer payment of any withdrawal for up to 6 months after receiving Your Request.

Surrender Charge. The Surrender Charge Percentages are shown on page 4. A Surrender Charge may be applicable if You surrender this Policy or make a withdrawal. If You surrender this Policy, the Surrender Charge is based on and deducted from the Accumulation Value. For withdrawals, the applicable Surrender Charge is deducted from the total amount withdrawn.

Waiver of Surrender Charge. There is no Surrender Charge after the end of the first Policy Year if the Guaranteed Cash Surrender Value is then paid under Annuity Option 1. There is no Surrender Charge on the Final Annuity Date. There is no Surrender Charge on the Death Benefit.

During the first Policy Year, a total of 10% of the Initial Premium may be withdrawn without a Surrender Charge. After the first Policy Year, a total of 10% of the Accumulation Value at the end of the previous Policy Year may be withdrawn in a Policy Year without a Surrender Charge. The 10% of the Accumulation Value that may be withdrawn in a Policy Year without a Surrender Charge is not cumulative from one Policy Year to the next.

There is no Surrender Charge on or after the Policy Date if, at the time We receive Your Request to surrender or withdraw, We receive due proof that the Annuitant is Terminally Ill. There is no preexisting condition limitation.

There is no Surrender Charge on or after the Policy Date if, at the time We receive Your Request to surrender or withdraw, We receive due proof that the Annuitant has been confined to an Eligible Hospital or Eligible Nursing Home continuously for at least 90 days before the date We receive the Request. There is no preexisting condition limitation. The period of continuous confinement can start prior to the Policy Date.

Any Surrender Charge waived under this provision is not subject to a retroactive assessment of a Surrender Charge to recover that Surrender Charge.

We will provide You any claim forms within 10 working days of receiving Your Request for waiver of Surrender Charge. If the claim forms are not furnished within 10 working days, it is considered You complied with the claim requirements if You submit written proof covering the occurrence, the character and extent of the occurrence for claim is made.

If We deny waiver of Surrender Charge after receiving such proof, the amount withdrawn or surrendered will not be paid to You until You are notified of the denial and are provided with an opportunity to accept or reject the payment, including any Surrender Charges.

ANNUITY PAYMENT PROVISIONS

Annuity Payments. On the Annuity Date, the Guaranteed Cash Surrender Value will be used to provide annuity payments. If this Policy has been in force for at least one Policy Year and Annuity Option 1 is chosen, there will be no Surrender Charge. On or before the Final Annuity Date, an Annuity Date and an Annuity Option must be chosen. On the Final Annuity Date if no choice is made, We will use Annuity Option 1 for payment of the Accumulation Value. If the Death Benefit is payable and an Annuity Option is chosen, the Annuity Date will be the date of the Annuitant's death.

Annuity Options. The available annuity options are:

Annuity Option 1 - Life Annuity with 10 Year Certain Period. Payments attributable to the Guaranteed Cash Surrender Value will be made to You at the end of each payment interval as long as the Annuitant lives or to the end of the certain period, if longer. Payments attributable to the Death Benefit will be made to the Payee at the end of each payment interval as long as the Payee lives or to the end of the certain period, if longer. The present value of any payments may not be withdrawn.

Annuity Option 2 - Other Annuity Options. Payment by any other method may be made if We agree.

Amount of Annuity Payments. The amount of each annuity payment is the amount applied under the annuity option You have chosen times the annuity option payment factor in effect on the Annuity Date. Each payment will be equal and will not change. The amount of each monthly payment will not be less than the amount provided by the same plan of single premium immediate life annuity, if then offered by Us on the Annuity Date to the same class of Annuitants using the Guaranteed Cash Surrender Value on that date.

Annuity Option 1

Guaranteed Minimum Monthly Payment Factors per \$1000 for a life annuity with a 10 year certain period. Payment factors for ages and payment intervals not shown will be given, if You send Us a Request.

Age Last Birthday	Male	Female	Age Last Birthday	Male	Female
50	\$3.44	\$3.21	75	\$6.45	\$6.03
55	3.80	3.52	80	7.35	7.04
60	4.26	3.93	85	8.16	7.99
65	4.86	4.46	90	8.75	8.67
70	5.60	5.15	95	9.08	9.05

Basis of Computation. The Guaranteed Minimum Payment Factors for Annuity Option 1 are based on an interest rate of 2% a year, the Annuity 2000 Mortality Table, projected 10 years with projection scale G, with ages set back 5 years, the age last birthday and sex of the Annuitant or Payee on the Annuity Date.

Payment Interval. You may choose to have payments made at the end of 1, 3, 6, or 12 month intervals. If any payment would be less than \$100, We may change the payment interval to the next longer interval. If, on the Annuity Date, the payment for the 12-month payment interval would be less than \$100, We may pay the Accumulation Value in one sum.

Proof of Age and Sex. We may require proof of the age and sex of the Annuitant or Payee and the second designated person before any payments are made.

Evidence of Living. We may require satisfactory proof that the Annuitant is living when each payment is due. If proof is required, payments will stop until such proof is given. If any payment is made by check and the Annuitant personally endorses the check on or after the date on which such payment is due, no other proof will be required.

BENEFICIARY PROVISIONS

Beneficiary Designation. It includes the name of the Beneficiary. If You name "estate" as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name "children" of a person as a Beneficiary, only children born to or legally adopted by that person as of the Annuitant's date of death will be included.

We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

Change of Beneficiary Designation. You may make a change while the Annuitant is alive by sending Us a Request. The change will take effect on the date the Request is signed and will replace previous Beneficiary Designations for this Policy, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

Order of Payment. When the Annuitant dies

- (1) before the Annuity Date and the Death Benefit is payable or
 - (2) on or after the Annuity Date, You are the Annuitant, and payments continue to the Beneficiary,
- We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

DEATH BENEFIT PROVISIONS

Death Benefit. If the Annuitant dies before the Annuity Date and a Death Benefit is payable, the amount paid will be the Accumulation Value on the date of the Annuitant's death. We must receive a Request for payment of the Death Benefit and due proof of the Annuitant's death.

Death of Annuitant. If the Annuitant dies before the Annuity Date while You are alive, the Death Benefit will be paid as provided in the Beneficiary Provisions when We receive the Request and due proof of the Annuitant's death. If the method of payment chosen is not available or no method of payment is chosen, We will use Annuity Option 1 for payment. If the Payee is other than a natural person, We will make payment in one sum.

If the Annuitant dies on or after the Annuity Date while You are alive, any remaining payments must be paid to You at least as fast as the method of payment in effect on the Annuitant's date of death. We must receive due proof of the Annuitant's death.

DEATH BENEFIT PROVISIONS (CONTINUED)

Death of Owner. The Code requires certain distributions under an annuity when You die. This provision will override any inconsistent provisions in this Policy.

- (1) If You die before the Annuity Date, You are not the Annuitant, and You either have not named a Successor Owner or Your named Successor Owner is not a living natural person, the Guaranteed Cash Surrender Value must be paid within five years after Your date of death.
- (2) If You die before the Annuity Date, You are the Annuitant, and You either have not named any Beneficiary or Your named Beneficiary is not a living natural person, the Death Benefit must be paid within five years after Your date of death.
- (3) If You die before the Annuity Date, You are not the Annuitant, and Your sole Successor Owner is a person other than Your spouse, Your Successor Owner may elect to have the Guaranteed Cash Surrender Value paid under an Annuity Option or any other method of payment then agreed to by Us. The interest only method of payment will not be available. The election must be made and payments must start within one year after Your death and must not extend beyond the life expectancy of Your Successor Owner. If no election is made within this time, distribution will be made within five years after Your date of death.
- (4) If You die before the Annuity Date, You are the Annuitant, and Your sole named surviving primary Beneficiary is a person other than Your spouse, Your surviving primary Beneficiary may elect to have the Death Benefit paid under an Annuity Option or any other method of payment then agreed to by Us. The interest only method of payment will not be available. The election must be made and payments must start within one year after Your death and must not extend beyond the life expectancy of Your primary Beneficiary. If no election is made within this time, distribution will be made within five years after Your date of death.
- (5) If You die before the Annuity Date, You are not the Annuitant, and Your sole Successor Owner is Your surviving spouse, Your surviving spouse becomes the Owner.
- (6) If You die before the Annuity Date, You are the Annuitant, and Your surviving spouse is Your sole named primary Beneficiary, Your spouse will replace You as Owner and may replace You as Annuitant. If Your spouse does not elect to replace You as Annuitant, the Death Benefit must be paid to Your spouse under an Annuity Option or any other method of payment then agreed to by Us for an owner. The interest only method of payment will not be available. For purposes of the preceding sentence, the election must be made, payments must start within one year after Your death, and must not extend beyond Your spouse's life expectancy; however, if Your spouse does not choose a method of payment within this time, distribution will be made under Annuity Option 1.
- (7) If You die on or after the Annuity Date and You are not the Annuitant, any remaining payments must be paid to Your Successor Owner at least as fast as the method of payment in effect at Your death.
- (8) If You die on or after the Annuity Date and You are the Annuitant, any remaining payments must be paid to the Beneficiary at least as fast as the method of payment in effect at Your death.

If You are not a living natural person, the Annuitant will be treated as the Owner for purposes of this provision. If You are not a living natural person and there is a change in the Annuitant, such change shall be treated as the death of the Owner for purposes of this provision. If this Policy has two owners, the first death of either owner is treated as death of the owner for purposes of this provision. For purposes of this provision, the amount of any distribution will be determined on the date of such distribution.

Notwithstanding anything in this Policy to the contrary, the surviving joint owner will be treated as the Successor Owner of this Policy.

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BASIC PLAN DESCRIPTION

Individual fixed flexible premium deferred life annuity. Flexible premiums are payable until the Annuity Date. Surrender Charges shown on page 4. Waiver of Surrender Charge provision on page 10. Payment intervals start on the Annuity Date. This Policy is participating.



STATE FARM LIFE INSURANCE COMPANY

Home Office, One State Farm Plaza, Bloomington, IL 61710

ANNUITANT [JOHN J DOE]

AGE [45]

POLICY NUMBER LF0000-0000]

POLICY DATE [October 15, 2010]

This Policy is based on the payment of the Initial Premium shown on page 3. State Farm Life Insurance Company will pay benefits according to the terms of this Policy.

At the time of surrender or withdrawal, a Surrender Charge may be applied. A Surrender Charge will decrease values under this Policy. See the Waiver of Surrender Charge provision on page 10.

30-Day Right to Examine this Policy. This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

Read this Policy with care. This is a legal contract between You and State Farm Life Insurance Company.

SAMPLE

[*Kim M. Brunner*]

Secretary

[*Edward B. Rust Jr.*]

President

BASIC PLAN DESCRIPTION

Individual fixed flexible premium deferred life annuity. Flexible premiums are payable until the Annuity Date. Surrender Charges shown on page 4. Waiver of Surrender Charge provision on page 10. Payment intervals start on the Annuity Date. This Policy is participating.

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P O L I C Y I D E N T I F I C A T I O N

Annuitant [JOHN J DOE] Age [45]
Policy Number LF-[0000-0000]
Policy Date [October 15, 2010]
Issue Date [October 15, 2010]
Owner [JANE A DOE]

S C H E D U L E O F B E N E F I T S

Form Description
10090 Basic Plan
(Deferred Life Annuity)
Final Annuity Date: [March 15, 2060]

P R E M I U M

Initial Premium: \$[2,000.00]
Minimum Premium Payment: \$[200] until total premiums received less
Withdrawals is \$[2,000];
\$[100] if total premiums received less
Withdrawals is greater than or equal to
\$[2,000]
Maximum Premium: \$50,000 in any Policy Year after the first Policy Year.

I N T E R E S T

Minimum Guaranteed Interest Rate: 1.00% a year

Initial Premium Guaranteed Interest Rate: [2.40]% a year until [October 15, 2011]. The interest rate and guarantee period in effect when each subsequent premium is received will be applied to that premium. At the end of each subsequent guarantee period, a new interest rate and guarantee period are applicable. Each guarantee period will be at least one year. Each subsequent interest rate will not be less than the Minimum Guaranteed Interest Rate.

Nonforfeiture Interest Rate: [3.00]% a year

This interest rate is fixed on the Policy Date and is the lesser of (a) 3.00% or (b) an interest rate determined using the one-month average of the five-year Constant Maturity Treasury Rate reported by the Federal Reserve for the month that is 2 months before the Policy Date rounded to the nearest 0.05% less 1.25%. This interest rate will not be less than the Minimum Guaranteed Interest Rate.

W I T H D R A W A L

Minimum Withdrawal Amount: \$[500.00]
Maximum Number of Withdrawals in a Policy Year: [4]

C H A R G E S A N D F E E S

TABLE OF SURRENDER CHARGES

Policy Year	Surrender Charge Percentage
1	9
2	8
3	7
4	6
5	5
6	4
7	3
8	2
9	1
10 & over	0

We will waive the entire Surrender Charge if:

- (1) The Annuitant dies.
- (2) The Annuity Date is on or after the 1st Policy Anniversary.
- (3) The Annuitant qualifies for waiver due to confinement in an Eligible Hospital or Eligible Nursing Home.
- (4) The Annuitant qualifies for waiver due to Terminal Illness.

We will waive a percentage of the Surrender Charge as follows:

- (1) In the 1st Policy Year, there is no Surrender Charge on 10% of the Initial Premium prior to the 1st Policy Anniversary.
- (2) No Surrender Charge on 10% of the Accumulation Value at the end of the previous Policy Year

See the Waiver of Surrender Charge provision.

Maximum Annual Policy Fee: \$50.00

DEFINITIONS

We, Us, and Our refer to State Farm Life Insurance Company.

You and Your refer to the Owner.

Annuity Date. You may choose this date which can be no later than the Final Annuity Date. Payment intervals start on this date. The first annuity payment is at the end of the first payment interval.

Code. The United States Internal Revenue Code, as amended from time to time.

Dollars. Any money We pay, or which is paid to Us, must be in United States dollars.

Due Proof of Death. Due proof of death is required if the Annuitant or Owner, if other than the Annuitant, dies. Such proof is evidence satisfactory to Us to establish the date and fact of the death and includes such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

Eligible Hospital. An institution meeting one of the following requirements:

- (1) It is accredited as a hospital under the Hospital Accreditation Program of the Joint Commission on Accreditation of Healthcare Organizations; or
- (2) It is legally operated, has 24-hour a day supervision by a staff of doctors, has 24-hour a day nursing service by a registered nurse (RN), and either:
 - (a) It mainly provides general inpatient medical care and treatment of sick and injured persons by the use of medical and diagnostic facilities and all such facilities are located in it or under its control; or
 - (b) It mainly provides specialized inpatient medical care and treatment of sick or injured persons by the use of medical and diagnostic facilities (including x-ray and laboratory) and all such facilities are located in, are under its control, or are available to it under a written agreement with a hospital (as defined above) or with a specialized provider of these facilities.

An Eligible Hospital is not an institution, or part of one, that furnishes mainly homelike or custodial care, or training in the routines of daily living or is mainly a school.

Eligible Nursing Home. An institution or special nursing unit of a hospital meeting at least one of the following requirements:

- (1) It is Medicare approved as a provider of skilled nursing care services;
- (2) It is licensed as a skilled nursing home or as an intermediate care facility by the state it is located in; or
- (3) It meets all of the following requirements:
 - (a) It is licensed as a nursing home by the state it is located in;
 - (b) Its main function is to provide skilled, intermediate, or custodial nursing care;
 - (c) It is engaged in providing continuous room and board accommodations;
 - (d) It is under the supervision of a registered nurse (RN) or licensed practical nurse (LPN);
 - (e) It maintains a daily medical record of each patient; and
 - (f) It maintains control and records for all medications dispensed.

Final Annuity Date. The later of the Policy Anniversary when the Annuitant is age 95 and the 10th Policy Anniversary.

Guaranteed Cash Surrender Value. The greater of the Accumulation Value less any applicable Surrender Charge and the Nonforfeiture Amount.

DEFINITIONS (CONTINUED)

Nonforfeiture Amount. On any date, the greater of (1) and (2) where:

(1) is 87½% of all premiums paid from the Policy Date accumulated at the Nonforfeiture Interest Rate from the date of payment less any amount withdrawn accumulated at the Nonforfeiture Interest Rate from the date of withdrawal less an annual charge of \$50 accumulated at the Nonforfeiture Interest Rate to the date of calculation.

(2) is the present value, at the date of calculation, of the Accumulation Value then guaranteed at the later of the 10th Policy Anniversary or the Policy Anniversary on or next following the Annuitant's 70th Birthday.

The present value will be calculated on the basis of an interest rate 1% higher than the interest rates used to accumulate the Accumulation Value from the date of surrender to the Policy Anniversary designated above.

Officer. The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

Payee. If the Annuitant dies prior to the Annuity Date and a death benefit is payable, the beneficiaries, unless changed. If You surrender this Policy, the persons that You have named to receive the Guaranteed Cash Surrender Value. A payee can be other than a natural person only if We agree.

Policy Date. The date the Initial Premium starts earning interest and coverage starts under this Policy.

Policy Month, Year, or Anniversary. A policy month, year, or anniversary is measured from the Policy Date.

Request. A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

Rider. Any benefit, other than the Basic Plan, made a part of this Policy.

Successor Owner. May be named in the Application or later by Request if You are not the Annuitant. No more than two successor owners can be named.

Terminally Ill. An Annuitant with a limited life expectancy of 12 months or less is considered Terminally Ill. Proof of terminal illness must include a certification by a licensed physician.

GENERAL PROVISIONS

The Contract. This Policy contains the Basic Plan, any amendments, endorsements, and Riders. This Policy is the entire contract.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, or Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as an annuity under any section of, regulation or ruling under, the Code. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsements are subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform with such law.

This Policy will comply with applicable state law where this Policy is delivered, with respect to the coverage and benefits available to a person who is in a legally-sanctioned domestic partnership or civil union partner or to a person who is in a legally-sanctioned marriage with the Annuitant. Nothing in this provision is construed as requiring Us to provide coverage or benefits to any person who is in a legally sanctioned domestic partnership, civil union, marriage with the Annuitant in a state where such relationships are not legally recognized. For information regarding federal tax laws please consult a tax advisor.

Transaction Delay. Any payment from the Accumulation Value will usually be made within 7 days of receipt of the Request for payment. However, We may defer payment of any Guaranteed Cash Surrender Value or withdrawal for up to 6 months from the date We receive Your Request. We will not defer any Guaranteed Cash Surrender Value paid under an Annuity Option.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at the interest rate paid under the interest only method of payment or the rate and time required by law, if greater.

Minimum Value. Any paid-up annuity benefit, Guaranteed Cash Surrender Value, or Death Benefit payable under this Policy are not less than the Nonforfeiture Amount required by law where it is delivered. The insurance authority there has a statement of how these values are determined.

Assignment. You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

Error in Age. If the Annuitant's, Payee's, or second designated person's date of birth is not correct, We will correct every benefit to reflect the correct age based on the rates in effect on the Annuity Date. We may require proof of the Annuitant's, Payee's, or second designated person's age before annuity payments start. Any overpayment with compound interest at 6% a year will be charged against this Policy. This amount will be deducted from any annuity payments due after the error is found. Any underpayment with compound interest at 6% a year will be paid to You in one sum.

Incontestability. We will not contest this Basic Plan. Any Rider has its own incontestability provision.

GENERAL PROVISIONS (CONTINUED)

Annual Report. Each year before the Annuity Date, We will send You a report. This report will show:

- (1) the period covered by the report including the beginning and end dates covered by the report;
- (2) the Accumulation Value and the Guaranteed Cash Surrender Value at the beginning and end dates covered by the report;
- (3) the amount of the Death Benefit on the end date of the report;
- (4) any amounts added to or withdrawn from the Accumulation Value since the last report shown separately;
- (5) any applicable Surrender Charges deducted since the last report shown separately;
- (6) any dividends paid in cash; and
- (7) any other information required by law.

You may send Us a Request for additional copies of reports, but We reserve the right to charge a fee for additional copies.

Participation. We do not expect to pay dividends on this Policy; however, We may apportion and pay dividends each year. All dividends apportioned will be derived from the divisible surplus of Our participating business. Any such dividends will be paid and added to the Accumulation Value only at the end of the Policy Year unless You send Us a Request to have the dividend paid in cash. There is no right to a partial or pro-rated dividend prior to the end of the Policy Year.

Termination. If, on any Policy Anniversary, no premium has been received in the previous 2 Policy Years and the Accumulation Value on that Policy Anniversary accumulated using the Guaranteed Interest Rates in effect on that Policy Anniversary for the remainder of the guarantee period for each Guaranteed Interest Rate and the Nonforfeiture Interest Rate thereafter to the Final Annuity Date would not provide a monthly payment of \$20 using the Guaranteed Minimum Monthly Payment Factors per \$1000 for Annuity Option 1, We reserve the right to terminate this Policy and pay You the Accumulation Value in one sum.

OWNERSHIP PROVISIONS

Owner. The Owner is shown on page 3, unless changed. You may exercise any policy provision only by Request and while the Annuitant is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably named Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force. No more than two owners can be named.

Change of Owner/Successor Owner. You may change the Owner or Successor Owner by Request while the Annuitant is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

PREMIUM PROVISIONS

Payment of Premiums. You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one. The Initial Premium is shown on page 3 and is due on the Policy Date. Premiums may be paid at any time before the Annuity Date even if this Policy is continued as a paid-up deferred life annuity policy. After the Initial Premium is paid, additional premium payments are not required to continue this Policy except as provided in the Termination provision. Each premium payment must be at least the Minimum Premium Payment shown on page 3. The total premium paid in any Policy Year after the first cannot exceed the Maximum Premium shown on page 3.

Paid-up Annuity. If, on a Policy Anniversary, no premium has been received in the past Policy Year, this Policy will be continued as a paid-up deferred life annuity policy. The Accumulation Value on that Policy Anniversary will accumulate as provided in the Accumulation Value provision. On the Final Annuity Date if no choice is made, the Accumulation Value will be paid under Annuity Option 1. A Surrender Charge is not applicable.

ACCUMULATIONS PROVISIONS

Accumulation Value. The Accumulation Value on the Policy Date is the Initial Premium. The Accumulation Value on any other day equals:

- (1) Initial Premium; plus
- (2) premium payments received since the Policy Date; plus
- (3) interest credited; plus
- (4) any dividends added; less
- (5) total withdrawals, including applicable Surrender Charges deducted; less
- (6) any Annual Policy Fee.

The Accumulation Value will never be less than the Nonforfeiture Amount.

Interest Credited. Each interest rate is expressed as an effective annual interest rate. We credit interest daily to the Accumulation Value at an effective annual interest rate of not less than the Minimum Guaranteed Interest Rate shown on page 3. The Initial Premium Guaranteed Interest Rate and the guarantee period for that interest rate is shown on page 3. The interest rate and guarantee period in effect when each subsequent premium is received will be applied to that premium. At the end of each subsequent guarantee period, a new interest rate and guarantee period are applicable. Each guarantee period will be at least one year.

Annual Policy Fee. An Annual Policy Fee will be deducted from the Accumulation Value on each Policy Anniversary if the Accumulation Value is less than \$10,000. The Maximum Annual Policy Fee is shown on page 4. We may charge less than the amount shown.

SURRENDER AND WITHDRAWALS PROVISIONS

Surrender. You may surrender this Policy by Request at any time on or prior to the earlier of the Annuity Date or the date the Annuitant dies. This Policy will terminate on the date We receive Your Request or a later date if You so indicate in Your Request. We will pay You the Guaranteed Cash Surrender Value in one sum unless You choose an Annuity Option or another method of payment then available. See the Surrender Charge and Waiver of Surrender Charge provisions regarding any applicable Surrender Charge. We may defer payment of any Guaranteed Cash Surrender Value for up to 6 months after receiving Your Request unless paid under Annuity Option 1.

Withdrawals. Prior to the Annuity Date, You may withdraw part of the Guaranteed Cash Surrender Value by Request. The amount You withdraw must be at least the Minimum Withdrawal Amount shown on page 3 and must be less than the Guaranteed Cash Surrender Value. No more than 4 withdrawals can be made in any Policy Year. The total amount withdrawn will include the amount paid to You and any applicable Surrender Charge. See the Surrender Charge and Waiver of Surrender Charge provisions regarding any applicable Surrender Charge. We may defer payment of any withdrawal for up to 6 months after receiving Your Request.

Surrender Charge. The Surrender Charge Percentages are shown on page 4. A Surrender Charge may be applicable if You surrender this Policy or make a withdrawal. If You surrender this Policy, the Surrender Charge is based on and deducted from the Accumulation Value. For withdrawals, the applicable Surrender Charge is deducted from the total amount withdrawn.

Waiver of Surrender Charge. There is no Surrender Charge after the end of the first Policy Year if the Guaranteed Cash Surrender Value is then paid under Annuity Option 1. There is no Surrender Charge on the Final Annuity Date. There is no Surrender Charge on the Death Benefit.

During the first Policy Year, a total of 10% of the Initial Premium may be withdrawn without a Surrender Charge. After the first Policy Year, a total of 10% of the Accumulation Value at the end of the previous Policy Year may be withdrawn in a Policy Year without a Surrender Charge. The 10% of the Accumulation Value that may be withdrawn in a Policy Year without a Surrender Charge is not cumulative from one Policy Year to the next.

There is no Surrender Charge on or after the Policy Date if, at the time We receive Your Request to surrender or withdraw, We receive due proof that the Annuitant is Terminally Ill. There is no preexisting condition limitation.

There is no Surrender Charge on or after the Policy Date if, at the time We receive Your Request to surrender or withdraw, We receive due proof that the Annuitant has been confined to an Eligible Hospital or Eligible Nursing Home continuously for at least 90 days before the date We receive the Request. There is no preexisting condition limitation. The period of continuous confinement can start prior to the Policy Date.

Any Surrender Charge waived under this provision is not subject to a retroactive assessment of a Surrender Charge to recover that Surrender Charge.

We will provide You any claim forms within 10 working days of receiving Your Request for waiver of Surrender Charge. If the claim forms are not furnished within 10 working days, it is considered You complied with the claim requirements if You submit written proof covering the occurrence, the character and extent of the occurrence for claim is made.

If We deny waiver of Surrender Charge after receiving such proof, the amount withdrawn or surrendered will not be paid to You until You are notified of the denial and are provided with an opportunity to accept or reject the payment, including any Surrender Charges.

ANNUITY PAYMENT PROVISIONS

Annuity Payments. On the Annuity Date, the Guaranteed Cash Surrender Value will be used to provide annuity payments. If this Policy has been in force for at least one Policy Year and Annuity Option 1 is chosen, there will be no Surrender Charge. On or before the Final Annuity Date, an Annuity Date and an Annuity Option must be chosen. On the Final Annuity Date if no choice is made, We will use Annuity Option 1 for payment of the Accumulation Value. If the Death Benefit is payable and an Annuity Option is chosen, the Annuity Date will be the date of the Annuitant's death.

Annuity Options. The available annuity options are:

Annuity Option 1 - Life Annuity with 10 Year Certain Period. Payments attributable to the Guaranteed Cash Surrender Value will be made to You at the end of each payment interval as long as the Annuitant lives or to the end of the certain period, if longer. Payments attributable to the Death Benefit will be made to the Payee at the end of each payment interval as long as the Payee lives or to the end of the certain period, if longer. The present value of any payments may not be withdrawn.

Annuity Option 2 - Other Annuity Options. Payment by any other method may be made if We agree.

Amount of Annuity Payments. The amount of each annuity payment is the amount applied under the annuity option You have chosen times the annuity option payment factor in effect on the Annuity Date. Each payment will be equal and will not change. The amount of each monthly payment will not be less than the amount provided by the same plan of single premium immediate life annuity, if then offered by Us on the Annuity Date to the same class of Annuitants using the Guaranteed Cash Surrender Value on that date.

Annuity Option 1			
Guaranteed Minimum Monthly Payment Factors per \$1000 for a life annuity with a 10 year certain period. Payment factors for ages and payment intervals not shown will be given, if You send Us a Request.			
Age Last Birthday		Age Last Birthday	
50	\$3.32	75	\$6.23
55	3.66	80	7.19
60	4.09	85	8.07
65	4.65	90	8.71
70	5.36	95	9.07

Basis of Computation. The Guaranteed Minimum Payment Factors for Annuity Option 1 are based on an interest rate of 2% a year, the Annuity 2000 Mortality Table using a 50% male/50% female blending, projected 10 years with projection scale G, with ages set back 5 years, the age last birthday of the Annuitant or Payee on the Annuity Date.

Payment Interval. You may choose to have payments made at the end of 1, 3, 6, or 12 month intervals. If any payment would be less than \$100, We may change the payment interval to the next longer interval. If, on the Annuity Date, the payment for the 12-month payment interval would be less than \$100, We may pay the Accumulation Value in one sum.

Proof of Age. We may require proof of the age of the Annuitant or Payee and the second designated person before any payments are made.

Evidence of Living. We may require satisfactory proof that the Annuitant is living when each payment is due. If proof is required, payments will stop until such proof is given. If any payment is made by check and the Annuitant personally endorses the check on or after the date on which such payment is due, no other proof will be required.

BENEFICIARY PROVISIONS

Beneficiary Designation. It includes the name of the Beneficiary. If You name "estate" as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name "children" of a person as a Beneficiary, only children born to or legally adopted by that person as of the Annuitant's date of death will be included.

We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

Change of Beneficiary Designation. You may make a change while the Annuitant is alive by sending Us a Request. The change will take effect on the date the Request is signed and will replace previous Beneficiary Designations for this Policy, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

Order of Payment. When the Annuitant dies

- (1) before the Annuity Date and the Death Benefit is payable or
 - (2) on or after the Annuity Date, You are the Annuitant, and payments continue to the Beneficiary,
- We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

DEATH BENEFIT PROVISIONS

Death Benefit. If the Annuitant dies before the Annuity Date and a Death Benefit is payable, the amount paid will be the Accumulation Value on the date of the Annuitant's death. We must receive a Request for payment of the Death Benefit and due proof of the Annuitant's death.

Death of Annuitant. If the Annuitant dies before the Annuity Date while You are alive, the Death Benefit will be paid as provided in the Beneficiary Provisions when We receive the Request and due proof of the Annuitant's death. If the method of payment chosen is not available or no method of payment is chosen, We will use Annuity Option 1 for payment. If the Payee is other than a natural person, We will make payment in one sum.

If the Annuitant dies on or after the Annuity Date while You are alive, any remaining payments must be paid to You at least as fast as the method of payment in effect on the Annuitant's date of death. We must receive due proof of the Annuitant's death.

DEATH BENEFIT PROVISIONS (CONTINUED)

Death of Owner. The Code requires certain distributions under an annuity when You die. This provision will override any inconsistent provisions in this Policy.

- (1) If You die before the Annuity Date, You are not the Annuitant, and You either have not named a Successor Owner or Your named Successor Owner is not a living natural person, the Guaranteed Cash Surrender Value must be paid within five years after Your date of death.
- (2) If You die before the Annuity Date, You are the Annuitant, and You either have not named any Beneficiary or Your named Beneficiary is not a living natural person, the Death Benefit must be paid within five years after Your date of death.
- (3) If You die before the Annuity Date, You are not the Annuitant, and Your sole Successor Owner is a person other than Your spouse, Your Successor Owner may elect to have the Guaranteed Cash Surrender Value paid under an Annuity Option or any other method of payment then agreed to by Us. The interest only method of payment will not be available. The election must be made and payments must start within one year after Your death and must not extend beyond the life expectancy of Your Successor Owner. If no election is made within this time, distribution will be made within five years after Your date of death.
- (4) If You die before the Annuity Date, You are the Annuitant, and Your sole named surviving primary Beneficiary is a person other than Your spouse, Your surviving primary Beneficiary may elect to have the Death Benefit paid under an Annuity Option or any other method of payment then agreed to by Us. The interest only method of payment will not be available. The election must be made and payments must start within one year after Your death and must not extend beyond the life expectancy of Your primary Beneficiary. If no election is made within this time, distribution will be made within five years after Your date of death.
- (5) If You die before the Annuity Date, You are not the Annuitant, and Your sole Successor Owner is Your surviving spouse, Your surviving spouse becomes the Owner.
- (6) If You die before the Annuity Date, You are the Annuitant, and Your surviving spouse is Your sole named primary Beneficiary, Your spouse will replace You as Owner and may replace You as Annuitant. If Your spouse does not elect to replace You as Annuitant, the Death Benefit must be paid to Your spouse under an Annuity Option or any other method of payment then agreed to by Us for an owner. The interest only method of payment will not be available. For purposes of the preceding sentence, the election must be made, payments must start within one year after Your death, and must not extend beyond Your spouse's life expectancy; however, if Your spouse does not choose a method of payment within this time, distribution will be made under Annuity Option 1.
- (7) If You die on or after the Annuity Date and You are not the Annuitant, any remaining payments must be paid to Your Successor Owner at least as fast as the method of payment in effect at Your death.
- (8) If You die on or after the Annuity Date and You are the Annuitant, any remaining payments must be paid to the Beneficiary at least as fast as the method of payment in effect at Your death.

If You are not a living natural person, the Annuitant will be treated as the Owner for purposes of this provision. If You are not a living natural person and there is a change in the Annuitant, such change shall be treated as the death of the Owner for purposes of this provision. If this Policy has two owners, the first death of either owner is treated as death of the owner for purposes of this provision. For purposes of this provision, the amount of any distribution will be determined on the date of such distribution.

Notwithstanding anything in this Policy to the contrary, the surviving joint owner will be treated as the Successor Owner of this Policy.

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BASIC PLAN DESCRIPTION

Individual fixed flexible premium deferred life annuity. Flexible premiums are payable until the Annuity Date. Surrender Charges shown on page 4. Waiver of Surrender Charge provision on page 10. Payment intervals start on the Annuity Date. This Policy is participating.

QUALIFIED PLANS' SURVIVOR ANNUITY ENDORSEMENT

Endorsement. Sections 401(a)(11) and 417 of the Internal Revenue Code require certain restrictions on policy provisions when this Policy is distributed to or owned by a qualified plan participant. This endorsement controls if its wording conflicts with policy wording.

Owner. The Annuitant is the Owner (You).

Not Transferable. You cannot transfer ownership of this Policy or assign, sell, or pledge any interest in it except to Us or in accord with a qualified domestic relations order as defined in Section 414(p) of the Internal Revenue Code.

Withdrawal, Surrender, and Change of Beneficiary. If You are married, You may make withdrawals, surrender this Policy, or change the Beneficiary only with the notarized written consent of Your spouse.

Payments of Benefits. For payments that start while You are alive: (1) Payments will be made over the life of You and Your designated Beneficiary or a period certain not extending beyond the joint and last survivor life expectancy of You and Your designated Beneficiary if (a) You are married on the Annuity Date and (b) no other method of payment is chosen in writing by You with the notarized consent of Your spouse. (2) Payments will be made over Your life or a period certain not extending beyond Your life expectancy if (a) You are not married on the Annuity Date and (b) no other method of payment is chosen in writing by You.

If appropriate, life expectancy will be determined under section 1.401(a)(9)-9 of the Income Tax Regulations which contain both single life and joint life expectancy tables.

Effective Date of This Endorsement. This is the date this Policy is distributed to or owned by a qualified plan participant.

State Farm Life Insurance Company

[*Kim M. Brunner*]
Secretary

[*Edward Bruner Jr.*]
President

SAMPLE

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OWNERSHIP ENDORSEMENT (ANNUITY)

This Policy is amended by deleting the Owner provision and replacing it with the following:

Owner. The Applicant, while living, is the Owner of this Policy. If the Applicant dies, any Successor Owner, if living, will be the Owner. Otherwise, the Annuitant will be the Owner. You may exercise any policy provision only by Request and while the Annuitant is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably named Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force. No more than two owners can be named.

Effective Date of This Endorsement. This is the Policy Date shown on page 3 of this Policy.

State Farm Life Insurance Company

[*Kim M. Brunner*]
Secretary

[*Edward Bruner Jr.*]
President

SAMPLE

SAMPLE

SERFF Tracking Number: STFL-126469652 State: Arkansas
 Filing Company: State Farm Life Insurance Company State Tracking Number: 45160
 Company Tracking Number: SFL10040
 TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.002 Flexible Premium
 Variable
 Product Name: DLA / 10040
 Project Name/Number: DLA / 10040/DLA / 10040

Supporting Document Schedules

Item Status: **Status Date:**

Satisfied - Item: Flesch Certification

Comments:

See attached Flesch Certification.

Attachment:

ARFLESCH 10040 et al_DLA.pdf

Item Status: **Status Date:**

Satisfied - Item: Application

Comments:

The following application forms will be used with the policies included in this submission.

Form #	Form Name	Date Approved
121169	Annuity Application	April 6, 2005
N-App-Ann-2004-AR	Annuity Application	April 6, 2005

Item Status: **Status Date:**

Satisfied - Item: Regulation 19 Certification

Comments:

See attached signed Certification.

Attachment:

ARREG19 10040 et al.pdf

Item Status: **Status Date:**

Satisfied - Item: Arkansas-Form 1

Comments:

In order to comply with Act 312 - see attached letter.

Attachment:

SERFF Tracking Number: STFL-126469652 *State:* Arkansas
Filing Company: State Farm Life Insurance Company *State Tracking Number:* 45160
Company Tracking Number: SFL10040
TOI: A021 Individual Annuities- Deferred Non- *Sub-TOI:* A021.002 Flexible Premium
Variable
Product Name: DLA / 10040
Project Name/Number: DLA / 10040/DLA / 10040
AR_Form1_NewAlbany.pdf

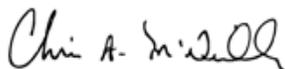
STATE OF ARKANSAS

CERTIFICATE

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

<u>Form #</u>	<u>Flesch Score</u>
10040	48
10090	47
10347	38*
10353	54

*When attached to form 10090, the combined Flesch reading ease score is 47.



Chris A McNeilly

Assistant Secretary

Title

March 9, 2010

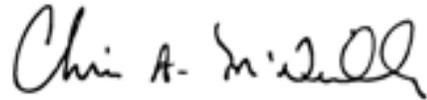
Date

STATE OF ARKANSAS

CERTIFICATION

This is to certify that the forms contained in this submission are in compliance with Arkansas Regulation No. 19:

Form # 10040, 10090, 10353, 10347



Chris A. McNeilly
Assistant Secretary

March 11, 2010

Date

State Farm Insurance Companies



New Albany Operations Center
5400 New Albany Road East
New Albany, OH 43054

Date

Mr. John Smith
Street Address
City, State, Zip Code

Re: Policy No.
Claim No.
Insured

Dear Mr. Smith:

Thank you for notifying us of the claim against this policy.

(Variable information)

Arkansas Law requires us to pay 8% interest per year on policy proceeds and refund of premiums if payment is not made within 30 days after our receipt of proof of the insured's death. Such interest accrues from date of death to date of payment.

(Variable information)

Sincerely,



STATE FARM LIFE INSURANCE COMPANY

Home Office, One State Farm Plaza, Bloomington, IL 61710

ANNUITANT [JOHN J DOE]
[(Male)]
AGE [45]

POLICY NUMBER [LF0000-0000]

POLICY DATE [October 15, 2010]

This Policy is based on the payment of the Initial Premium shown on page 3. State Farm Life Insurance Company will pay benefits according to the terms of this Policy.

At the time of surrender or withdrawal, a Surrender Charge may be applied. A Surrender Charge will decrease values under this Policy. See the Waiver of Surrender Charge provision on page 10.

30-Day Right to Examine this Policy. This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

Read this Policy with care. This is a legal contract between You and State Farm Life Insurance Company.

SAMPLE

[*Kim M. Brunner*]

Secretary

[*Edward B. Rust Jr.*]

President

BASIC PLAN DESCRIPTION

Individual fixed flexible premium deferred life annuity. Flexible premiums are payable until the Annuity Date. Surrender Charges shown on page 4. Waiver of Surrender Charge provision on page 10. Payment intervals start on the Annuity Date. This Policy is participating.

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Any Riders and Endorsements follow page 14.

P O L I C Y I D E N T I F I C A T I O N

Annuitant [JOHN J DOE] Age [45]
[(Male)]
Policy Number LF-[0000-0000]
Policy Date [October 15, 2010]
Issue Date [October 15, 2010]
Owner [JANE A DOE]

S C H E D U L E O F B E N E F I T S

Form Description
10040 Basic Plan
(Deferred Life Annuity)
Final Annuity Date: [March 15, 2060]

P R E M I U M

Initial Premium: \$[2,000.00]
Minimum Premium Payment: \$[200] until total premiums received less
Withdrawals is \$[2,000];
\$[100] if total premiums received less
Withdrawals is greater than or equal to
\$[2,000]
Maximum Premium: \$50,000 in any Policy Year after the first Policy Year.

I N T E R E S T

Minimum Guaranteed Interest Rate: 1.00% a year

Initial Premium Guaranteed Interest Rate: [2.40]% a year until [October 15, 2011]. The interest rate and guarantee period in effect when each subsequent premium is received will be applied to that premium. At the end of each subsequent guarantee period, a new interest rate and guarantee period are applicable. Each guarantee period will be at least one year. Each subsequent interest rate will not be less than the Minimum Guaranteed Interest Rate.

Nonforfeiture Interest Rate: [3.00]% a year

This interest rate is fixed on the Policy Date and is the lesser of (a) 3.00% or (b) an interest rate determined using the one-month average of the five-year Constant Maturity Treasury Rate reported by the Federal Reserve for the month that is 2 months before the Policy Date rounded to the nearest 0.05% less 1.25%. This interest rate will not be less than the Minimum Guaranteed Interest Rate.

W I T H D R A W A L

Minimum Withdrawal Amount: \$[500.00]
Maximum Number of Withdrawals in a Policy Year: [4]

C H A R G E S A N D F E E S

TABLE OF SURRENDER CHARGES

Policy Year	Surrender Charge Percentage
1	9
2	8
3	7
4	6
5	5
6	4
7	3
8	2
9	1
10 & over	0

We will waive the entire Surrender Charge if:

- (1) The Annuitant dies.
- (2) The Annuity Date is on or after the 1st Policy Anniversary.
- (3) The Annuitant qualifies for waiver due to confinement in an Eligible Hospital or Eligible Nursing Home.
- (4) The Annuitant qualifies for waiver due to Terminal Illness.

We will waive a percentage of the Surrender Charge as follows:

- (1) In the 1st Policy Year, there is no Surrender Charge on 10% of the Initial Premium prior to the 1st Policy Anniversary.
- (2) No Surrender Charge on 10% of the Accumulation Value at the end of the previous Policy Year

See the Waiver of Surrender Charge provision.

Maximum Annual Policy Fee: \$50.00

DEFINITIONS

We, Us, and Our refer to State Farm Life Insurance Company.

You and Your refer to the Owner.

Annuity Date. You may choose this date which can be no later than the Final Annuity Date. Payment intervals start on this date. The first annuity payment is at the end of the first payment interval.

Code. The United States Internal Revenue Code, as amended from time to time.

Dollars. Any money We pay, or which is paid to Us, must be in United States dollars.

Due Proof of Death. Due proof of death is required if the Annuitant or Owner, if other than the Annuitant, dies. Such proof is evidence satisfactory to Us to establish the date and fact of the death and includes such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

Eligible Hospital. An institution meeting one of the following requirements:

- (1) It is accredited as a hospital under the Hospital Accreditation Program of the Joint Commission on Accreditation of Healthcare Organizations; or
- (2) It is legally operated, has 24-hour a day supervision by a staff of doctors, has 24-hour a day nursing service by a registered nurse (RN), and either:
 - (a) It mainly provides general inpatient medical care and treatment of sick and injured persons by the use of medical and diagnostic facilities and all such facilities are located in it or under its control; or
 - (b) It mainly provides specialized inpatient medical care and treatment of sick or injured persons by the use of medical and diagnostic facilities (including x-ray and laboratory) and all such facilities are located in, are under its control, or are available to it under a written agreement with a hospital (as defined above) or with a specialized provider of these facilities.

An Eligible Hospital is not an institution, or part of one, that furnishes mainly homelike or custodial care, or training in the routines of daily living or is mainly a school.

Eligible Nursing Home. An institution or special nursing unit of a hospital meeting at least one of the following requirements:

- (1) It is Medicare approved as a provider of skilled nursing care services;
- (2) It is licensed as a skilled nursing home or as an intermediate care facility by the state it is located in; or
- (3) It meets all of the following requirements:
 - (a) It is licensed as a nursing home by the state it is located in;
 - (b) Its main function is to provide skilled, intermediate, or custodial nursing care;
 - (c) It is engaged in providing continuous room and board accommodations;
 - (d) It is under the supervision of a registered nurse (RN) or licensed practical nurse (LPN);
 - (e) It maintains a daily medical record of each patient; and
 - (f) It maintains control and records for all medications dispensed.

Final Annuity Date. The later of the Policy Anniversary when the Annuitant is age 95 and the 10th Policy Anniversary.

Guaranteed Cash Surrender Value. The greater of the Accumulation Value less any applicable Surrender Charge and the Nonforfeiture Amount.

DEFINITIONS (CONTINUED)

Nonforfeiture Amount. On any date, the greater of (1) and (2) where:

(1) is 87½% of all premiums paid from the Policy Date accumulated at the Nonforfeiture Interest Rate from the date of payment less any amount withdrawn accumulated at the Nonforfeiture Interest Rate from the date of withdrawal less an annual charge of \$50 accumulated at the Nonforfeiture Interest Rate to the date of calculation.

(2) is the present value, at the date of calculation, of the Accumulation Value then guaranteed at the later of the 10th Policy Anniversary or the Policy Anniversary on or next following the Annuitant's 70th Birthday.

The present value will be calculated on the basis of an interest rate 1% higher than the interest rates used to accumulate the Accumulation Value from the date of surrender to the Policy Anniversary designated above.

Officer. The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

Payee. If the Annuitant dies prior to the Annuity Date and a death benefit is payable, the beneficiaries, unless changed. If You surrender this Policy, the persons that You have named to receive the Guaranteed Cash Surrender Value. A payee can be other than a natural person only if We agree.

Policy Date. The date the Initial Premium starts earning interest and coverage starts under this Policy.

Policy Month, Year, or Anniversary. A policy month, year, or anniversary is measured from the Policy Date.

Request. A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

Rider. Any benefit, other than the Basic Plan, made a part of this Policy.

Successor Owner. May be named in the Application or later by Request if You are not the Annuitant. No more than two successor owners can be named.

Terminally Ill. An Annuitant with a limited life expectancy of 12 months or less is considered Terminally Ill. Proof of terminal illness must include a certification by a licensed physician.

GENERAL PROVISIONS

The Contract. This Policy contains the Basic Plan, any amendments, endorsements, and Riders. This Policy is the entire contract.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, or Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as an annuity under any section of, regulation or ruling under, the Code. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsements are subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform with such law.

This Policy will comply with applicable state law where this Policy is delivered, with respect to the coverage and benefits available to a person who is in a legally-sanctioned domestic partnership or civil union partner or to a person who is in a legally-sanctioned marriage with the Annuitant. Nothing in this provision is construed as requiring Us to provide coverage or benefits to any person who is in a legally sanctioned domestic partnership, civil union, marriage with the Annuitant in a state where such relationships are not legally recognized. For information regarding federal tax laws please consult a tax advisor.

Transaction Delay. Any payment from the Accumulation Value will usually be made within 7 days of receipt of the Request for payment. However, We may defer payment of any Guaranteed Cash Surrender Value or withdrawal for up to 6 months from the date We receive Your Request. We will not defer any Guaranteed Cash Surrender Value paid under an Annuity Option.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at the interest rate paid under the interest only method of payment or the rate and time required by law, if greater.

Minimum Value. Any paid-up annuity benefit, Guaranteed Cash Surrender Value, or Death Benefit payable under this Policy are not less than the Nonforfeiture Amount required by law where it is delivered. The insurance authority there has a statement of how these values are determined.

Assignment. You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

Error in Age or Sex. If the Annuitant's, Payee's, or second designated person's date of birth or sex is not correct, We will correct every benefit to reflect the correct age or sex, based on the rates in effect on the Annuity Date. We may require proof of the Annuitant's, Payee's, or second designated person's age and sex before annuity payments start. Any overpayment with compound interest at 6% a year will be charged against this Policy. This amount will be deducted from any annuity payments due after the error is found. Any underpayment with compound interest at 6% a year will be paid to You in one sum.

Incontestability. We will not contest this Basic Plan. Any Rider has its own incontestability provision.

GENERAL PROVISIONS (CONTINUED)

Annual Report. Each year before the Annuity Date, We will send You a report. This report will show:

- (1) the period covered by the report including the beginning and end dates covered by the report;
- (2) the Accumulation Value and the Guaranteed Cash Surrender Value at the beginning and end dates covered by the report;
- (3) the amount of the Death Benefit on the end date of the report;
- (4) any amounts added to or withdrawn from the Accumulation Value since the last report shown separately;
- (5) any applicable Surrender Charges deducted since the last report shown separately;
- (6) any dividends paid in cash; and
- (7) any other information required by law.

You may send Us a Request for additional copies of reports, but We reserve the right to charge a fee for additional copies.

Participation. We do not expect to pay dividends on this Policy; however, We may apportion and pay dividends each year. All dividends apportioned will be derived from the divisible surplus of Our participating business. Any such dividends will be paid and added to the Accumulation Value only at the end of the Policy Year unless You send Us a Request to have the dividend paid in cash. There is no right to a partial or pro-rated dividend prior to the end of the Policy Year.

Termination. If, on any Policy Anniversary, no premium has been received in the previous 2 Policy Years and the Accumulation Value on that Policy Anniversary accumulated using the Guaranteed Interest Rates in effect on that Policy Anniversary for the remainder of the guarantee period for each and the Nonforfeiture Interest Rate thereafter to the Final Annuity Date would not provide a monthly payment of \$20 using the Guaranteed Minimum Monthly Payment Factors per \$1000 for Annuity Option 1, We reserve the right to terminate this Policy and pay You the Accumulation Value in one sum.

OWNERSHIP PROVISIONS

Owner. The Owner is shown on page 3, unless changed. You may exercise any policy provision only by Request and while the Annuitant is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably named Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force. No more than two owners can be named.

Change of Owner/Successor Owner. You may change the Owner or Successor Owner by Request while the Annuitant is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

PREMIUM PROVISIONS

Payment of Premiums. You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one. The Initial Premium is shown on page 3 and is due on the Policy Date. Premiums may be paid at any time before the Annuity Date even if this Policy is continued as a paid-up deferred life annuity policy. After the Initial Premium is paid, additional premium payments are not required to continue this Policy except as provided in the Termination provision. Each premium payment must be at least the Minimum Premium Payment shown on page 3. The total premium paid in any Policy Year after the first cannot exceed the Maximum Premium shown on page 3.

Paid-up Annuity. If, on a Policy Anniversary, no premium has been received in the past Policy Year, this Policy will be continued as a paid-up deferred life annuity policy. The Accumulation Value on that Policy Anniversary will accumulate as provided in the Accumulation Value provision. On the Final Annuity Date if no choice is made, the Accumulation Value will be paid under Annuity Option 1. A Surrender Charge is not applicable.

ACCUMULATIONS PROVISIONS

Accumulation Value. The Accumulation Value on the Policy Date is the Initial Premium. The Accumulation Value on any other day equals:

- (1) Initial Premium; plus
- (2) premium payments received since the Policy Date; plus
- (3) interest credited; plus
- (4) any dividends added; less
- (5) total withdrawals, including applicable Surrender Charges deducted; less
- (6) any Annual Policy Fee.

The Accumulation Value will never be less than the Nonforfeiture Amount.

Interest Credited. Each interest rate is expressed as an effective annual interest rate. We credit interest daily to the Accumulation Value at an effective annual interest rate of not less than the Minimum Guaranteed Interest Rate shown on page 3. The Initial Premium Guaranteed Interest Rate and the guarantee period for that interest rate is shown on page 3. The interest rate and guarantee period in effect when each subsequent premium is received will be applied to that premium. At the end of each subsequent guarantee period, a new interest rate and guarantee period are applicable. Each guarantee period will be at least one year.

Annual Policy Fee. An Annual Policy Fee will be deducted from the Accumulation Value on each Policy Anniversary if the Accumulation Value is less than \$10,000. The Maximum Annual Policy Fee is shown on page 4. We may charge less than the amount shown.

SURRENDER AND WITHDRAWALS PROVISIONS

Surrender. You may surrender this Policy by Request at any time on or prior to the earlier of the Annuity Date or the date the Annuitant dies. This Policy will terminate on the date We receive Your Request or a later date if You so indicate in Your Request. We will pay You the Guaranteed Cash Surrender Value in one sum unless You choose an Annuity Option or another method of payment then available. See the Surrender Charge and Waiver of Surrender Charge provisions regarding any applicable Surrender Charge. We may defer payment of any Guaranteed Cash Surrender Value for up to 6 months after receiving Your Request unless paid under Annuity Option 1.

Withdrawals. Prior to the Annuity Date, You may withdraw part of the Guaranteed Cash Surrender Value by Request. The amount You withdraw must be at least the Minimum Withdrawal Amount shown on page 3 and must be less than the Guaranteed Cash Surrender Value. No more than 4 withdrawals can be made in any Policy Year. The total amount withdrawn will include the amount paid to You and any applicable Surrender Charge. See the Surrender Charge and Waiver of Surrender Charge provisions regarding any applicable Surrender Charge. We may defer payment of any withdrawal for up to 6 months after receiving Your Request.

Surrender Charge. The Surrender Charge Percentages are shown on page 4. A Surrender Charge may be applicable if You surrender this Policy or make a withdrawal. If You surrender this Policy, the Surrender Charge is based on and deducted from the Accumulation Value. For withdrawals, the applicable Surrender Charge is deducted from the total amount withdrawn.

Waiver of Surrender Charge. There is no Surrender Charge after the end of the first Policy Year if the Guaranteed Cash Surrender Value is then paid under Annuity Option 1. There is no Surrender Charge on the Final Annuity Date. There is no Surrender Charge on the Death Benefit.

During the first Policy Year, a total of 10% of the Initial Premium may be withdrawn without a Surrender Charge. After the first Policy Year, a total of 10% of the Accumulation Value at the end of the previous Policy Year may be withdrawn in a Policy Year without a Surrender Charge. The 10% of the Accumulation Value that may be withdrawn in a Policy Year without a Surrender Charge is not cumulative from one Policy Year to the next.

There is no Surrender Charge on or after the Policy Date if, at the time We receive Your Request to surrender or withdraw, We receive due proof that the Annuitant is Terminally Ill. There is no preexisting condition limitation.

There is no Surrender Charge on or after the Policy Date if, at the time We receive Your Request to surrender or withdraw, We receive due proof that the Annuitant has been confined to an Eligible Hospital or Eligible Nursing Home continuously for at least 90 days before the date We receive the Request. There is no preexisting condition limitation. The period of continuous confinement can start prior to the Policy Date.

Any Surrender Charge waived under this provision is not subject to a retroactive assessment of a Surrender Charge to recover that Surrender Charge.

We will provide You any claim forms within 10 working days of receiving Your Request for waiver of Surrender Charge. If the claim forms are not furnished within 10 working days, it is considered You complied with the claim requirements if You submit written proof covering the occurrence, the character and extent of the occurrence for claim is made.

If We deny waiver of Surrender Charge after receiving such proof, the amount withdrawn or surrendered will not be paid to You until You are notified of the denial and are provided with an opportunity to accept or reject the payment, including any Surrender Charges.

ANNUITY PAYMENT PROVISIONS

Annuity Payments. On the Annuity Date, the Guaranteed Cash Surrender Value will be used to provide annuity payments. If this Policy has been in force for at least one Policy Year and Annuity Option 1 is chosen, there will be no Surrender Charge. On or before the Final Annuity Date, an Annuity Date and an Annuity Option must be chosen. On the Final Annuity Date if no choice is made, We will use Annuity Option 1 for payment of the Accumulation Value. If the Death Benefit is payable and an Annuity Option is chosen, the Annuity Date will be the date of the Annuitant's death.

Annuity Options. The available annuity options are:

Annuity Option 1 - Life Annuity with 10 Year Certain Period. Payments attributable to the Guaranteed Cash Surrender Value will be made to You at the end of each payment interval as long as the Annuitant lives or to the end of the certain period, if longer. Payments attributable to the Death Benefit will be made to the Payee at the end of each payment interval as long as the Payee lives or to the end of the certain period, if longer. The present value of any payments may not be withdrawn.

Annuity Option 2 - Other Annuity Options. Payment by any other method may be made if We agree.

Amount of Annuity Payments. The amount of each annuity payment is the amount applied under the annuity option You have chosen times the annuity option payment factor in effect on the Annuity Date. Each payment will be equal and will not change. The amount of each monthly payment will not be less than the amount provided by the same plan of single premium immediate life annuity, if then offered by Us on the Annuity Date to the same class of Annuitants using the Guaranteed Cash Surrender Value on that date.

Annuity Option 1

Guaranteed Minimum Monthly Payment Factors per \$1000 for a life annuity with a 10 year certain period. Payment factors for ages and payment intervals not shown will be given, if You send Us a Request.

Age Last Birthday	Male	Female	Age Last Birthday	Male	Female
50	\$3.44	\$3.21	75	\$6.45	\$6.03
55	3.80	3.52	80	7.35	7.04
60	4.26	3.93	85	8.16	7.99
65	4.86	4.46	90	8.75	8.67
70	5.60	5.15	95	9.08	9.05

Basis of Computation. The Guaranteed Minimum Payment Factors for Annuity Option 1 are based on an interest rate of 2% a year, the Annuity 2000 Mortality Table, projected 10 years with projection scale G, with ages set back 5 years, the age last birthday and sex of the Annuitant or Payee on the Annuity Date.

Payment Interval. You may choose to have payments made at the end of 1, 3, 6, or 12 month intervals. If any payment would be less than \$100, We may change the payment interval to the next longer interval. If, on the Annuity Date, the payment for the 12-month payment interval would be less than \$100, We may pay the Accumulation Value in one sum.

Proof of Age and Sex. We may require proof of the age and sex of the Annuitant or Payee and the second designated person before any payments are made.

Evidence of Living. We may require satisfactory proof that the Annuitant is living when each payment is due. If proof is required, payments will stop until such proof is given. If any payment is made by check and the Annuitant personally endorses the check on or after the date on which such payment is due, no other proof will be required.

BENEFICIARY PROVISIONS

Beneficiary Designation. It includes the name of the Beneficiary. If You name "estate" as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name "children" of a person as a Beneficiary, only children born to or legally adopted by that person as of the Annuitant's date of death will be included.

We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

Change of Beneficiary Designation. You may make a change while the Annuitant is alive by sending Us a Request. The change will take effect on the date the Request is signed and will replace previous Beneficiary Designations for this Policy, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

Order of Payment. When the Annuitant dies

- (1) before the Annuity Date and the Death Benefit is payable or
 - (2) on or after the Annuity Date, You are the Annuitant, and payments continue to the Beneficiary,
- We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

DEATH BENEFIT PROVISIONS

Death Benefit. If the Annuitant dies before the Annuity Date and a Death Benefit is payable, the amount paid will be the Accumulation Value on the date of the Annuitant's death. We must receive a Request for payment of the Death Benefit and due proof of the Annuitant's death.

Death of Annuitant. If the Annuitant dies before the Annuity Date while You are alive, the Death Benefit will be paid as provided in the Beneficiary Provisions when We receive the Request and due proof of the Annuitant's death. If the method of payment chosen is not available or no method of payment is chosen, We will use Annuity Option 1 for payment. If the Payee is other than a natural person, We will make payment in one sum.

If the Annuitant dies on or after the Annuity Date while You are alive, any remaining payments must be paid to You at least as fast as the method of payment in effect on the Annuitant's date of death. We must receive due proof of the Annuitant's death.

DEATH BENEFIT PROVISIONS (CONTINUED)

Death of Owner. The Code requires certain distributions under an annuity when You die. This provision will override any inconsistent provisions in this Policy.

- (1) If You die before the Annuity Date, You are not the Annuitant, and You either have not named a Successor Owner or Your named Successor Owner is not a living natural person, the Guaranteed Cash Surrender Value must be paid within five years after Your date of death.
- (2) If You die before the Annuity Date, You are the Annuitant, and You either have not named any Beneficiary or Your named Beneficiary is not a living natural person, the Death Benefit must be paid within five years after Your date of death.
- (3) If You die before the Annuity Date, You are not the Annuitant, and Your sole Successor Owner is a person other than Your spouse, Your Successor Owner may elect to have the Guaranteed Cash Surrender Value paid under an Annuity Option or any other method of payment then agreed to by Us. The interest only method of payment will not be available. The election must be made and payments must start within one year after Your death and must not extend beyond the life expectancy of Your Successor Owner. If no election is made within this time, distribution will be made within five years after Your date of death.
- (4) If You die before the Annuity Date, You are the Annuitant, and Your sole named surviving primary Beneficiary is a person other than Your spouse, Your surviving primary Beneficiary may elect to have the Death Benefit paid under an Annuity Option or any other method of payment then agreed to by Us. The interest only method of payment will not be available. The election must be made and payments must start within one year after Your death and must not extend beyond the life expectancy of Your primary Beneficiary. If no election is made within this time, distribution will be made within five years after Your date of death.
- (5) If You die before the Annuity Date, You are not the Annuitant, and Your sole Successor Owner is Your surviving spouse, Your surviving spouse becomes the Owner.
- (6) If You die before the Annuity Date, You are the Annuitant, and Your surviving spouse is Your sole named primary Beneficiary, Your spouse will replace You as Owner and may replace You as Annuitant. If Your spouse does not elect to replace You as Annuitant, the Death Benefit must be paid to Your spouse under an Annuity Option or any other method of payment then agreed to by Us for an owner. The interest only method of payment will not be available. For purposes of the preceding sentence, the election must be made, payments must start within one year after Your death, and must not extend beyond Your spouse's life expectancy; however, if Your spouse does not choose a method of payment within this time, distribution will be made under Annuity Option 1.
- (7) If You die on or after the Annuity Date and You are not the Annuitant, any remaining payments must be paid to Your Successor Owner at least as fast as the method of payment in effect at Your death.
- (8) If You die on or after the Annuity Date and You are the Annuitant, any remaining payments must be paid to the Beneficiary at least as fast as the method of payment in effect at Your death.

If You are not a living natural person, the Annuitant will be treated as the Owner for purposes of this provision. If You are not a living natural person and there is a change in the Annuitant, such change shall be treated as the death of the Owner for purposes of this provision. If this Policy has two owners, the first death of either owner is treated as death of the owner for purposes of this provision. For purposes of this provision, the amount of any distribution will be determined on the date of such distribution.

Notwithstanding anything in this Policy to the contrary, the surviving joint owner will be treated as the Successor Owner of this Policy.

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BASIC PLAN DESCRIPTION

Individual fixed flexible premium deferred life annuity. Flexible premiums are payable until the Annuity Date. Surrender Charges shown on page 4. Waiver of Surrender Charge provision on page 10. Payment intervals start on the Annuity Date. This Policy is participating.



STATE FARM LIFE INSURANCE COMPANY

Home Office, One State Farm Plaza, Bloomington, IL 61710

ANNUITANT [JOHN J DOE]

AGE [45]

POLICY NUMBER LF0000-0000]

POLICY DATE [October 15, 2010]

This Policy is based on the payment of the Initial Premium shown on page 3. State Farm Life Insurance Company will pay benefits according to the terms of this Policy.

At the time of surrender or withdrawal, a Surrender Charge may be applied. A Surrender Charge will decrease values under this Policy. See the Waiver of Surrender Charge provision on page 10.

30-Day Right to Examine this Policy. This Policy may be returned within 30 days of its receipt for a refund of all premiums paid. Return may be made to State Farm Life Insurance Company or one of Our agents. If returned, this Policy will be void from the Policy Date.

Read this Policy with care. This is a legal contract between You and State Farm Life Insurance Company.

SAMPLE

[*Kim M. Brunner*]

Secretary

[*Edward B. Rust Jr.*]

President

BASIC PLAN DESCRIPTION

Individual fixed flexible premium deferred life annuity. Flexible premiums are payable until the Annuity Date. Surrender Charges shown on page 4. Waiver of Surrender Charge provision on page 10. Payment intervals start on the Annuity Date. This Policy is participating.

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Any Riders and Endorsements follow page 14.

P O L I C Y I D E N T I F I C A T I O N

Annuitant [JOHN J DOE] Age [45]
Policy Number LF-[0000-0000]
Policy Date [October 15, 2010]
Issue Date [October 15, 2010]
Owner [JANE A DOE]

S C H E D U L E O F B E N E F I T S

Form Description
10090 Basic Plan
(Deferred Life Annuity)
Final Annuity Date: [March 15, 2060]

P R E M I U M

Initial Premium: \$[2,000.00]
Minimum Premium Payment: \$[200] until total premiums received less
Withdrawals is \$[2,000];
\$[100] if total premiums received less
Withdrawals is greater than or equal to
\$[2,000]
Maximum Premium: \$50,000 in any Policy Year after the first Policy Year.

I N T E R E S T

Minimum Guaranteed Interest Rate: 1.00% a year

Initial Premium Guaranteed Interest Rate: [2.40]% a year until [October 15, 2011]. The interest rate and guarantee period in effect when each subsequent premium is received will be applied to that premium. At the end of each subsequent guarantee period, a new interest rate and guarantee period are applicable. Each guarantee period will be at least one year. Each subsequent interest rate will not be less than the Minimum Guaranteed Interest Rate.

Nonforfeiture Interest Rate: [3.00]% a year

This interest rate is fixed on the Policy Date and is the lesser of (a) 3.00% or (b) an interest rate determined using the one-month average of the five-year Constant Maturity Treasury Rate reported by the Federal Reserve for the month that is 2 months before the Policy Date rounded to the nearest 0.05% less 1.25%. This interest rate will not be less than the Minimum Guaranteed Interest Rate.

W I T H D R A W A L

Minimum Withdrawal Amount: \$[500.00]
Maximum Number of Withdrawals in a Policy Year: [4]

C H A R G E S A N D F E E S

TABLE OF SURRENDER CHARGES

Policy Year	Surrender Charge Percentage
1	9
2	8
3	7
4	6
5	5
6	4
7	3
8	2
9	1
10 & over	0

We will waive the entire Surrender Charge if:

- (1) The Annuitant dies.
- (2) The Annuity Date is on or after the 1st Policy Anniversary.
- (3) The Annuitant qualifies for waiver due to confinement in an Eligible Hospital or Eligible Nursing Home.
- (4) The Annuitant qualifies for waiver due to Terminal Illness.

We will waive a percentage of the Surrender Charge as follows:

- (1) In the 1st Policy Year, there is no Surrender Charge on 10% of the Initial Premium prior to the 1st Policy Anniversary.
- (2) No Surrender Charge on 10% of the Accumulation Value at the end of the previous Policy Year

See the Waiver of Surrender Charge provision.

Maximum Annual Policy Fee: \$50.00

DEFINITIONS

We, Us, and Our refer to State Farm Life Insurance Company.

You and Your refer to the Owner.

Annuity Date. You may choose this date which can be no later than the Final Annuity Date. Payment intervals start on this date. The first annuity payment is at the end of the first payment interval.

Code. The United States Internal Revenue Code, as amended from time to time.

Dollars. Any money We pay, or which is paid to Us, must be in United States dollars.

Due Proof of Death. Due proof of death is required if the Annuitant or Owner, if other than the Annuitant, dies. Such proof is evidence satisfactory to Us to establish the date and fact of the death and includes such other items and information as may be necessary for Us to comply with laws and regulations related to payment of the claim or administration of the business of insurance.

Eligible Hospital. An institution meeting one of the following requirements:

- (1) It is accredited as a hospital under the Hospital Accreditation Program of the Joint Commission on Accreditation of Healthcare Organizations; or
- (2) It is legally operated, has 24-hour a day supervision by a staff of doctors, has 24-hour a day nursing service by a registered nurse (RN), and either:
 - (a) It mainly provides general inpatient medical care and treatment of sick and injured persons by the use of medical and diagnostic facilities and all such facilities are located in it or under its control; or
 - (b) It mainly provides specialized inpatient medical care and treatment of sick or injured persons by the use of medical and diagnostic facilities (including x-ray and laboratory) and all such facilities are located in, are under its control, or are available to it under a written agreement with a hospital (as defined above) or with a specialized provider of these facilities.

An Eligible Hospital is not an institution, or part of one, that furnishes mainly homelike or custodial care, or training in the routines of daily living or is mainly a school.

Eligible Nursing Home. An institution or special nursing unit of a hospital meeting at least one of the following requirements:

- (1) It is Medicare approved as a provider of skilled nursing care services;
- (2) It is licensed as a skilled nursing home or as an intermediate care facility by the state it is located in; or
- (3) It meets all of the following requirements:
 - (a) It is licensed as a nursing home by the state it is located in;
 - (b) Its main function is to provide skilled, intermediate, or custodial nursing care;
 - (c) It is engaged in providing continuous room and board accommodations;
 - (d) It is under the supervision of a registered nurse (RN) or licensed practical nurse (LPN);
 - (e) It maintains a daily medical record of each patient; and
 - (f) It maintains control and records for all medications dispensed.

Final Annuity Date. The later of the Policy Anniversary when the Annuitant is age 95 and the 10th Policy Anniversary.

Guaranteed Cash Surrender Value. The greater of the Accumulation Value less any applicable Surrender Charge and the Nonforfeiture Amount.

DEFINITIONS (CONTINUED)

Nonforfeiture Amount. On any date, the greater of (1) and (2) where:

(1) is 87½% of all premiums paid from the Policy Date accumulated at the Nonforfeiture Interest Rate from the date of payment less any amount withdrawn accumulated at the Nonforfeiture Interest Rate from the date of withdrawal less an annual charge of \$50 accumulated at the Nonforfeiture Interest Rate to the date of calculation.

(2) is the present value, at the date of calculation, of the Accumulation Value then guaranteed at the later of the 10th Policy Anniversary or the Policy Anniversary on or next following the Annuitant's 70th Birthday.

The present value will be calculated on the basis of an interest rate 1% higher than the interest rates used to accumulate the Accumulation Value from the date of surrender to the Policy Anniversary designated above.

Officer. The president, a vice president, the secretary, or an assistant secretary of State Farm Life Insurance Company.

Payee. If the Annuitant dies prior to the Annuity Date and a death benefit is payable, the beneficiaries, unless changed. If You surrender this Policy, the persons that You have named to receive the Guaranteed Cash Surrender Value. A payee can be other than a natural person only if We agree.

Policy Date. The date the Initial Premium starts earning interest and coverage starts under this Policy.

Policy Month, Year, or Anniversary. A policy month, year, or anniversary is measured from the Policy Date.

Request. A written request signed by the person making the Request. Such Request must be received by Us and be on Our request form; or if such Request is not on Our request form, it must include the information required by Our request form.

Rider. Any benefit, other than the Basic Plan, made a part of this Policy.

Successor Owner. May be named in the Application or later by Request if You are not the Annuitant. No more than two successor owners can be named.

Terminally Ill. An Annuitant with a limited life expectancy of 12 months or less is considered Terminally Ill. Proof of terminal illness must include a certification by a licensed physician.

GENERAL PROVISIONS

The Contract. This Policy contains the Basic Plan, any amendments, endorsements, and Riders. This Policy is the entire contract.

Only an Officer has the right to change this Policy. No agent has the authority to change this Policy or to waive any of its terms. All endorsements, amendments, or Riders must be signed by an Officer to be valid.

We may modify this Policy after We notify You to assure continued qualification of this Policy as an annuity under any section of, regulation or ruling under, the Code. If We modify this Policy, We will send You the appropriate endorsement to be placed with this Policy. Such endorsements are subject to regulatory approval. If any provision of this Policy conflicts with the law of a jurisdiction that governs this Policy, the provision is deemed to be amended to conform with such law.

This Policy will comply with applicable state law where this Policy is delivered, with respect to the coverage and benefits available to a person who is in a legally-sanctioned domestic partnership or civil union partner or to a person who is in a legally-sanctioned marriage with the Annuitant. Nothing in this provision is construed as requiring Us to provide coverage or benefits to any person who is in a legally sanctioned domestic partnership, civil union, marriage with the Annuitant in a state where such relationships are not legally recognized. For information regarding federal tax laws please consult a tax advisor.

Transaction Delay. Any payment from the Accumulation Value will usually be made within 7 days of receipt of the Request for payment. However, We may defer payment of any Guaranteed Cash Surrender Value or withdrawal for up to 6 months from the date We receive Your Request. We will not defer any Guaranteed Cash Surrender Value paid under an Annuity Option.

If We defer any such payment for 30 days or more, We will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of payment at the interest rate paid under the interest only method of payment or the rate and time required by law, if greater.

Minimum Value. Any paid-up annuity benefit, Guaranteed Cash Surrender Value, or Death Benefit payable under this Policy are not less than the Nonforfeiture Amount required by law where it is delivered. The insurance authority there has a statement of how these values are determined.

Assignment. You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with Us. We are not responsible for the validity or effect of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date You sign the notice or the date You choose, subject to any payments made or actions taken by Us prior to receipt of this notice.

Error in Age. If the Annuitant's, Payee's, or second designated person's date of birth is not correct, We will correct every benefit to reflect the correct age based on the rates in effect on the Annuity Date. We may require proof of the Annuitant's, Payee's, or second designated person's age before annuity payments start. Any overpayment with compound interest at 6% a year will be charged against this Policy. This amount will be deducted from any annuity payments due after the error is found. Any underpayment with compound interest at 6% a year will be paid to You in one sum.

Incontestability. We will not contest this Basic Plan. Any Rider has its own incontestability provision.

GENERAL PROVISIONS (CONTINUED)

Annual Report. Each year before the Annuity Date, We will send You a report. This report will show:

- (1) the period covered by the report including the beginning and end dates covered by the report;
- (2) the Accumulation Value and the Guaranteed Cash Surrender Value at the beginning and end dates covered by the report;
- (3) the amount of the Death Benefit on the end date of the report;
- (4) any amounts added to or withdrawn from the Accumulation Value since the last report shown separately;
- (5) any applicable Surrender Charges deducted since the last report shown separately;
- (6) any dividends paid in cash; and
- (7) any other information required by law.

You may send Us a Request for additional copies of reports, but We reserve the right to charge a fee for additional copies.

Participation. We do not expect to pay dividends on this Policy; however, We may apportion and pay dividends each year. All dividends apportioned will be derived from the divisible surplus of Our participating business. Any such dividends will be paid and added to the Accumulation Value only at the end of the Policy Year unless You send Us a Request to have the dividend paid in cash. There is no right to a partial or pro-rated dividend prior to the end of the Policy Year.

Termination. If, on any Policy Anniversary, no premium has been received in the previous 2 Policy Years and the Accumulation Value on that Policy Anniversary accumulated using the Guaranteed Interest Rates in effect on that Policy Anniversary for the remainder of the guarantee period for each and the Nonforfeiture Interest Rate thereafter to the Final Annuity Date would not provide a monthly payment of \$20 using the Guaranteed Minimum Monthly Payment Factors per \$1000 for Annuity Option 1, We reserve the right to terminate this Policy and pay You the Accumulation Value in one sum.

OWNERSHIP PROVISIONS

Owner. The Owner is shown on page 3, unless changed. You may exercise any policy provision only by Request and while the Annuitant is alive, subject to the rights of any assignee that We have on record and to the rights of any irrevocably named Beneficiary. The Successor Owner will become the Owner of this Policy if You die while this Policy is in force. No more than two owners can be named.

Change of Owner/Successor Owner. You may change the Owner or Successor Owner by Request while the Annuitant is alive and this Policy is in force. The change will take effect the date You sign the Request, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. A change of Owner or Successor Owner does not change the Beneficiary Designation.

PREMIUM PROVISIONS

Payment of Premiums. You may pay premiums at Our Home Office or to one of Our agents. We will give You a receipt signed by one of Our Officers, if You request one. The Initial Premium is shown on page 3 and is due on the Policy Date. Premiums may be paid at any time before the Annuity Date even if this Policy is continued as a paid-up deferred life annuity policy. After the Initial Premium is paid, additional premium payments are not required to continue this Policy except as provided in the Termination provision. Each premium payment must be at least the Minimum Premium Payment shown on page 3. The total premium paid in any Policy Year after the first cannot exceed the Maximum Premium shown on page 3.

Paid-up Annuity. If, on a Policy Anniversary, no premium has been received in the past Policy Year, this Policy will be continued as a paid-up deferred life annuity policy. The Accumulation Value on that Policy Anniversary will accumulate as provided in the Accumulation Value provision. On the Final Annuity Date if no choice is made, the Accumulation Value will be paid under Annuity Option 1. A Surrender Charge is not applicable.

ACCUMULATIONS PROVISIONS

Accumulation Value. The Accumulation Value on the Policy Date is the Initial Premium. The Accumulation Value on any other day equals:

- (1) Initial Premium; plus
- (2) premium payments received since the Policy Date; plus
- (3) interest credited; plus
- (4) any dividends added; less
- (5) total withdrawals, including applicable Surrender Charges deducted; less
- (6) any Annual Policy Fee.

The Accumulation Value will never be less than the Nonforfeiture Amount.

Interest Credited. Each interest rate is expressed as an effective annual interest rate. We credit interest daily to the Accumulation Value at an effective annual interest rate of not less than the Minimum Guaranteed Interest Rate shown on page 3. The Initial Premium Guaranteed Interest Rate and the guarantee period for that interest rate is shown on page 3. The interest rate and guarantee period in effect when each subsequent premium is received will be applied to that premium. At the end of each subsequent guarantee period, a new interest rate and guarantee period are applicable. Each guarantee period will be at least one year.

Annual Policy Fee. An Annual Policy Fee will be deducted from the Accumulation Value on each Policy Anniversary if the Accumulation Value is less than \$10,000. The Maximum Annual Policy Fee is shown on page 4. We may charge less than the amount shown.

SURRENDER AND WITHDRAWALS PROVISIONS

Surrender. You may surrender this Policy by Request at any time on or prior to the earlier of the Annuity Date or the date the Annuitant dies. This Policy will terminate on the date We receive Your Request or a later date if You so indicate in Your Request. We will pay You the Guaranteed Cash Surrender Value in one sum unless You choose an Annuity Option or another method of payment then available. See the Surrender Charge and Waiver of Surrender Charge provisions regarding any applicable Surrender Charge. We may defer payment of any Guaranteed Cash Surrender Value for up to 6 months after receiving Your Request unless paid under Annuity Option 1.

Withdrawals. Prior to the Annuity Date, You may withdraw part of the Guaranteed Cash Surrender Value by Request. The amount You withdraw must be at least the Minimum Withdrawal Amount shown on page 3 and must be less than the Guaranteed Cash Surrender Value. No more than 4 withdrawals can be made in any Policy Year. The total amount withdrawn will include the amount paid to You and any applicable Surrender Charge. See the Surrender Charge and Waiver of Surrender Charge provisions regarding any applicable Surrender Charge. We may defer payment of any withdrawal for up to 6 months after receiving Your Request.

Surrender Charge. The Surrender Charge Percentages are shown on page 4. A Surrender Charge may be applicable if You surrender this Policy or make a withdrawal. If You surrender this Policy, the Surrender Charge is based on and deducted from the Accumulation Value. For withdrawals, the applicable Surrender Charge is deducted from the total amount withdrawn.

Waiver of Surrender Charge. There is no Surrender Charge after the end of the first Policy Year if the Guaranteed Cash Surrender Value is then paid under Annuity Option 1. There is no Surrender Charge on the Final Annuity Date. There is no Surrender Charge on the Death Benefit.

During the first Policy Year, a total of 10% of the Initial Premium may be withdrawn without a Surrender Charge. After the first Policy Year, a total of 10% of the Accumulation Value at the end of the previous Policy Year may be withdrawn in a Policy Year without a Surrender Charge. The 10% of the Accumulation Value that may be withdrawn in a Policy Year without a Surrender Charge is not cumulative from one Policy Year to the next.

There is no Surrender Charge on or after the Policy Date if, at the time We receive Your Request to surrender or withdraw, We receive due proof that the Annuitant is Terminally Ill. There is no preexisting condition limitation.

There is no Surrender Charge on or after the Policy Date if, at the time We receive Your Request to surrender or withdraw, We receive due proof that the Annuitant has been confined to an Eligible Hospital or Eligible Nursing Home continuously for at least 90 days before the date We receive the Request. There is no preexisting condition limitation. The period of continuous confinement can start prior to the Policy Date.

Any Surrender Charge waived under this provision is not subject to a retroactive assessment of a Surrender Charge to recover that Surrender Charge.

We will provide You any claim forms within 10 working days of receiving Your Request for waiver of Surrender Charge. If the claim forms are not furnished within 10 working days, it is considered You complied with the claim requirements if You submit written proof covering the occurrence, the character and extent of the occurrence for claim is made.

If We deny waiver of Surrender Charge after receiving such proof, the amount withdrawn or surrendered will not be paid to You until You are notified of the denial and are provided with an opportunity to accept or reject the payment, including any Surrender Charges.

ANNUITY PAYMENT PROVISIONS

Annuity Payments. On the Annuity Date, the Guaranteed Cash Surrender Value will be used to provide annuity payments. If this Policy has been in force for at least one Policy Year and Annuity Option 1 is chosen, there will be no Surrender Charge. On or before the Final Annuity Date, an Annuity Date and an Annuity Option must be chosen. On the Final Annuity Date if no choice is made, We will use Annuity Option 1 for payment of the Accumulation Value. If the Death Benefit is payable and an Annuity Option is chosen, the Annuity Date will be the date of the Annuitant's death.

Annuity Options. The available annuity options are:

Annuity Option 1 - Life Annuity with 10 Year Certain Period. Payments attributable to the Guaranteed Cash Surrender Value will be made to You at the end of each payment interval as long as the Annuitant lives or to the end of the certain period, if longer. Payments attributable to the Death Benefit will be made to the Payee at the end of each payment interval as long as the Payee lives or to the end of the certain period, if longer. The present value of any payments may not be withdrawn.

Annuity Option 2 - Other Annuity Options. Payment by any other method may be made if We agree.

Amount of Annuity Payments. The amount of each annuity payment is the amount applied under the annuity option You have chosen times the annuity option payment factor in effect on the Annuity Date. Each payment will be equal and will not change. The amount of each monthly payment will not be less than the amount provided by the same plan of single premium immediate life annuity, if then offered by Us on the Annuity Date to the same class of Annuitants using the Guaranteed Cash Surrender Value on that date.

Annuity Option 1			
Guaranteed Minimum Monthly Payment Factors per \$1000 for a life annuity with a 10 year certain period. Payment factors for ages and payment intervals not shown will be given, if You send Us a Request.			
Age Last Birthday		Age Last Birthday	
50	\$3.32	75	\$6.23
55	3.66	80	7.19
60	4.09	85	8.07
65	4.65	90	8.71
70	5.36	95	9.07

Basis of Computation. The Guaranteed Minimum Payment Factors for Annuity Option 1 are based on an interest rate of 2% a year, the Annuity 2000 Mortality Table using a 50% male/50% female blending, projected 10 years with projection scale G, with ages set back 5 years, the age last birthday of the Annuitant or Payee on the Annuity Date.

Payment Interval. You may choose to have payments made at the end of 1, 3, 6, or 12 month intervals. If any payment would be less than \$100, We may change the payment interval to the next longer interval. If, on the Annuity Date, the payment for the 12-month payment interval would be less than \$100, We may pay the Accumulation Value in one sum.

Proof of Age. We may require proof of the age of the Annuitant or Payee and the second designated person before any payments are made.

Evidence of Living. We may require satisfactory proof that the Annuitant is living when each payment is due. If proof is required, payments will stop until such proof is given. If any payment is made by check and the Annuitant personally endorses the check on or after the date on which such payment is due, no other proof will be required.

BENEFICIARY PROVISIONS

Beneficiary Designation. It includes the name of the Beneficiary. If You name "estate" as a Beneficiary, it means the executors or administrators of the last survivor of You and all Beneficiaries. If You name "children" of a person as a Beneficiary, only children born to or legally adopted by that person as of the Annuitant's date of death will be included.

We may rely on an affidavit as to the ages, names, and other facts about all Beneficiaries. We will incur no liability if We act on such affidavit.

Change of Beneficiary Designation. You may make a change while the Annuitant is alive by sending Us a Request. The change will take effect on the date the Request is signed and will replace previous Beneficiary Designations for this Policy, unless You specify a later date. The change will not affect any action We have taken before We receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

Order of Payment. When the Annuitant dies

- (1) before the Annuity Date and the Death Benefit is payable or
 - (2) on or after the Annuity Date, You are the Annuitant, and payments continue to the Beneficiary,
- We will make payment in equal shares to the primary Beneficiaries living when payment is made. If the last primary dies, We will make payment in equal shares to the successor Beneficiaries living when payment is made. If, at any time, no Beneficiary is living, We will make a one sum payment to You, if living when payment is made. Otherwise, We will make a one sum payment to the estate of the last survivor of You and all Beneficiaries. You may change this order of payment by Request while the Insured is alive.

DEATH BENEFIT PROVISIONS

Death Benefit. If the Annuitant dies before the Annuity Date and a Death Benefit is payable, the amount paid will be the Accumulation Value on the date of the Annuitant's death. We must receive a Request for payment of the Death Benefit and due proof of the Annuitant's death.

Death of Annuitant. If the Annuitant dies before the Annuity Date while You are alive, the Death Benefit will be paid as provided in the Beneficiary Provisions when We receive the Request and due proof of the Annuitant's death. If the method of payment chosen is not available or no method of payment is chosen, We will use Annuity Option 1 for payment. If the Payee is other than a natural person, We will make payment in one sum.

If the Annuitant dies on or after the Annuity Date while You are alive, any remaining payments must be paid to You at least as fast as the method of payment in effect on the Annuitant's date of death. We must receive due proof of the Annuitant's death.

DEATH BENEFIT PROVISIONS (CONTINUED)

Death of Owner. The Code requires certain distributions under an annuity when You die. This provision will override any inconsistent provisions in this Policy.

- (1) If You die before the Annuity Date, You are not the Annuitant, and You either have not named a Successor Owner or Your named Successor Owner is not a living natural person, the Guaranteed Cash Surrender Value must be paid within five years after Your date of death.
- (2) If You die before the Annuity Date, You are the Annuitant, and You either have not named any Beneficiary or Your named Beneficiary is not a living natural person, the Death Benefit must be paid within five years after Your date of death.
- (3) If You die before the Annuity Date, You are not the Annuitant, and Your sole Successor Owner is a person other than Your spouse, Your Successor Owner may elect to have the Guaranteed Cash Surrender Value paid under an Annuity Option or any other method of payment then agreed to by Us. The interest only method of payment will not be available. The election must be made and payments must start within one year after Your death and must not extend beyond the life expectancy of Your Successor Owner. If no election is made within this time, distribution will be made within five years after Your date of death.
- (4) If You die before the Annuity Date, You are the Annuitant, and Your sole named surviving primary Beneficiary is a person other than Your spouse, Your surviving primary Beneficiary may elect to have the Death Benefit paid under an Annuity Option or any other method of payment then agreed to by Us. The interest only method of payment will not be available. The election must be made and payments must start within one year after Your death and must not extend beyond the life expectancy of Your primary Beneficiary. If no election is made within this time, distribution will be made within five years after Your date of death.
- (5) If You die before the Annuity Date, You are not the Annuitant, and Your sole Successor Owner is Your surviving spouse, Your surviving spouse becomes the Owner.
- (6) If You die before the Annuity Date, You are the Annuitant, and Your surviving spouse is Your sole named primary Beneficiary, Your spouse will replace You as Owner and may replace You as Annuitant. If Your spouse does not elect to replace You as Annuitant, the Death Benefit must be paid to Your spouse under an Annuity Option or any other method of payment then agreed to by Us for an owner. The interest only method of payment will not be available. For purposes of the preceding sentence, the election must be made, payments must start within one year after Your death, and must not extend beyond Your spouse's life expectancy; however, if Your spouse does not choose a method of payment within this time, distribution will be made under Annuity Option 1.
- (7) If You die on or after the Annuity Date and You are not the Annuitant, any remaining payments must be paid to Your Successor Owner at least as fast as the method of payment in effect at Your death.
- (8) If You die on or after the Annuity Date and You are the Annuitant, any remaining payments must be paid to the Beneficiary at least as fast as the method of payment in effect at Your death.

If You are not a living natural person, the Annuitant will be treated as the Owner for purposes of this provision. If You are not a living natural person and there is a change in the Annuitant, such change shall be treated as the death of the Owner for purposes of this provision. If this Policy has two owners, the first death of either owner is treated as death of the owner for purposes of this provision. For purposes of this provision, the amount of any distribution will be determined on the date of such distribution.

Notwithstanding anything in this Policy to the contrary, the surviving joint owner will be treated as the Successor Owner of this Policy.

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BASIC PLAN DESCRIPTION

Individual fixed flexible premium deferred life annuity. Flexible premiums are payable until the Annuity Date. Surrender Charges shown on page 4. Waiver of Surrender Charge provision on page 10. Payment intervals start on the Annuity Date. This Policy is participating.