Filing at a Glance

Company: Life Insurance Company of the Southwest

Product Name: SecurePlus Marquee 10	SERFF Tr Num: NALF-127127347	State: Arkansas
TOI: A07I Individual Annuities - Special	SERFF Status: Closed-Approved-Closed	State Tr Num: 48575
Sub-TOI: A07I.001 Equity Indexed	Co Tr Num: 8965(0411)	State Status: Re-opened
Filing Type: Form		Reviewer(s): Linda Bird
	Authors: Junan Boldrey, Dionne Wills	Disposition Date: 06/07/2011
	Date Submitted: 04/25/2011	Disposition Status: Approved-Closed

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

General Information

Project Name: SecurePlus Marquee 10
Project Number: 8965(0411)
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact:

Deemer Date:
Submitted By: Dionne Wills
Filing Description:

Status of Filing in Domicile: Pending
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Individual
Individual Market Type:
Filing Status Changed: 06/07/2011
State Status Changed: 06/03/2011
Created By: Dionne Wills
Corresponding Filing Tracking Number:

Arkansas Department of Insurance

RE:Life Insurance Company of the Southwest (LSW)
Single Premium Indexed and Declared Interest Deferred Annuity Policy form 8965(0411)
Bonus Accumulation Value (“BAV”) Rider form 8967(0411)
Market Value Adjustment (“MVA”) Rider form 8966(0411)

Submission: Submitted for your review are copies of the above referenced forms. These are new forms and will not

replace any existing forms. These forms have not been previously submitted to your department. The policy form is similar to many other single premium indexed annuity policies written by Life Insurance Company of the Southwest. The BAV Rider form is an enhanced version of our Bonus Accumulation Value provision that is contained in some of our policy forms but has been taken out of the policy form and will be produced as a rider for this product. The MVA Rider is new for our company.

Form Readability Statistics:

Description Form Number Flesch Score
Single Premium Indexed and Declared Interest Deferred Annuity Policy 8965(0411) 48.7
Bonus Accumulation Value Rider 8967(0411) 55
Market Value Adjustment Rider 8966(0411) 53.1

Minimum and Maximum Issue Ages, Maturity Age. The minimum and maximum issue ages are 0 and 87, respectively. The Annuity Date, the date at which the policy must end in either lump-sum distribution or commencement of a periodic income payment, is fixed at the Policy anniversary for attained age 99 of the Annuitant.

Policy Form Description: The policy is a non-registered, single premium, fixed deferred annuity with optional fixed-rate and equity-indexed components.

Benefits. Some of the benefits that are available under the policy include partial withdrawal of Cash Value, full surrender for the Cash Value, a death benefit payable upon death of the Owner (or the Annuitant, if not the Owner), and annuitization.

Policy Value. The policy provides a guaranteed Cash Value not less than an accumulation of the Net Single Premium at interest without surrender penalty, the particulars of which are guaranteed in the policy form and meet the requirements of the Standard Nonforfeiture Law for Deferred Annuities. This value is termed the Policy Value.

The Policy Value is an accumulation of 87.5% of the Single Premium, with interest compounded daily. The Policy Value is charged with partial withdrawals of the Cash Value without imposition of a surrender penalty. The guaranteed interest applied is a variable rate based on the 5-year Treasury Constant Maturity rate of not more than 3.00% and not less than 1.00%. The Guaranteed Minimum Interest Rate does not change for a given policy once that policy is issued. The Guaranteed Minimum Interest Rate is declared at policy issue and remains in effect for the life of the policy.

Accumulation Value. The policy also has an Accumulation Value that can give rise to a Cash Value higher than the minimum guaranteed value. Within the Accumulation Value, there are no fewer than one (1) and no more than six (6) interest crediting accounts (generally, Interest Accounts) established at the direction of the owner. These Interest Accounts offer optional interest-crediting methods and are fully described in the actuarial memorandum:

• The Declared Interest Account;
• Two annual point-to-point ("European") Indexed Interest Accounts, with the same guarantees but different current non-guaranteed elements, linked to changes in the S&P 500® Index;
• One annual point-to-daily-average ("Asian") Indexed Interest Account, linked to values of the S&P 500® Index; and
• Two annual point-to-point ("European") Indexed Interest Accounts, with the same guarantees (equal to those of the S&P 500® annual point-to-point Indexed Interest Accounts) but different current non-guaranteed elements, linked to changes in a second index.

The Optional Index against which the last two accounts will be measured is intended to be chosen by the owner at time of application from a list of available indexes. Currently the only index on this list is the Russell 2000®. Such a list might later include, in addition to the Russell 2000, the Dow Jones Industrial Average, the NASDAQ-100, the German DAX, one or more of the British FTSE indices, or the Dow Jones Wilshire 5000 Total Stock Market Index. This list is hypothetical, as we have not contracted with any providers of the indices other than S&P 500® and Russell 2000®. Only widely published, unambiguous, measurable composite indices with a stable market for options will be chosen for the list.

The percentage of the gross single premium allocated to the Accumulation Value is 100% (less any applicable front-end state tax), divided into these Interest Accounts at the owner's direction. Reallocation of values subsequent to issue between and among such accounts is provided. These accounts offer non-guaranteed elements declared in advance.

The Accumulation Value is subject to a surrender penalty, termed a Withdrawal Charge, which declines to zero after 10 policy years. The Withdrawal Charge Percentage is ten percent in the first policy year, declining by one percent per policy year until it becomes zero in the eleventh policy year and later. During the first policy year, any withdrawal will incur a Withdrawal Charge. After the policy has been in force one year, the Owner may withdraw each year (not cumulative) without imposition of Withdrawal Charge up to the greater of 10% of the Accumulation Value or the minimum distribution required by applicable tax law and regulation. This benefit is also available upon full surrender of the policy for the Cash Value.

Cash Value. The Cash Value of a policy is equal to (1) the larger of the Accumulation Value less Withdrawal Charge or the Policy Value less (2) an amount equal to any State Tax assessed at time of (a) withdrawal, (b) use of the Cash Value to provide an income, or (c) any other use of the Cash Value.

Annuitization. Every LSW annuity offers the Owner the ability to use its value to provide an income. In addition to the standard payment options, this policy form contains a benefit for enhanced settlement options if the Annuitant meets certain requirements identified in the form. This benefit is called the Special Enhanced Life Income and has been submitted in previous forms approved by your department. The Special Enhanced Life Income provision provides guarantees of higher income than would otherwise be available if specified circumstances exist (i.e., a substandard annuitization). Those circumstances, which substitute for otherwise more rigorous underwriting for the substandard

annuitization, are that the Annuitant is proven to be unable to perform at least two of six Activities of Daily Living without Substantial Assistance from another individual, and that his or her need for this assistance is expected to be permanent as a result of the loss of functional capacity.

Registration. The product type is not required to be registered as a security with the Security and Exchange Commission, and the policy form under review will not be registered.

The Application. Application Form No. 7909 is the previously approved application that will be used in conjunction with this policy.

Bonus Accumulation Value Rider Description. The Bonus Accumulation Value ("BAV") Rider provides an account that LSW establishes at issue as a percent of the Accumulation Value. During the BAV Deferral Period, the BAV equals the BAV Percentage multiplied by the Accumulation Value. The BAV grows with interest in the same manner as the policy's Accumulation Value. At the end of each Policy Year during the BAV Transfer Period, a portion of the BAV is transferred to the Accumulation Value. Any BAV amount not having been transferred at death is included in the death benefit.

Market Value Adjustment Rider Description. The Market Value Adjustment ("MVA") rider adjusts certain elective benefits under the annuity to which it is attached. The MVA affects withdrawals in excess of a defined Exempt Amount taken during the MVA Period, such benefits being more fully described in the form and accompanying actuarial memorandum. The adjustment to the benefits can be positive or negative. Death Benefits and certain annuitizations are not impacted by an MVA.

Disclosure Material. A Policy Summary (disclosure), compliant with the requirements of the NAIC Model Annuity Disclosure Regulation, will be the primary advertising piece for this product. A draft of the summary, Form No. 10561(0411), is enclosed with this filing. There may be variations of the Policy Summary for different markets. Each variation of the Policy Summary will have a unique form number. The applicant and agent must sign the last page of the summary. The summary is attached to and must be submitted with the application, and a copy of the executed policy summary is included with the policy when it is mailed to the new policy owner. No policy will be issued without an appropriately signed policy summary.

Previously Approved Riders and Endorsements Used with the Policy form. Several of our previously approved riders and endorsements may be used with this policy and are identified in the chart below:

Description Form Number Approval Date
Terminal Illness Rider 7649 11/06/1995
Nursing Care Rider 7648 Rev 8/96 09/12/1996
403(b) Endorsement 7877 10/01/2008

ERISA 403(b) Endorsement 7883 10/01/2008
Roth 403(b) Endorsement 7878 10/01/2008
SIMPLE IRA Endorsement 7811(0609) 07/27/2009
IRA Endorsement 7814(0609 07/27/2009
ROTH IRA Endorsement 7809(0609) 07/27/2009
457 Endorsement 7806 06/18/2003
Loan Rider 7974 11/30/2007
Guaranteed Lifetime Income Rider 7995 06/08/2009
Return of Rider Charges at Death 7989 07/21/2010

The Market. LSW will offer the policy, together with the riders, through all licensed agents contracted with the company for sale to the general public.

Statements of Variability. Statements of Variability disclosing the policy's and riders' variable elements that are bracketed are enclosed.

Actuarial Requirements. A Memorandum demonstrating compliance of the policy form with the Standard Valuation Law and the Standard Nonforfeiture Law for Deferred Annuities is enclosed. Memoranda for the BAV and MVA Rider forms are also enclosed.

Company and Contact

Filing Contact Information

Junan Boldrey, Manager, Policy Filings, Retirement Division
15455 Dallas Parkway
Suite 800
Addison, TX 75001

jboldrey@nationallife.com

800-543-3794 [Phone] 9316 [Ext]
214-638-9196 [FAX]

Filing Company Information

Life Insurance Company of the Southwest	CoCode: 65528	State of Domicile: Texas
15455 Dallas Parkway	Group Code: -99	Company Type:
Suite 800	Group Name:	State ID Number: 1117
Addison, TX 75001	FEIN Number: 75-0953004	
(214) 638-9316 ext. [Phone]		

Filing Fees

Fee Required?	Yes
Fee Amount:	$300.00
Retaliatory?	Yes
Fee Explanation:	Domicile filing fee is 100.00. 100 x 3= 300.00.
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Life Insurance Company of the Southwest	$300.00	04/25/2011	46924299

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	06/07/2011	06/07/2011
Approved-Closed	Linda Bird	04/29/2011	04/29/2011

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Life & Annuity - Acturial Memo	Dionne Wills	06/03/2011	06/03/2011
Supporting Document	Statement of Variability	Dionne Wills	06/03/2011	06/03/2011
Form	Single Premium Indexed and Declared Interest Deferred Annuity Policy	Dionne Wills	04/26/2011	04/26/2011
Form	Bonus Accumulation Value Rider	Dionne Wills	04/25/2011	04/25/2011

Disposition

Disposition Date: 06/07/2011

Implementation Date:

Status: Approved-Closed

Comment: Company has revised Actuarial Memorandum and Statement of Variability.

Rate data does NOT apply to filing.

SERFF Tracking Number:	*NALF-127127347*	*State:*	*Arkansas*
Filing Company:	*Life Insurance Company of the Southwest*	*State Tracking Number:*	*48575*
Company Tracking Number:	*8965(0411)*		
TOI:	*A07I Individual Annuities - Special*	*Sub-TOI:*	*A07I.001 Equity Indexed*
Product Name:	*SecurePlus Marquee 10*		
Project Name/Number:	*SecurePlus Marquee 10/8965(0411)*		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document *(revised)*	Life & Annuity - Acturial Memo		No
Supporting Document	Life & Annuity - Acturial Memo	Replaced	No
Supporting Document	EIA Certification		Yes
Supporting Document	Certification of Compliance		Yes
Supporting Document	Summary Disclosure		Yes
Supporting Document *(revised)*	Statement of Variability		Yes
Supporting Document	Statement of Variability	Replaced	Yes
Form *(revised)*	Single Premium Indexed and Declared Interest Deferred Annuity Policy		Yes
Form	Single Premium Indexed and Declared Interest Deferred Annuity Policy	Replaced	Yes
Form	Market Value Adjustment Rider		Yes
Form *(revised)*	Bonus Accumulation Value Rider		Yes
Form	Bonus Accumulation Value Rider	Replaced	Yes

Disposition

Disposition Date: 04/29/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	*NALF-127127347*	*State:*	*Arkansas*
Filing Company:	*Life Insurance Company of the Southwest*	*State Tracking Number:*	*48575*
Company Tracking Number:	*8965(0411)*		
TOI:	*A07I Individual Annuities - Special*	*Sub-TOI:*	*A07I.001 Equity Indexed*
Product Name:	*SecurePlus Marquee 10*		
Project Name/Number:	*SecurePlus Marquee 10/8965(0411)*		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document *(revised)*	Life & Annuity - Acturial Memo		No
Supporting Document	Life & Annuity - Acturial Memo	Replaced	No
Supporting Document	EIA Certification		Yes
Supporting Document	Certification of Compliance		Yes
Supporting Document	Summary Disclosure		Yes
Supporting Document *(revised)*	Statement of Variability		Yes
Supporting Document	Statement of Variability	Replaced	Yes
Form *(revised)*	Single Premium Indexed and Declared Interest Deferred Annuity Policy		Yes
Form	Single Premium Indexed and Declared Interest Deferred Annuity Policy	Replaced	Yes
Form	Market Value Adjustment Rider		Yes
Form *(revised)*	Bonus Accumulation Value Rider		Yes
Form	Bonus Accumulation Value Rider	Replaced	Yes

Amendment Letter

Submitted Date: 06/03/2011

Comments:

During an administrative audit of this form filing, an error was discovered regarding the variability of the BAV Percentage. The BAV Percentage was bracketed in the form submitted, however, the Actuarial Memorandum and Statement of Variability stated a number of 10% rather than a range.

We have attached a revised Actuarial Memorandum and Statement of Variability under the Form Schedule indicating a BAV Percentage Range of 1% to 15%. No changes were made to the other documents submitted with this filing. Only the Actuarial Memorandum and Statement of Variability were revised.

Changed Items:

Supporting Document Schedule Item Changes:

Satisfied -Name: Life & Annuity - Acturial Memo

Comment:

8966 Actuarial Memorandum certified.pdf

8965 Actuarial Memorandum certified.pdf

8967 Actuarial Memorandum 20110602 signed.pdf

User Added -Name: Statement of Variability

Comment:

8965(0411) SOV final.pdf

8966(0411) SOV FINAL.pdf

8967(0411) SOV.pdf

Amendment Letter

Submitted Date: 04/26/2011

Comments:

Revised form attached under Form Schedule.

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
8965(0411)	Policy/Contract/Fraternal Certificate	Single Premium Indexed and Declared Interest Deferred Annuity Policy	Initial				48.700	8965(0411).pdf

Amendment Letter

Submitted Date: 04/25/2011

Comments:

Wrong version was initially submitted, replaced with correct version.

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
8967(0411)	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Bonus Accumulation Value Rider	Initial				55.000	8967(0411).pdf

Form Schedule

Lead Form Number: 8965(0411)

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	8965(0411)	Policy/Contract/Fraternal Certificate	Single Premium Indexed and Declared Interest Deferred Annuity Policy	Initial		48.700	8965(0411).pdf
	8966(0411)	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Market Value Adjustment Rider	Initial		53.100	8966(0411).pdf
	8967(0411)	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Bonus Accumulation Value Rider	Initial		55.000	8967(0411).pdf

LSW

LIFE INSURANCE COMPANY OF THE SOUTHWEST

Mailing Address: PO Box 569080 • Dallas, TX 75356-9080
Street Address: 1300 West Mockingbird Lane • Dallas, TX 75247-4921

www.lifeofsouthwest.com
Customer Service: 800-579-2878

YOUR SINGLE PREMIUM INDEXED AND DECLARED INTEREST DEFERRED ANNUITY POLICY

Policy Number: 123456X	**Issue Date:** April 14, 2011
Annuitant: John Doe	**Annuity Date:** April 14, 2075
Owner: John Doe	**Issue Age:** 35

Annuity Benefits

We will pay an annuity income beginning on the Annuity Date if the Annuitant and Owner and, if named, Joint Owner are then living, subject to the terms of this Policy.

Death Benefits

We will pay a Death Benefit to the Beneficiary when We receive due proof of the death of the Owner, Joint Owner, or the Annuitant occurring before the Annuity Date, subject to the terms of this Policy.

Right to Examine this Policy

This Policy may be returned within thirty days after it is received. Return it to Our Home Office or to the agent through whom it was purchased. We will cancel the Policy and return any premium paid.

Request for Information

Upon written request from You, We will provide, within a reasonable time, factual information regarding the benefits and provisions of this Policy.

Important Notice

While future values for this Policy are guaranteed to be linked to a stock market index if You so choose, the Policy does not directly participate in any stock or equity investments.

This Policy is signed for **Life Insurance Company of the Southwest,** Dallas, Texas, by

Secretary	*President*

This Policy is a legal contract between You and the Company. **Please read it carefully.** We want You to understand the coverage it provides.

Single Premium Indexed and Declared Interest Deferred Annuity Policy. Benefits are calculated based on the movement of an index or stipulated interest rates. Minimum underlying values. Income payments start on the Annuity Date. Death Benefit payable before the Annuity Date. Nonparticipating.

DATA PAGES

Policy Number: [123456X]

Issue Date: [April 14, 2011]

Annuitant: [John Doe]

Annuity Date: [April 14, 2075]

Owner: [John Doe]

Issue Age: [35]

Coverage

Single Premium Indexed and Declared Interest Deferred Annuity Policy

Single Premium

$[10,000.00]

Withdrawal Charge Percentages

Policy Year	1	2	3	4	5	6	7	8	9	10	11+
Percentage %	10	9	8	7	6	5	4	3	2	1	0

Policy Value Interest Rate

The interest rate credited to the Policy Value is [1.00%].

Interest Accounts

Declared Interest Account

The guaranteed Declared Rate for [the first Policy Year] is [3.50%]. The minimum Declared Rate for subsequent Policy Years is [1.00%].

Indexed Interest Accounts

Index: Standard & Poor's 500® **Initial Index Value:** [1,234.56]

Ending Index Rate Option 1	**Index Rate**	**Cap**	**Floor**
Guaranteed rates for the first Policy Year	[100.00%]	[5.90%]	0.00%
Minimum rates for Policy Years after the first	10.00%	1.00%	0.00%

Ending Index Rate Option 2	**Index Rate**	**Cap**	**Floor**
Guaranteed rates for the first Policy Year	[50.00%]	[6.70%]	0.00%
Minimum rates for Policy Years after the first	10.00%	1.00%	0.00%

Average Index	**Index Rate**	**Cap**	**Floor**
Guaranteed rates for the first Policy Year	[45.00%]	[No Cap]	0.00%
Minimum rates for Policy Years after the first	10.00%	1.00%	0.00%

Index: [Russell 2000®] **Initial Index Value:** [789.10]

Ending Index Rate Option 1	**Index Rate**	**Cap**	**Floor**
Guaranteed rates for the first Policy Year	[100.00%]	[5.85%]	0.00%
Minimum rates for Policy Years after the first	10.00%	1.00%	0.00%

Ending Index Rate Option 2	**Index Rate**	**Cap**	**Floor**
Guaranteed rates for the first Policy Year	[50.00%]	[6.70%]	0.00%
Minimum rates for Policy Years after the first	10.00%	1.00%	0.00%

The Company declares Declared Rates, Index Rates, Caps, and Floors in advance of each Policy anniversary. Once declared, such rates are guaranteed for the subsequent Policy Year. Rates will not be less than the guaranteed minimums shown above. The Declared Rates, Index Rates, Caps, and Floors do not affect the computation of the Policy Value. See *Rate Declaration* in Part 4.

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Any riders and Endorsements and a copy of the application, follow page 18

In this Policy, the words **We**, **Us**, **Our** and **The Company** mean Life Insurance Company of the Southwest. **You** and **Your** mean the Owner of the Policy.

Part 1: Ownership of the Policy

Owner
The Owner on the Issue Date of this Policy is named in the application. If the Owner is not designated in the application, the Annuitant is the Owner.

Joint Owner
A Joint Owner may be named in the application on the Issue Date of this Policy. If a Joint Owner is named, You and Your shall refer to both the Owner and the Joint Owner together.

Rights of Owner
You may exercise all rights and privileges under this Policy, while the Annuitant is living, prior to the Annuity Date. Use of these rights may be subject to the consent of any assignee or irrevocable Beneficiary.

Transfer of Ownership
Subject to the limitations described below, You may transfer ownership of this Policy. We will not be responsible for any payment We make or other action We take before a copy of the written request for transfer of ownership is received at Our Home Office. We are not responsible for the validity of the transfer. We may require the Policy to record the transfer.

Under certain provisions of the Internal Revenue Code, ownership and assignment of annuity policies are restricted. If this annuity is issued to qualify under such a provision, this will be specified in the application. We will restrict ownership and assignment of this Policy so that it will comply with the provisions of the Internal Revenue Code or any successor statute.

Assignment
Subject to the limitations described in the Transfer of Ownership provision, this Policy may be assigned. We will not be responsible for any payment We make or any other action We take before a written copy of the assignment is received at Our Home Office. We are not responsible for the validity of the assignment.

Part 2: The Annuitant

Annuitant
The Annuitant is named in the application and on the Data Page(s) of this Policy. The Annuitant may not be changed after this Policy is issued, except as otherwise provided in this Policy. If the Annuitant is living on the Annuity Date while this Policy is in force, We will pay an annuity income as provided in Payment of Benefits, Part 5.

Contingent Annuitant
If the Owner and the Joint Owner, if one has been named, are both natural persons, and neither the Owner nor the Joint Owner is the Annuitant, You may name a Contingent Annuitant by written request. The written request must be signed while the Annuitant is living and prior to the Annuity Date. The designation of a Contingent Annuitant takes effect on the date We approve it and is subject to any action We take before receiving the request. Any designation of a Contingent Annuitant expires on the Annuity Date.

If the Annuitant dies prior to the Annuity Date while this Policy is in force and while the Contingent Annuitant is alive:

- The Death Benefit will not be payable;
- The Contingent Annuitant becomes the Annuitant for purposes of this Policy; and
- All other rights and benefits provided by this Policy will continue in effect.

Under certain provisions of the Internal Revenue Code, You are not permitted to name a Contingent Annuitant. If this annuity is issued to qualify under such a provision in the Internal Revenue Code, the Contingent Annuitant provision will not apply.

Part 3: Beneficiary Provisions

Beneficiary

The Beneficiary on the Issue Date of this Policy is named in the application. The primary Beneficiary will receive any Death Benefit payable under this Policy. A contingent Beneficiary may be named to receive the Death Benefit if the primary Beneficiary is not living at the time the Death Benefit is payable. If no named Beneficiary is living at the time the Death Benefit is payable, it will be paid to Your estate.

You may name more than one primary Beneficiary and more than one contingent Beneficiary. If more than one Beneficiary is to receive the Death Benefit, it will be paid in equal shares unless You specify otherwise in writing.

If a Joint Owner is named under the Policy, on the death of either the Owner or Joint Owner, the surviving owner will be the sole Beneficiary.

Minors

If a Beneficiary is a minor, We will make payment to the minor's court appointed guardian. If there is no court appointed guardian, We will hold the Death Benefit at interest until the minor reaches the age of majority as defined by the state where this Policy was issued. We may require proof of age of any Beneficiary.

Change of Beneficiary

You may change the Beneficiary at any time during the Annuitant's life. You must make a written request to Our Home Office in a form acceptable to Us. We may require the Policy to record the change. The request will take effect when signed by the Owner and irrevocable Beneficiary, if applicable, subject to any action We take before receiving it.

Part 4: Policy Dates and Values

Issue Date

The Issue Date of this Policy is shown on the Data Page(s). It is the date that Your Policy takes effect.

Policy Years

Policy Years are yearly periods which start on the Issue Date and on the same month and day of each year thereafter.

Annuity Date

Annuity income payments begin on the Annuity Date shown on the Data Page(s) if the Annuitant is living.

Net Single Premium

The Net Single Premium is the Single Premium, shown on the Data Page(s) of this Policy, minus any applicable State Tax (see State Taxes, Part 6).

Total Withdrawal

You may withdraw all of the Cash Value of this Policy at any time at or before the commencement of any annuity income payments. This is termed a Total Withdrawal. If You withdraw all of the Cash Value of this Policy, this Policy will terminate.

Partial Withdrawals

You may withdraw value from this Policy at any time prior to the Annuity Date. This is termed a Partial Withdrawal.

Partial Withdrawals impact the Policy Value, the Accumulation Value, and thus the Cash Value.

You may designate the Interest Account(s) from which to deduct a Partial Withdrawal. If You make no such election, the Partial Withdrawal will be deducted from each Interest Account in proportion to its value.

Partial Withdrawals are subject to the following limits:

- each Partial Withdrawal must be at least $500; and
- a Partial Withdrawal may not reduce the Accumulation Value to less than $5,000.

Please note that the order of withdrawal, whether interest or principal, may not be identical to the order of withdrawal of earnings or premium as regarded by the Internal Revenue Service.

Cash Value

The Cash Value of this Policy is the greater of:

- the Accumulation Value less applicable Withdrawal Charges; or
- the Policy Value,

less an amount equal to any State Tax assessed at time of (a) withdrawal, (b) use of the Cash Value to provide an income, or (c) any other use of the Cash Value (see State Taxes, Part 6).

We reserve the right to defer the payment of the Cash Value for a period not to exceed six (6) months after making written request and receiving written approval of the commissioner of insurance of the state in which this Policy is issued. If We exercise the right to defer the payment of the Cash Value and if required by state law, We will pay interest according to the laws of the state in which this Policy is issued.

You may withdraw all of the value of this Policy to provide a periodic income from Us. If You do so before the end of the fifth Policy Year, We will determine the annuity payments using the Cash Value. If You do so on or after the end of the fifth Policy Year, We will determine the annuity payments by applying the greater of:

- the Accumulation Value; or
- the Policy Value,

less an amount equal to any State Tax assessed at time of such withdrawal (see State Taxes, Part 6).

Policy Value

The Policy Value at any time is equal to:

- 100% of the Single Premium;
- minus 12.5% of the Single Premium for expenses and guarantees;
- minus any amounts withdrawn or amounts applied to provide an income (excluding any applicable Withdrawal Charges);
- plus or minus, as applicable, interest on the above items credited at the Policy Value Interest Rate shown on the Data Page(s).

Accumulation Value

The Accumulation Value at any time equals the sum of the values of the Interest Accounts.

Withdrawal Charges

If You request a Total or Partial Withdrawal, We will deduct a Withdrawal Charge from the amount withdrawn. If the amount withdrawn during a Policy Year is less than or equal to the Free Withdrawal Amount, or the Withdrawal Charge Percentage is zero, then the Withdrawal Charge is zero. The Withdrawal Charge on any additional amount withdrawn in excess of the Free Withdrawal Amount equals (a) times (b), where:

(a) is the additional amount withdrawn; and

(b) is the Withdrawal Charge Percentage for the Policy Year in which the withdrawal occurs.

Withdrawal Charge Percentage

The Withdrawal Charge Percentage is shown on the Data Page(s).

Free Withdrawal Amount

In the first Policy Year, the Free Withdrawal Amount is zero.

In Policy Years two and later, the Free Withdrawal Amount equals the greater of the Required Minimum Distribution or ten percent of the Accumulation Value at the time of the first withdrawal, either Partial Withdrawal or Total Withdrawal, in that Policy Year. If the first withdrawal in a Policy Year exceeds the Free Withdrawal Amount, We will assess Withdrawal Charges as defined above; and, if the Policy remains in force, the Free Withdrawal Amount for the remainder of the Policy Year is zero. If the first Partial Withdrawal is less than or equal to the Free Withdrawal Amount, We will assess no Withdrawal Charges; and the Free Withdrawal Amount is reduced by the amount withdrawn. Any withdrawal after the first Partial Withdrawal in a Policy Year is then treated in the same manner as the first Partial Withdrawal, measured against any remaining Free Withdrawal Amount at the time of the withdrawal.

A Required Minimum Distribution is determined (a) annually as of the end of the calendar year ending immediately prior to the beginning of the current Policy Year, (b) in accordance with applicable tax law and regulations in effect at the time the Required Minimum Distribution is determined, and (c) as if the Policy were the only annuity owned by the Owner.

Interest Accounts

We make two interest crediting methods available for the Interest Accounts under this Policy: crediting of interest based on an interest rate declared in advance and crediting of interest based on the change in an Index. The Interest Account for which an interest rate is declared in advance is called the Declared Interest Account. Interest Accounts based on the change in an Index are called Indexed Interest Accounts. The Net Single Premium is allocated among the Interest Accounts according to Your instructions. Your instructions are recorded in Your application, which is attached to and made part of this Policy.

Declared Interest Account

The value of the Declared Interest Account at any time is equal to:

- the amount of the Net Single Premium allocated to the Declared Interest Account;
- plus all transfers to the Declared Interest Account;
- plus all Declared Interest credited to the Declared Interest Account;
- minus all transfers from the Declared Interest Account;
- minus all amounts withdrawn or amounts applied to provide an income from the Declared Interest Account (including any Withdrawal Charges).

Declared Interest

We credit Declared Interest to the Declared Interest Account daily at an interest rate equivalent to the Declared Rate, which is an annual effective rate.

Declared Rate

We will determine the Declared Rate for the Declared Interest Account in advance of each Policy anniversary as described below under *Rate Declaration*. The value of the Declared Rate for the first Policy Year is shown on the Data Page(s).

Indexed Interest Accounts

The value of an Indexed Interest Account at any time is equal to:

- the amount of the Net Single Premium allocated to the Indexed Interest Account;
- plus all transfers to the Indexed Interest Account;
- plus all Indexed Interest credited to the Indexed Interest Account;
- minus all transfers from the Indexed Interest Account;
- minus all amounts withdrawn or amounts applied to provide an income for the Indexed Interest Account (including any Withdrawal Charges).

The rate at which an Indexed Interest Account grows depends on:

- its Index;
- its Index Method;
- its Cap;
- its Floor; and
- its Index Rate.

Indexed Interest

The Indexed Interest for an Indexed Interest Account equals the Indexed Interest Account's value times the Index Increase Percentage Factor. We will calculate the Indexed Interest for each Indexed Interest Account on the Policy anniversary. If the Indexed Interest is greater than zero, We will credit it to the Indexed Interest Account on the Policy anniversary.

Indices

The Indices for this Policy at issue are shown on the Data Page(s). Each of the Indices for the Policy is guaranteed to apply while the Policy is in force except as is defined below.

The value for a given day of an Index whose value is quoted continuously throughout that day in the United States is the value quoted by the provider of the Index at the close of activity for that day in the United States. The value for a given day of any other Index is the value quoted by the provider of the Index at the most recent close of activity for a day as of 5 p.m. in Dallas, Texas. If there is no activity in an Index for a day, no value will be used for that day.

If publication of the Index is discontinued or the calculation of the Index is changed substantially, We may substitute a suitable index. If required by the insurance department in the state where this Policy was issued, We will obtain the department's approval before a substitute index is used, and We will notify You and any assignee of the substitution.

Index Methods

There are two Index Methods used in this Policy: Ending Index and Average Index.

Index Increase Percentage Factor

The Index Increase Percentage Factor for an Indexed Interest Account will never be less than the Floor or more than the Cap declared at the start of that Policy Year for that Indexed Interest Account. Within those bounds, the Index Increase Percentage Factor equals the Index Rate for the Indexed Interest Account declared at the start of that Policy Year multiplied by the Index Change.

Index Change

The Index Change for an Indexed Interest Account is ((a) divided by (b)), less one, where:

- for Indexed Interest Accounts that use the Index Method Ending Index, (a) is the posted Index Value on the current Policy anniversary, or if there is no Index Value for the current Policy anniversary, the Index Value for the most recent day preceding that date for which there is an Index Value; or

  for the Indexed Interest Account that uses the Index Method Average Index, (a) is the arithmetic average of every Index Value posted after the previous Policy anniversary until the current Policy anniversary; and

- (b) is the posted Index Value on the previous Policy anniversary or, if there is no Index Value for the previous Policy anniversary, the Index Value for the most recent day preceding that date for which there is an Index Value.

Cap

The Cap is the maximum percentage per Policy Year by which an Indexed Interest Account will be increased. We will declare Caps for the Indexed Interest Accounts in advance of each Policy anniversary as described below under Rate Declaration. The values of the Caps for the first Policy Year are shown on the Data Page(s).

Floor

The Floor is the minimum percentage per Policy Year by which an Indexed Interest Account will be increased. We will declare Floors for the Indexed Interest Accounts in advance of each Policy anniversary as described below under Rate Declaration. The values of the Floors for the first Policy Year are shown on the Data Page(s).

Index Rate

The Index Rate is a percentage used to calculate the Index Increase Percentage Factor for an Indexed Interest Account. We will declare Index Rates for the Indexed Interest Accounts in advance of each Policy anniversary as described below under Rate Declaration. The values of the Index Rates for the first Policy Year are shown on the Data Page(s).

Rate Declaration

For the Declared Interest Account, We declare interest rates in advance of each Policy anniversary. The rate We so declare each year is guaranteed to remain in effect for the entire Policy Year.

For the Indexed Interest Accounts, We declared the Index Rates, Caps, and Floors in advance of each Policy anniversary. The Index Rates, Caps, and Floors We declare are likely to differ for each Indexed Interest Account.

We will set initial and/or renewal Declared Rates, Index Rates, Caps, and Floors depending on historical and then current interest rates and other relevant factors. The minimum Declared Rate, Index Rates, Caps, and Floors are shown on the Data Page(s).

Interest Account Value Transfers

You may request that We transfer amounts between or among Interest Accounts. Amounts may be transferred only on the Policy anniversary. The Declared Rates, the Index Rates, the Caps, and/or the Floors applicable to amounts subsequent to transfer will be the same rate(s) that would be applied to these amounts had the amounts been in the Interest Accounts to which they are being transferred from the Issue Date. You must notify Us requesting the transfer at least fifteen (15) days in advance of the Policy anniversary.

Part 5: Payment of Benefits

Death Benefits

While this Policy is in force and prior to the Annuity Date, We will pay a Death Benefit at the earlier of:

- the death of the Owner; or
- the death of the Joint Owner; or
- if neither the Owner nor the Joint Owner is the Annuitant, the death of the Annuitant, unless a validly designated Contingent Annuitant is living.

If the Annuitant dies, the Death Benefit will be the greater of:

- the Policy Value as of the date of death; or
- the Accumulation Value as of the date of death.

The Death Benefit will be the Cash Value as of the date of death if the Owner dies and the Owner is not the Annuitant. The Death Benefit will be the Cash Value as of the date of death if the Joint Owner dies and the Joint Owner is not the Annuitant. Payment will be made to the Beneficiary upon receipt of due proof of death. You may specify how the Death Benefit is to be paid, subject to the limits imposed by Section 72(s) of the Internal Revenue Code. If You do not specify how the Death Benefit is to be paid, the payment will be in a single sum unless the Beneficiary elects otherwise. In any event, the Death Benefit will be paid within five years of the date of death, unless one of the following exceptions applies.

Death of the Owner or Joint Owner

If the Owner or the Joint Owner dies and the Beneficiary is the surviving spouse of the decedent, the Beneficiary may elect to be treated as the successor Owner of the Policy and continue the Policy. If the Owner or Joint Owner who dies is also the Annuitant, and the Beneficiary is the surviving spouse of the decedent who elects to be treated as the successor Owner and continue the Policy, the Beneficiary will become the Annuitant. In the event of such an election, on the death of the surviving spouse, the Death Benefit will be paid within five years of the date of such death, or distributed in accordance with the next paragraph, even if the Beneficiary at that time is a surviving spouse.

If the Owner or the Joint Owner dies and the surviving spouse of the decedent is not the Beneficiary, the Beneficiary may elect to receive the Beneficiary's entire interest in the Policy over such Beneficiary's life or over a period not extending beyond the life expectancy of such Beneficiary. Such distributions must begin within one year from the date of death.

Death of the Annuitant, if neither the Owner nor the Joint Owner is the Annuitant

Except as provided in the next section (*Non-Natural Owners*), if neither the Owner nor the Joint Owner is the Annuitant and the Annuitant dies, the Beneficiary may elect to receive the Beneficiary's entire interest in the Policy over such Beneficiary's life or over a period not extending beyond the life expectancy of such Beneficiary. Such distributions must begin within one year from the date of death.

Non-Natural Owners

If either the Owner or the Joint Owner is not an individual and the Annuitant dies, and the Annuitant's surviving spouse is the Beneficiary, the Beneficiary may elect to be treated both as the successor Owner and as the successor Annuitant of the Policy and continue the Policy. In the event of such an election, on the death of the Annuitant's surviving spouse, the Death Benefit will be paid within five years of the date of such death, or distributed in accordance with the next paragraph, even if the Beneficiary at that time is a surviving spouse.

If either the Owner or the Joint Owner is not an individual and the Annuitant dies, and the Annuitant's surviving spouse is not the Beneficiary, the Beneficiary may elect to receive the Beneficiary's entire interest in the Policy over such Beneficiary's life or over a period not extending beyond the life expectancy of such Beneficiary. Such distributions must begin within one year from the date of death.

Annuity Benefits

If the Annuitant is living on the Annuity Date and this Policy is in effect, We will apply the Cash Value to provide a periodic income.

The Annuity Benefits will be paid to You unless You direct Us in writing to pay another person. The amount and duration of the annuity depend on the amount applied and the Payment Option under which it is applied. If the Payment Option is one involving the life of the Annuitant, We reserve the right to require periodic proof that the Annuitant is still living.

If the Annuitant dies on or after the Annuity Date, (or if both the Annuitant and the joint annuitant die if the selected Payment Option is a Joint and Survivor Payment Option), any remaining payments provided by the selected Payment Option will be paid to the Beneficiary.

If both (a) and (b) are true, where

(a) means neither the Owner nor the Joint Owner is either the Annuitant or the joint annuitant and

(b) means either the Owner or the Joint Owner dies on or after the Annuity Date, then any remaining payments provided by the selected Payment Option will be paid to the Beneficiary.

If either (c) or (d) is true, where

(c) means the Owner, the Joint Owner, the Annuitant, or the joint annuitant dies on or after the Annuity Date and

(d) means that You had directed Us in writing irrevocably to pay the Annuity Benefits to another person and that person dies on or after the Annuity Date,

then any remaining benefits will be paid to the Beneficiary at least as rapidly as under the Payment Option in effect as of the date of death.

If You elect to receive the Annuity Benefits in a single sum, We will pay You the Cash Value on the Annuity Date.

Part 6: Other Provisions

This part contains important general and required provisions.

This Agreement

This Policy, the application, and any attached riders and endorsements constitute the complete agreement between You and Us. We have issued this Policy in exchange for the application and the payment of the premium. Any change in this Policy must be in writing, signed by one of Our officers, and in the form of an amendment or endorsement to this Policy. No agent has the power or authority to waive, change, or alter any of the terms or conditions of this Policy. Only one of Our officers has the power or authority to waive, change, or alter any of the terms or conditions of this Policy.

Tax Qualification

We may amend this Policy as necessary to comply with the Internal Revenue Service requirements. Otherwise, this Policy may not be amended unless You agree in writing.

Incontestability

We cannot contest this Policy.

Misstatement of Age or Gender

If the Annuitant's age or gender has been misstated on the application, the benefits will be those which the premium paid would have bought for the correct age and gender. We will adjust the annuity payments on the basis of the correct age and gender. The total amount of any underpayment that may have been made will be credited with 5% interest and added to the annuity payment next following the adjustment. The total amount of any overpayment that may have been made will be charged with 5% interest and deducted from the annuity payments, as required, next following the adjustment.

State Taxes
Some states impose a tax on annuities. If so, We must pay this tax to the state.

- In the event that a State Tax is imposed on the premium or other amount received under this Policy, We will deduct an amount equal to such tax from the premium or other amount at the time of its receipt.
- In the event that a State Tax is imposed as a result of this Policy at any other time or for any other reason, We will deduct an amount equal to such tax, at the time the tax is assessed, from any value of the Policy prior to its use to provide a benefit. If We are unable to assess such a State Tax against a value of the Policy prior to its use to provide a benefit, We will deduct an amount equal to such tax from any benefit(s) payable as a result of the Policy.

Reports
At least once each year, We will send You a report showing the Accumulation Value. The report will also show all amounts added to and subtracted from the Accumulation Value during the period the report covers and any additional items required by the insurance department of the state where this Policy is issued.

Nonparticipating
This Policy is not entitled to share in the profits or surplus of the Company.

Required Standards
All values under this Policy meet the requirements of the Standard Nonforfeiture Law for individual deferred annuities. A detailed statement of Our computation method for all values and reserves has been filed with the insurance department of the state where this Policy is delivered. All values and reserves are equal to, or greater than, those required by the laws of such state. Any paid-up annuity, cash values, Death Benefits or reserves under this Policy are not less than the minimum benefits required by any statute of the state in which the Policy is delivered.

Protection from Creditors
Benefits and Values payable under this Policy will be free from claims of creditors to the extent allowed by law.

Our Liability
We will not incur any liability or be responsible for Your failure, in whole or in part, to comply with the provisions set forth in the Internal Revenue Code or any other law.

Part 7: The Payment Options

This part contains methods of payments of the Death and Annuity Benefits. Death Benefits must be paid in accordance with Part 5: Payment of Benefits. Monthly income payments are illustrated, but other frequencies of payments may be available. We may agree to other Installment Income or Life Income options.

Option Selection

You may select the option under which benefits will be paid while the Annuitant is still alive and prior to the Annuity Date. If no option is selected on the Annuity Date, Life Income Option 2(d) with monthly payments will be used automatically.

Installment Income (Option 1)

We will pay periodic income for a selected term or amount. The first payment is due on the Annuity Date. The right to withdraw money under an Installment Income option will be as agreed upon when the option is elected. The following Installment Income Options are available:

1(a) Income for a Selected Term. We will make equal periodic payments for the number of years selected (not less than 5 years or more than 25 years). The monthly income for each $1,000 applied will not be less than those shown in Table 1. This table is based on interest guaranteed at a 1% annual effective rate.

1(b) Income of Selected Amount. We will make equal periodic payments of an amount selected. Payments will continue until the amount applied, including interest, has been paid. Payments must be made for at least 5 years and for not more than 25 years. We guarantee interest at a 1% annual effective rate.

Table 1 - Installment Income Payments for a Selected Term (Per $1,000)

Years	Monthly Income	Years	Monthly Income	Years	Monthly Income
5	$17.08	12	$7.36	19	$4.81
6	14.30	13	6.83	20	4.59
7	12.32	14	6.37	21	4.40
8	10.83	15	5.98	22	4.22
9	9.68	16	5.63	23	4.05
10	8.75	17	5.33	24	3.90
11	7.99	18	5.05	25	3.76

Life Income (Option 2)

Payments depend on the life of the Annuitant. The monthly income for each $1,000 applied will not be less than those shown in Table 2. We will pay periodic income to the named person for the certain period selected and then for as long as the Annuitant is alive. The first payment is due on the Annuity Date. The money applied under a Life Income option cannot be withdrawn once payments begin. The following Life Income options are available:

2(a) Payments For Life Only.
We will make equal periodic payments for the lifetime of the Annuitant. Payments stop when the Annuitant dies.

2(b) Payments For Life with Thirty (30) Months Guaranteed.
We will make equal periodic payments for 30 months and then for as long as the Annuitant is alive.

2(c) Payments For Life with Sixty (60) Months Guaranteed.
We will make equal periodic payments for 60 months and then for as long as the Annuitant is alive.

2(d) Payments For Life with One Hundred Twenty (120) Months Guaranteed.
We will make equal periodic payments for 120 months and then for as long as the Annuitant is alive.

The values in Table 2 on the following page are based on the Annuitant's age (nearer birthday) on the Annuity Date. We may require proof of age. The values in this table are based on interest guaranteed at a 1% annual effective rate and the a2000 Individual Annuity Mortality Table with a 1% improvement per year for fifteen years after election. Amounts of income for any age not shown will be furnished on request.

Table 2 - Life Income Payments
(Monthly Income Per $1,000)

	If the Annuitant is Male				If the Annuitant is Female			
Age	2(a) Life Only	2(b) Life with 30 Mos	2(c) Life with 60 Mos	2(d) Life with 120 Mos	2(a) Life Only	2(b) Life with 30 Mos	2(c) Life with 60 Mos	2(d) Life with 120 Mos
55	3.26	3.26	3.25	3.23	2.99	2.99	2.99	2.98
56	3.34	3.34	3.33	3.31	3.06	3.06	3.06	3.05
57	3.43	3.43	3.42	3.39	3.14	3.14	3.14	3.12
58	3.53	3.53	3.52	3.48	3.23	3.22	3.22	3.20
59	3.63	3.63	3.62	3.58	3.31	3.31	3.31	3.29
60	3.74	3.74	3.73	3.68	3.41	3.40	3.40	3.37
61	3.85	3.85	3.84	3.78	3.50	3.50	3.50	3.47
62	3.98	3.97	3.96	3.90	3.61	3.61	3.60	3.56
63	4.11	4.10	4.09	4.01	3.72	3.72	3.71	3.67
64	4.25	4.24	4.22	4.14	3.84	3.83	3.82	3.78
65	4.40	4.39	4.37	4.27	3.96	3.96	3.95	3.89
66	4.56	4.55	4.52	4.40	4.10	4.09	4.08	4.02
67	4.73	4.72	4.69	4.54	4.24	4.24	4.22	4.15
68	4.91	4.90	4.86	4.69	4.39	4.39	4.37	4.28
69	5.11	5.09	5.04	4.84	4.56	4.55	4.53	4.43
70	5.31	5.30	5.24	5.00	4.74	4.73	4.70	4.58
71	5.53	5.51	5.45	5.17	4.93	4.92	4.89	4.74
72	5.77	5.74	5.66	5.34	5.14	5.13	5.09	4.91
73	6.02	5.99	5.90	5.51	5.37	5.35	5.30	5.09
74	6.29	6.26	6.14	5.69	5.61	5.59	5.53	5.27
75	6.58	6.54	6.40	5.87	5.88	5.85	5.78	5.47
76	6.89	6.84	6.67	6.06	6.16	6.13	6.04	5.67
77	7.23	7.16	6.96	6.24	6.47	6.44	6.33	5.87
78	7.58	7.50	7.27	6.43	6.81	6.77	6.63	6.08
79	7.97	7.87	7.59	6.62	7.17	7.12	6.95	6.29
80	8.38	8.26	7.92	6.80	7.57	7.50	7.30	6.50
81	8.82	8.68	8.27	6.98	8.00	7.92	7.66	6.71
82	9.29	9.12	8.64	7.16	8.47	8.37	8.05	6.92
83	9.79	9.59	9.01	7.33	8.98	8.85	8.45	7.12
84	10.33	10.08	9.40	7.49	9.53	9.36	8.87	7.31
85	10.91	10.61	9.80	7.64	10.13	9.92	9.31	7.48
86	11.53	11.16	10.20	7.78	10.77	10.51	9.76	7.65
87	12.19	11.74	10.62	7.91	11.46	11.13	10.21	7.80
88	12.89	12.35	11.03	8.03	12.20	11.78	10.67	7.94
89	13.63	12.99	11.45	8.14	12.99	12.46	11.14	8.07
90	14.43	13.65	11.86	8.25	13.83	13.17	11.58	8.18
91				8.34				8.28
92				8.42				8.37
93				8.49				8.45
94				8.55				8.51
95				8.60				8.57
96				8.65				8.62
97				8.68				8.66
98				8.71				8.70
99				8.73				8.72

Joint and Survivor Life Income (Option 3)

We will make equal periodic payments during the joint lifetime of two persons and the remaining lifetime of the survivor. The monthly income for each $1,000 applied for sample age combinations will not be less than those shown in Table 3. The first payment is due on the Annuity Date. The money applied under a Joint and Survivor Life Income Option cannot be withdrawn once payments begin.

The values in Table 3 are based on the Annuitants' ages (nearer birthday) on the Annuity Date. We may require proof of ages. The values in this table are based on interest guaranteed at a 1% annual effective rate and the a2000 Individual Annuity Mortality Table with a 1% improvement per year for fifteen years after election. Amounts of income for any ages not shown will be furnished on request.

Table 3 - Monthly Life Income While Either Person Lives (Per $1,000)

Female Age ->	55	60	65	70	75	80	85	90	95
Male Age									
55	2.75	2.87	3.00	3.11	3.19	3.25	3.28	3.30	3.31
60	2.83	3.01	3.20	3.37	3.52	3.62	3.68	3.72	3.74
65	2.91	3.14	3.40	3.68	3.92	4.11	4.24	4.31	4.35
70	2.97	3.24	3.59	3.97	4.36	4.69	4.95	5.11	5.20
75	3.01	3.32	3.73	4.23	4.79	5.33	5.79	6.12	6.31
80	3.03	3.37	3.83	4.43	5.16	5.96	6.73	7.34	7.75
85	3.05	3.40	3.89	4.56	5.43	6.50	7.66	8.70	9.48
90	3.06	3.41	3.92	4.64	5.62	6.91	8.46	10.05	11.39
95	3.06	3.42	3.94	4.68	5.73	7.19	9.09	11.24	13.28

More Information About Our Payment Options

Right to Increase Periodic Income

Subject to Our approval, a person who is to receive periodic income payments may make an extra contribution at the time of option selection to increase the income to be received. The contribution will be applied under the option at the same rates as are the benefits. We may make a charge, the amount of which will not exceed the sum of 3% of the extra contribution plus any State Tax assessed as a result of the extra contribution (see State Taxes, Part 6). We may limit the extra contribution to an amount equal to the value of the Policy used to provide the income payments.

Minimum Payments

If periodic payments under the selected payment option at time of election would be less than $20, We may change the frequency of payments or pay the amount applied in a single sum.

Automatic Cancellation

A previous election of a Payment Option for Death Benefits will be cancelled if the Beneficiary is changed.

Payments to Minors

While a person named to receive benefits is a minor, We will make all payments to the court appointed guardian of the minor's estate. We may require proof of age of any such person in determining his or her status as a minor.

Part 8: Special Enhanced Life Income Options

If both the Policy and the Annuitant meet Eligibility Requirements detailed in this Part of the Policy, You may be entitled to apply some or all of the value of the Policy to provide a Life Income that is higher than that otherwise available under Part 7: The Payment Options. If You are entitled to do so, You may choose an Option from this Part under which You want the annuity payments to be made. Even if the Policy and Annuitant meet the Eligibility Requirements, it is not mandatory that You elect to make use of this Special Enhanced Life Income. All of the other benefits of this Policy, including those under Part 7: The Payment Options, are unaffected by the presence of these benefit options. None of the provisions of Part 7 apply to the Special Enhanced Life Income Options available under this Part.

Election Date

The Election Date is the date We receive a request from You electing to use some or all of the value of Your Policy to provide an annuity (see the Cash Value provision of this Policy) under the provisions of this Part of the Policy. The request must be in a form acceptable to Us.

Commencement Date

The Commencement Date is the date We approve all proofs required by this Part; if this date is on a 29th, 30th, or 31st of a month, the Commencement Date is the next business day on or following the subsequent 1st of a month.

Activities of Daily Living

The Activities of Daily Living are:

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

Without Substantial Assistance

Without Substantial Assistance means:

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

Eligibility Requirements

The Eligibility Requirement for the Policy is that it has been in force at least five (5) years on the date the Special Enhanced Life Income commences.

The Eligibility Requirements for the Annuitant are the following.

1. The Annuitant must be a U.S. resident.
2. The Annuitant must be at least fifty-five (55) years old and no more than ninety (90) years old on the Commencement Date.
3. We must receive proof satisfactory to Us that the Annuitant is unable to perform, without Substantial Assistance from another individual, at least two (2) of the six (6) Activities of Daily Living (ADLs) defined above. This inability to perform the ADLs must be due to a permanent loss of functional capacity, and should We choose to use an independent health care professional (see How to Elect a Special Enhanced Life Income later in this Part) that person must agree and document that the loss is expected to be permanent.

Special Enhanced Life Income (Option 4)

Payments depend on the life of the Annuitant. The monthly income for each $1,000 applied will not be less than those shown in Table 4. We will pay the periodic income to the named person for the certain period selected and then for as long as the Annuitant is alive. The money applied under the Special Enhanced Life Income Option cannot be withdrawn once payments begin.

If the Commencement Date is ten (10) or more years after the Issue Date of this Policy, We will increase the amount of the Special Enhanced Life Income by 10% of the amount otherwise payable.

The first payment is due on the Commencement Date, but We may take up to thirty (30) days for accounting and administration before We make the first payment. Payments after the first are due on the same day of the month as the Commencement Date. Monthly Income payments are illustrated, but other frequencies of payments may be available. The following Special Enhanced Life Income Payment Options are available.

4(a) Payments for Life Only

We will make equal periodic payments for the lifetime of the Annuitant. Payments stop when the Annuitant dies.

4(b) Payments for Life with Thirty (30) Months Guaranteed

We will make equal periodic payments for 30 months and then for as long as the Annuitant is alive.

4(c) Payments for Life with Sixty (60) Months Guaranteed

We will make equal periodic payments for 60 months and then for as long as the Annuitant is alive.

4(d) Payments for Life with One Hundred Twenty (120) Months Guaranteed

We will make equal periodic payments for 120 months and then for as long as the Annuitant is alive.

The values in Table 4 are based on the Annuitant's age (nearer birthday) on the Commencement Date. We may require proof of age. The values in this table are based on interest guaranteed at a 1% annual effective rate and a substandard a2000 Individual Annuity Mortality Table with a 1% improvement per year for fifteen years after election.

Table 4 - Special Enhanced Life Income Payments (Monthly Income Per $1,000)

	If the Annuitant is Male				If the Annuitant is Female			
Age	4(a) Life Only	4(b) Life with 30 Mos.	4(c) Life with 60 Mos.	4(d) Life with 120 Mos.	4(a) Life Only	4(b) Life with 30 Mos.	4(c) Life with 60 Mos.	4(d) Life with 120 Mos.
55	7.03	6.92	6.65	5.83	5.25	5.21	5.10	4.73
56	7.15	7.04	6.75	5.90	5.34	5.30	5.18	4.79
57	7.28	7.16	6.86	5.97	5.44	5.39	5.27	4.86
58	7.41	7.29	6.97	6.04	5.53	5.48	5.35	4.92
59	7.55	7.42	7.09	6.11	5.62	5.57	5.43	4.98
60	7.71	7.57	7.22	6.19	5.72	5.67	5.52	5.04
61	7.88	7.74	7.36	6.26	5.82	5.76	5.60	5.10
62	8.06	7.90	7.50	6.34	5.92	5.86	5.69	5.16
63	8.24	8.08	7.64	6.41	6.01	5.95	5.77	5.22
64	8.43	8.26	7.78	6.48	6.11	6.04	5.85	5.27
65	8.63	8.43	7.93	6.55	6.20	6.13	5.94	5.33
66	8.83	8.61	8.06	6.62	6.30	6.23	6.02	5.39
67	9.02	8.78	8.19	6.68	6.39	6.31	6.10	5.45
68	9.19	8.94	8.31	6.74	6.49	6.40	6.18	5.50
69	9.35	9.09	8.42	6.79	6.58	6.49	6.26	5.56
70	9.50	9.22	8.52	6.84	6.67	6.58	6.34	5.63
71	9.63	9.33	8.61	6.89	6.77	6.67	6.42	5.69
72	9.75	9.44	8.70	6.94	6.87	6.77	6.51	5.76
73	9.87	9.55	8.80	6.98	6.97	6.87	6.60	5.84
74	10.00	9.67	8.89	7.03	7.08	6.98	6.71	5.93
75	10.15	9.82	9.01	7.09	7.21	7.10	6.82	6.02
76	10.35	9.99	9.14	7.15	7.36	7.25	6.96	6.13
77	10.54	10.16	9.26	7.21	7.52	7.41	7.11	6.25
78	10.72	10.32	9.38	7.27	7.71	7.59	7.28	6.37
79	10.90	10.48	9.50	7.33	7.92	7.80	7.47	6.51
80	11.08	10.64	9.63	7.39	8.17	8.05	7.70	6.67
81	11.28	10.82	9.77	7.46	8.50	8.36	7.98	6.83
82	11.48	11.00	9.91	7.54	8.86	8.70	8.28	7.00
83	11.70	11.20	10.07	7.62	9.26	9.08	8.61	7.17
84	11.95	11.43	10.26	7.70	9.71	9.51	8.97	7.33
85	12.25	11.71	10.47	7.79	10.23	10.00	9.36	7.50
86	12.64	12.05	10.72	7.89	10.85	10.57	9.80	7.66
87	13.06	12.42	10.99	7.98	11.52	11.17	10.24	7.81
88	13.53	12.83	11.28	8.08	12.24	11.81	10.68	7.94
89	14.06	13.30	11.60	8.17	13.01	12.47	11.14	8.07
90	14.69	13.85	11.95	8.26	13.83	13.17	11.58	8.18

Minimum Payments

If periodic payments under the selected payment option at time of election would be less than $20, We may change the frequency of payments or pay the amount applied in a single sum.

Limitations and Exclusions

The requirement of the need for Substantial Assistance shall not have been met if that need was:

1. caused by any war or any act of war (whether declared or undeclared); or
2. caused by participation in a felony, riot, or insurrection; or
3. intentionally self-inflicted; or
4. required as a result of alcoholism or drug addiction (unless the addiction was the result of administration of the drugs as part of a legitimate treatment by a licensed physician).

If You choose to apply less than the full value of this Policy to provide a Special Enhanced Life Income, the annualized amount of the payments must be at least $1,000.00.

You agree that We must be notified in a timely fashion of the Annuitant's death and that the responsible individuals must return any payments made after the date of the Annuitant's death not guaranteed by the option chosen.

The Annuitant must be available in the United States prior to the Commencement Date and at least once every twelve (12) months following the Commencement Date to prove continued life status. If the Annuitant is not available during this period, We will assume the Annuitant is not living and will stop payments after the guaranteed period, if any, under the provisions of this Part of the Policy. If this happens and the Annuitant later proves his or her continued life status in the United States, We will pay any payments that were not made in a lump sum and commence subsequent payments.

How to Elect a Special Enhanced Life Income

If You believe the requirements for the Special Enhanced Life Income are met, You can notify Us by contacting Us in writing at the address on the Policy cover. You should include:

1. Your Policy Number (see Data Pages);
2. Your name;
3. the Annuitant's name, if different;
4. the Activities of Daily Living with which the Annuitant needs Substantial Assistance; and
5. the nature of the Annuitant's need for Substantial Assistance.

In order to determine whether You are eligible for Special Enhanced Life Income:

1. We have the right to have the Annuitant examined by an independent health care professional contracted by Us to provide such services at Our expense, and We have the right to conduct an on-site assessment.
2. The Annuitant and/or the Annuitant's legally-qualified representative must cooperate with Us so that the independent health care professional can obtain satisfactory proof from the Annuitant, the Annuitant's physician(s), the Annuitant's care-giver(s), and/or other persons familiar with the Annuitant's condition.
3. We may require and We must be given access to the Annuitant's medical and/or care-giver records to obtain information about the Annuitant's condition.

After We have received all information We deem necessary, including information We request from You and all information We request or seek in the above three instances, We will approve or deny Your request for Special Enhanced Life Income as soon as reasonably possible. Within ten (10) days of having received all necessary information, We will send You written notice of Our decision or of Our need for additional time and the reason for that need. At the end of every subsequent forty-five (45) days, until We approve or deny Your request for Special Enhanced Life Income, We will send You notice of Our need for additional time and the reason for that need.

If We deny the eligibility for Special Enhanced Life Income, We will review Our decision if You ask that We do so, in writing, within sixty (60) days of receiving Our decision to deny. Your request should provide Us the following:

1. the reason You disagree with Our decision;
2. facts and/or factors You believe We should consider in Our review;
3. whom We may contact (please include names and complete contact information) to gather any additional pertinent information regarding the Annuitant's need for Substantial Assistance.

Within sixty (60) days of the day We receive Your request, We will review the denial and make a final decision. Our final decision will be in writing; and, if it is a denial, We will include Our specific reasons for the denial and make available all information directly relating to such denial.

At any time prior to the Commencement Date, You may revoke Your election.

Single Premium Indexed and Declared Interest Deferred Annuity Policy. Benefits are calculated based on the movement of an index or stipulated interest rates. Minimum underlying values. Income payments start on the Annuity Date. Death Benefit payable before the Annuity Date. Nonparticipating.

MARKET VALUE ADJUSTMENT RIDER

Life Insurance Company of the Southwest (LSW) [www.lifeofsouthwest.com]
[1300 West Mockingbird Lane, Dallas, Texas 75247-4921] [Customer Service 1-800-579-2878]

MVA Period:	[10] Years
MVA Corridor (k)	[0.25%]

BRIEF DESCRIPTION

During the MVA Period, measured from the Issue Date of the Policy, a Market Value Adjustment ("MVA") will be applied to specified benefits from the Policy. The operation of the formula for the MVA may result in either an upward or a downward adjustment to these benefits.

The MVA used in this Rider references the U.S. Treasury Constant Maturity rate as published by the Federal Reserve.

PART 1: THE MARKET VALUE ADJUSTMENT

Effect. An MVA is an adjustment that may modify benefits available under the Policy. The MVA can be positive or negative. A positive MVA may increase the benefits available. Likewise, a negative MVA may reduce the benefits available.

Exempt Amount. There is no MVA for an Exempt Amount. The Exempt Amount is the greatest of any of the following that may apply:

- any disbursement contractually not subject to a Withdrawal Charge;
- any amount identified in this Rider as not subject to an MVA; or
- a Required Minimum Distribution, as defined in this Rider, after the first Policy Year.

Non-exempt Amount. There is an MVA for a Non-exempt Amount, regardless of whether the Withdrawal Charge Percentage for such Non-exempt Amount is zero or positive. We will adjust the benefits We pay for any Non-exempt Amount by the MVA, whether positive or negative. The Non-exempt Amount is any:

- Total Withdrawal,
- Partial Withdrawal, or
- amounts You request We use to provide an income,

in excess of the Exempt Amount.

Calculation of the MVA. For any Non-exempt Amount, the MVA is defined to be the lesser of A or B, where:

A is the MVA Limit
B is the greater of:
- The negative of the MVA Limit or
- The MVA Percentage times the Non-exempt Amount.

The MVA Limit. The MVA Limit is C minus D minus E, where

C is the Policy's Accumulation Value at the time of the calculation of the MVA Limit;
D is any applicable Withdrawal Charges that would apply in the event of a Total Withdrawal; and
E is the Policy Minimum Value

but not less than zero.

The Policy Minimum Value ("PMV").

If the Policy does not define a Policy Value, the PMV is equal to:
- 87.5% of the premium(s) paid,
- minus any amounts withdrawn, amounts applied to provide an income (excluding any applicable Withdrawal Charges), and other deductions,
- plus or minus, as applicable, interest on the above items credited at the PMV Interest Rate defined below, to the time of the calculation of the MVA.

The PMV Interest Rate is determined on the Issue Date as:
- the monthly average 5-year Treasury Constant Maturity rate ("CMT-5") reported by the Federal Reserve for the calendar month two months prior to the month of issue,
- rounded to the near 20th of 1%,
- reduced by 125 basis points (1¼%),
- rounded to the near 25 basis points (¼%), and
- limited to not less than 1% and not more than 3%.

If the Policy defines a Policy Value, then the PMV is equal to the Policy Value.

The MVA Percentage. The MVA Percentage is

$$[(1+i) / (1+j+k)]^n - 1$$

where:

i is the Market Value Reference Rate on the Issue Date for a duration equal to the MVA Period;

j is the Market Value Reference Rate at the time of calculation of the MVA for a duration equal to the MVA Period;

k is an MVA Corridor shown on Page 1 of this Rider; and

n is (F minus G) divided by 12 where:

F is 12 times the MVA Period; and
G is the number of completed Policy Months since the Issue Date.

For purposes of this Rider, Policy Months are monthly periods which start on the same day of the month as the Issue Date and end one day of the month earlier in the next month. If the calendar day of the Issue Date is 29, 30, or 31 and the start date of a Policy Month does not exist, then the end date of the previous Policy Month will be regarded to be the last day of the that calendar month in question, and the start date for the next Policy Month is the first day of subsequent calendar month.

Market Value Reference Rate. A Market Value Reference Rate is the weekly-average U.S. Treasury Constant Maturity rate, published by the U.S. Federal Reserve, for a specified duration and as of the calendar week two weeks preceding the date for which the Market Value Reference Rate is determined.

- If the U.S. Treasury Constant Maturity rate is not published for the duration equal to that required, then We will interpolate between rates for published durations to obtain the rate for the duration equal to that required.
- If the appropriate U.S. Treasury Constant Maturity rate is no longer published or is discontinued, but other U.S. Treasury Constant Maturity rates are published, then We will interpolate between rates that are published.
- If the U.S. Treasury Constant Maturity rates are no longer published or are discontinued, then We may substitute another suitable rate for determination of the MVA. If required by the insurance department in the state where the Policy was issued, We will obtain the department's approval before a substitute rate is used, and We will notify You and any assignee of the substitution.

Annual Report. The Policy's annual report will indicate that the Cash Value is prior to the application of any MVA formula and will provide the MVA formula or the MVA amount used to determine the cash surrender value.

PART 2: TRANSACTIONS NOT SUBJECT TO THE MARKET VALUE ADJUSTMENT

Transactions not subject to the MVA are:

- Any transaction that occurs after the MVA Period as measured from the Issue Date;
- Death Benefits;
- Annuity Benefits not subject to a Withdrawal Charge;
- Partial Withdrawals or a Total Withdrawal used to provide a periodic income from Us if the periodic income is contractually defined to be determined without reference to a Withdrawal Charge.

PART 3: REQUIRED MINIMUM DISTRIBUTION

If not specified in the Policy, the Required Minimum Distribution is defined as follows.

A Required Minimum Distribution is determined:

- annually as of the end of the calendar year ending immediately prior to the beginning of the current Policy Year;
- in accordance with applicable tax law and regulations in effect at the time the Required Minimum Distribution is determined; and
- as if the Policy were the only annuity owned by the Owner.

If specified in the Policy, the definition of the Required Minimum Distribution is not changed by this Rider.

PART 4: RIDER CHARGES

There are no charges for this Rider.

PART 5: RIDER TERMINATION

This Rider terminates at the earlier of:

- the termination of the Policy to which it is attached; or
- at the expiry of the MVA Period as measured from the Issue Date.

PART 6: GENERAL PROVISIONS

This Rider is part of the Policy to which it is attached. The Rider is subject to all terms, conditions, and provisions contained in the Policy. The provisions of this Rider apply in lieu of any Policy provision to the contrary.

The provisions of this Rider begin on the Policy's Issue Date.

This Rider has no cash value or loan value.

All terms not defined in this Rider refer to the terms as used in the Policy.

In all other respects, the Policy's provisions remain unchanged.

SIGNED FOR LIFE INSURANCE COMPANY OF THE SOUTHWEST

Jacque Crawford

Secretary

BONUS ACCUMULATION VALUE RIDER

Life Insurance Company of the Southwest (LSW) • www.lifeofsouthwest.com
1300 West Mockingbird Lane • Dallas, Texas 75247-4921 • **Customer Service** 800-579-2878

BAV Percentage:	[10%]	
BAV Deferral Period:	Policy Years 1 through [10]	
BAV Transfer Period:	Policy Years [11] through [15]	
BAV Transfer Percentages:	Policy Year	Percentage
	[11]	[20.00%]
	[12]	[25.00%]
	[13]	[33.33%]
	[14]	[50.00%]
	[15]	[100.00%]

Part 1: Bonus Accumulation Value

This Rider must be issued at the time the Policy is issued; otherwise, this Rider has no effect. We will establish a Bonus Accumulation Value (*BAV*) on the Issue Date. You have no rights to or interest in the BAV except as is defined in this Rider.

During the BAV Deferral Period, the BAV equals the BAV Percentage multiplied by the Accumulation Value.

During the BAV Transfer Period:

- We will increase the then-existing BAV any time interest is added to the Accumulation Value. When We do this, We will increase the then-existing BAV in the same proportion as the Accumulation Value is increased.
- We will reduce the then-existing BAV any time the Accumulation Value is reduced. When We do this, We will decrease the then-existing BAV in the same proportion as the Accumulation Value is reduced.
- We will transfer a portion of the BAV to the Accumulation Value at the end of each Policy Year. On each of these transfer dates, the percentage of the then-existing BAV We will transfer is determined from the table of BAV Transfer Percentages.

- The transfer of an amount from the BAV to the Accumulation Value reduces the BAV by the amount transferred.

- If the Accumulation Value is composed of Interest Accounts, an amount transferred will be divided and added to those Interest Accounts in proportion to their values at the time of transfer.

- After the final transfer from the BAV to the Accumulation Value, there is no more BAV.

Part 2: Annuity Benefits

Prior to the final transfer from the BAV to the Accumulation Value, if:

- the Policy's provisions allows You to withdraw all or part of the value of the Policy to provide a periodic income from Us

and if

- those provisions of the Policy state that, in certain circumstances, We will calculate that income in a manner that does not include application of Withdrawal Charges,

then, in those circumstances, We will also include a portion of the then-existing BAV with the Accumulation Value that is used for that purpose.

The amount that will be so included will be the then-existing BAV multiplied by the factor

$$\left[\left(\frac{A}{B}\right) \times \left(\frac{C}{D}\right) \right]$$

where:

A is the reduction in the Accumulation Value as a result of the transaction;

B is the total Accumulation Value prior to the transaction;

C is the number of completed Policy Years since the Issue Date of the Policy; and

D is the number of complete Policy Years from the Issue Date to the end of the BAV Transfer Period.

If less than all of the value of the Policy is withdrawn to provide the income, the BAV will be reduced as a result of the transaction by an amount equal to the BAV prior to the transaction multiplied by the factor (A/B), where A and B are determined as above. If all of the value of the Policy is withdrawn for any reason, there is no more BAV.

Part 3: Death Benefit

The Policy's Death Benefits provision is amended as follows.

If the Annuitant dies, then the determination of the amount of the Death Benefit referencing the Accumulation Value will be made by applying the Accumulation Value plus any then-existing BAV rather than the Accumulation Value alone.

Part 4: Rider Charges

There are no charges for this Rider.

Part 5: Rider Termination

This Rider terminates at the earlier of the termination of the Policy to which it is attached or when there is no more BAV.

Part 6: General Provisions

This Rider is part of the Policy to which it is attached. The Rider is subject to all terms, conditions, and provisions contained in the Policy. The provisions of this Rider apply in lieu of any Policy provision to the contrary.

The provisions of this Rider begin on the Policy's Issue Date.

This Rider has no cash value or loan value.

All terms not defined in this Rider refer to the terms as used in the Policy.

In all other respects, the Policy's provisions remain unchanged.

SIGNED FOR LIFE INSURANCE COMPANY OF THE SOUTHWEST

Jacque Crawford

Secretary

Supporting Document Schedules

Item Status: **Status Date:**

Satisfied - Item: Flesch Certification

Comments:

Attachment:

8965 8966 8967 AR Read Cert certified.pdf

Item Status: **Status Date:**

Satisfied - Item: Application

Comments:

We will use previously approved application 7909, approved in Arkansas on April 30, 2001.

Item Status: **Status Date:**

Satisfied - Item: Life & Annuity - Acturial Memo

Comments:

Attachments:

8966 Actuarial Memorandum certified.pdf

8965 Actuarial Memorandum certified.pdf

8967 Actuarial Memorandum 20110602 signed.pdf

Item Status: **Status Date:**

Satisfied - Item: EIA Certification

Comments:

Attachment:

8965 8966 8967 AR EIA Certification certified.pdf

Item Status: **Status Date:**

Satisfied - Item: Certification of Compliance

Comments:

Attachment:

8965 8966 8967 AR Certification of Compliance certified.pdf

Item Status: **Status Date:**

Satisfied - Item: Summary Disclosure

Comments:

Attachment:

10561(0411) SecurePlus Marquee 10 - Product Disclosure.pdf

Item Status: **Status Date:**

Satisfied - Item: Statement of Variability

Comments:

Attachments:

8965(0411) SOV final.pdf

8966(0411) SOV FINAL.pdf

8967(0411) SOV.pdf

STATE OF ARKANSAS

DEPARTMENT OF INSURANCE

READABILITY CERTIFICATION

Arkansas Rule ACA 23-80-206

Company Name Life Insurance Company of the Southwest NAIC # 65528,

hereby certifies that the following form(s) achieve a Flesch reading ease test score of:

FORM NUMBER	FLESCH SCORE
8965(0411)	48.7
8966(0411)	53.1
8967(0411)	55

Michael C. Ward

Digitally signed by Michael Ward
Date: 2011.04.25 11:58:26 -05'00'

Signature

Michael C. Ward, FSA, MAAA, Vice President- Actuarial

April 25, 2011

Date

LSW

Arkansas Certification of Compliance with External Index Guidelines
Forms 8965(0411), 8966(0411) and 8967(0411)

1. I certify that Life Insurance Company of the Southwest has reviewed and evaluated the contract summary disclosure which will be used with the submitted policy form. I also certify that the contract summary is in no way deceptive, confusing or misleading and provides the information as provided in the External Index Contract Guidelines document.

2. I certify that Life Insurance Company of the Southwest will address external-indexed contracts separately in the annual (Section 8) actuarial opinion and memorandum addressing each year the amount and type of assets held and the level of reserves and how developed.

3. I certify that Life Insurance Company of the Southwest will establish and maintain a detailed file defining the system for hedging. Such file will include the results of regular analysis of the effectiveness of the system.

Michael C. Ward

Digitally signed by Michael Ward
Date: 2011.04.25 11:58:47 -05'00'

Signature

Michael C. Ward, FSA, MAAA, Vice President, Actuarial

April 25, 2011

Date

ARKANSAS CERTIFICATE OF COMPLIANCE

(You may print or type the information required by this form)

FORM SELFCERT

I, Michael C. Ward, FSA, MAAA — Vice President, Actuarial of
(Name — *(Title of Authorized Officer)*

Life Insurance Company of the Southwest
(Name of Insurer)

declare that I am authorized to execute and file this certificate of compliance and do hereby certify that I am knowledgeable of the legal requirements under Arkansas law applicable to the insurance forms that are the subject of this filing and further aver:

1. Upon information and belief, I certify that the insurance forms filed herewith are complete and comply with all Arkansas laws, including the:
   a. Arkansas Code Annotated;
   b. Arkansas Rules and Regulations;
   c. Arkansas Insurance Bulletins, Directives and Orders;
   d. Applicable filing requirements including the applicable product standards set forth in the product checklists; and
   e. Rulings and decisions of any court of this state.

2. I understand and acknowledge that the Commissioner will rely upon this certificate and if it is subsequently determined that any form filed herewith is false or misleading, appropriate corrective action shall be taken by the commissioner against the company.

3. Pursuant to Ark. Code Ann. § 23-79-109(a)(1)(C), I understand that by certifying that a form complies with paragraph 1 hereof, it is not to be taken by the undersigned or by my company as meaning that any insurance effected by use of such form may in any fashion be inconsistent with the statutory and common law of Arkansas.

4. Pursuant to Ark. Code Ann. §23-79-118, I understand and acknowledge that any insurance policy, rider, endorsement or other insurance form filed under this certificate, that is subsequently issued to an insured, and contains any condition or provision not in compliance with the requirements of the laws of the State of Arkansas, as set forth in paragraph 1 hereof, shall be construed and applied in accordance with such condition or provision as would have applied if the policy, rider, endorsement or form had been in full compliance with the law.

Does this Certification apply to all the companies in this filing? *(Yes or No)* ► Yes

If "NO", to which companies does this Certification apply?

Company Name(s)	NAIC #

Company Tracking Number 8965(0411), 8966(0411) and 8967(0411)

Signature of Authorized Officer ►	Michael C. Ward — Digitally signed by Michael Ward Date: 2011.04.25 11:59:08 -05'00'
Name of Authorized Officer ►	Michael C. Ward
Title of Authorized Officer ►	Vice President, Actuarial
Email address of Authorized Officer ►	mward@nationallife.com
Telephone # of Authorized Officer ►	214-638-9129 Date:04/25/2011

This form may be computer generated by the company. So long as the wording and general layout is the same, the format may vary. For more information, contact the Property & Casualty Division of the Arkansas Insurance Department at 1200 W 3rd St., Little Rock, AR 72201, telephone: 501-371-2800, or email: information.pnc@arkansas.gov

AID PC SelfCert (4/30/03)

Thank You[1] for choosing a *SecurePlus Marquee 10* annuity from Life Insurance Company of the Southwest ("LSW"). You have chosen an annuity backed by a company with a long history of carefully protecting policy owner assets.

This disclosure reviews important points to consider before You buy *SecurePlus Marquee 10*. Please carefully read it. There are many choices when it comes to saving for retirement, and We want to be sure You understand how Your single premium indexed annuity works and what benefits You can expect to receive. After You have read about *SecurePlus Marquee 10* and should You decide to buy, please initial each page then sign and date the last page to acknowledge that you understand the product. Your signature also confirms Your agent has explained how *SecurePlus Marquee 10* works and has answered any questions You may have.

SecurePlus Marquee 10 is a single premium indexed and declared interest deferred annuity. It is LSW Policy Form Number 8965(0411) along with rider form numbers 8966(0411)and 8967(0411).

SECTION I — The Annuity Contract

An annuity contract has two purposes – (1) to accumulate money and (2) to provide a distribution of the money in a lump sum or in a series of payments. Annuity contracts have guarantees[2] regarding premium paid[3], interest credited, death benefit, and income amounts which distinguish them from other savings vehicles.

This annuity is tax deferred[4] which means all amounts in Your annuity accumulate with federal income tax deferred until withdrawn or received as income. Annuities owned by trusts or corporate entities may not enjoy the tax deferral feature. You can use this annuity to save for retirement or other long-term needs and to receive retirement income for various periods, including for life. It is not meant to be used to meet short-term financial goals.

How will the value of my annuity grow?

Your annuity value will grow through credited interest. **This annuity is an indexed annuity that provides benefits linked to an external equity index but does not participate directly in the equity market.** You are not buying shares of stock or shares in the indexes. Optionally, You may choose not to have benefits of Your annuity linked to an external equity index.

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[1] When We use the words "You" and "Your" in this Summary, We mean the Owner of a SecurePlus Marquee 10. "We", "Us", and "Our" mean Life Insurance Company of the Southwest.
[2] Guarantees are based on the claims paying ability of the issuing company.
[3] A few states charge a tax on annuities. If so, We pay this tax to the state and subtract the amount of the tax when You pay your premium, when You withdraw value from the policy, when You start to receive income payments, or when We pay a death benefit to the your beneficiary.
[4] Buying an annuity within an IRA, 401(k), or other tax deferred retirement plan does not provide tax benefits beyond what are provided by these qualified arrangements. If considering an annuity within a retirement plan, base your decision on the annuity's other features and benefits as well as its risks and costs, not on its tax benefits.

Your policy will be issued on the next 7th, 14th, 21st, or 28th immediately following receipt of Your single premium. You may choose to allocate Your single premium[5] among six available Interest Accounts – the Declared Interest Account and five Indexed Interest Accounts.

The Declared Interest Account is an Interest Account for which interest is credited daily at a declared interest rate. LSW sets the rate in advance each Policy Year[6]. The minimum annual rate will never be less than 1% and will be shown in Your policy.

Three of the Indexed Interest Accounts credit interest based on the movement of the S&P 500® Index. The remaining two Indexed Interest Accounts credit interest based on the Russell 2000® Index. Each of the Indexed Interest Accounts uses one of two methods to calculate an Annual Percentage Change in the applicable index: the Ending Index Method or the Average Index Method. Neither method subjects Your savings to market risk.

Each of the S&P 500 Index and the Russell 2000 Index is a widely used market-value weighted price index reflecting capital growth only and excluding dividends paid on their stocks. In any year, the interest rate credited to an Indexed Interest Account may be higher or lower than the interest rate credited to the Declared Interest Account (and to other traditional fixed rate annuities). The objective for an Indexed Interest Account is to provide, over the long term, higher credited interest than what would be credited to the Declared Interest Account and other traditional fixed rate annuities. However, this is not guaranteed.

To determine Indexed Interest, LSW calculates the Annual Percentage Change in the applicable index from the beginning of the Policy Year to the end of the Policy Year. The Annual Percentage Change is determined differently for Indexed Interest Accounts using the Ending Index method than it is for Indexed Interest Accounts using the Average Index method.

The interest rate credited to an Indexed Interest Account is the Index Rate (sometimes called a participation rate by other companies) multiplied times the Annual Percentage Change, the result being subject to a minimum called the Floor and the maximum called the Cap.

- The Index Rate can never be less than 10%.
- The Cap is guaranteed to be no less than 1%.
- The Floor is zero.

The effects of the above are: (1) if the Annual Percentage Change is negative or zero, You will not lose any of the value of Your single premium or interest previously credited to Your annuity — Your interest credited would be zero (the Floor) for that year; and (2) if the Annual Percentage Change is positive, Your interest credited will be determined using the Index Rate and the Cap.

Section V more fully describes how indexed interest under the Ending Index and the Average Index methods is calculated.

How do I transfer amounts in

[5] If the state of issue imposes a tax based on the premium, We will deduct an amount equal to the tax from the premium before crediting it to the policy.
[6] Policy Years are yearly periods which start on the issue date and on the same month and day each year thereafter.

my annuity among Interest Accounts?

Transfers between and among Interest Accounts may be made only on the policy anniversary and only after receipt of Your written request for the transfer 15 days prior to the policy anniversary. No transfers are available during the Policy Year. There is no charge for the transfers.

The prospective rates applicable to the transferred amount will be the same rates as if its premium had been originally allocated to the new Interest Account.

SECTION II — Access to Value

During Your lifetime, You may receive money from Your annuity in several ways. You may make a Total or Partial Withdrawal or You may request that Your annuity be converted to periodic income. These benefits will be based on the Accumulation Value, Cash Value, Policy Value, and/or Bonus Accumulation Value of your annuity. The Accumulation Value is the sum of all Interest Accounts. The Cash Value is the larger of the Accumulation Value less applicable Withdrawal Charges or the Policy Value (described in Section VI – Guaranteed policy benefits)[7]. The Bonus Accumulation Value is described at the end of Section V – Interest. Some of these benefits may be subject to a Market Value Adjustment as described below.

What happens if I take out some or all of the money from my annuity?

When you take money from your annuity in the first 10 years, you may incur a Withdrawal Charge and a Market Value Adjustment (MVA). The amount of the charge and the MVA depend on how long you've had the annuity and how much you withdraw. Withdrawals in the first Policy Year are subject to a Withdrawal Charge and an MVA. After the first Policy Year, you may withdraw in any one year, without incurring a Withdrawal Charge or an MVA, up to the greater of:

- 10% of the Accumulation Value or
- the Required Minimum Distribution.

The Required Minimum Distribution is determined:

- annually as of the end of the calendar year ending immediately prior to the beginning of the current Policy Year;
- in accordance with applicable tax law and regulations in effect at the time the Required Minimum Distribution is determined; and
- as if the policy were the only annuity you own.

Withdrawal Charges are a percentage of the amount withdrawn in excess of this "Free Withdrawal Amount." Withdrawal Charge percentages are shown in the following table:

Table 1 Withdrawal Charge Percentages											
Policy Year	1	2	3	4	5	6	7	8	9	10	11+
Withdrawal Charge %	10	9	8	7	6	5	4	3	2	1	0

A Market Value Adjustment is an adjustment that may apply to the amount of benefits We pay when You make a Total or Partial Withdrawal or when You request that Your annuity be converted to periodic income. The MVA can be positive or negative. An MVA applies

[7] If the state of issue imposes a tax based on withdrawal or other use of the Cash Value, We will deduct an amount equal to the tax from the Cash Value prior to its distribution or use.

only to amounts withdrawn that are subject to a Withdrawal Charge.

The MVA is determined by multiplying the MVA Percentage by the amount withdrawn that is subject to the MVA. The MVA can be no greater than the MVA Limit and no less than the negative of the MVA Limit. The MVA Limit is equal to the Cash Value minus the Policy Value.

The MVA Percentage is calculated using the following formula:

$$\left(\frac{1+i}{1+j+k}\right)^{n/12} - 1, \text{ where}$$

i is the weekly-average 10-year U.S. Treasury Constant Maturity rate two weeks prior to the policy issue date.

j is the weekly-average 10-year U.S. Treasury Constant Maturity rate two weeks prior to the calculation of the MVA.

k is 0.25%.

n is 120 minus the number of completed months since the issue date.

Neither Withdrawal Charges nor an MVA apply to any death benefit paid on death of the Annuitant.

How do I get income (payouts) from my annuity[8]?

You can ask LSW to convert your annuity's value to an income (a series of payments) at any time. If You do so prior to the end of the 5th Policy Year, We will calculate the income using the Cash Value adjusted by the MVA, whether positive or negative. If you do so after the 5th Policy Year, any applicable Withdrawal Charges will be waived,[9] and no MVA will be applied.
You can choose how to get the income. Your annuity policy describes Your options in detail (see Part 7: The Payment Options in your annuity policy). Your current choices are:
Designated period of time: Guarantees income for the selected period, available for periods of 5 to 25 years.
Life: Guarantees income for as long as you live.
Life income with a period certain: Guarantees income for as long as you live or for a chosen period, whichever is longer.
If You die within the period certain, the income continues to your beneficiary for the remainder of the period certain.
Periods certain are 30 months, 60 months, and 120 months.
Joint and survivor life: Guarantees income for as long as You or Your joint annuitant (for instance, Your spouse) live.

You may be eligible to receive a higher income from this annuity than ordinarily available if you qualify for our Special Enhanced Life Income Options. Generally speaking, if you are between the ages of 55 and 90, your annuity has been in force 5 Policy Years, and you are unable to perform at least two of six Activities of Daily Living (ADLs) without substantial assistance, you may request an income under the

[8] Benefits at annuitization could be reduced if a misstatement of age or sex has occurred.
[9] If the state imposes a tax on such annuitization, We will deduct an amount equal to the tax before applying the remainder to provide the income.

Special Enhanced Life Income Options (see Part 8: The Special Enhanced Life Income Options in your annuity policy). Your income choices under these options are:

Life: Guarantees income for as long as you live.
Life income with a period certain: Guarantees income for as long as you live or for a chosen period, whichever is longer.
If you die within the period certain, the income continues to your beneficiary for the remainder of the period certain.
Periods certain are 30 months, 60 months, and 120 months.

If you request an income under the Special Enhanced Life Income Options after your annuity has been in force for 10 years, the income amount will be increased by 10% of the amount otherwise payable.

For more information about eligibility, requirements, and restriction of the Special Enhanced Life Income Options, please see the attached special disclosure.

What happens after I die?

With *SecurePlus Marquee 10*, Your named beneficiaries can avoid the expense, delay, and publicity of probate[10]. If You die before We start to pay You periodic income under the Payment Options of Your annuity, Your beneficiary can choose to receive the death benefit as one payment or as a series of payments over time. If You are the Annuitant, the death benefit is the greater of the Accumulation Value plus the Bonus Accumulation Value or the Policy Value. If You are the Owner but not the Annuitant, the death benefit is the Cash Value. If Your death occurs after periodic income payments have begun, any payments which remain to be paid under your payment option selection will be paid to Your beneficiary.

SECTION III – Fees, Expenses, & Other Charges

Do I pay any fees or charges?

SecurePlus Marquee 10 has no fees or expenses charged against your Accumulation Value. Withdrawal Charges and an MVA may apply to amounts withdrawn from the annuity as previously described. Some states charge a tax on annuities. A few states levy the tax when you pay a premium. Others charge it upon withdrawal or selection of a payment option. If We must pay this tax, We will deduct it from Your premium, from Your policy's values, or from policy benefits as is appropriate. Section IV – Taxes more fully describes how state taxes are assessed.

Charges may apply for some riders attached to the policy. The impact of any rider that constrains benefits or has a cost and that is not disclosed in this document will be disclosed separately.

SECTION IV – Taxes

The information in this document is based on our understanding of current federal tax law. Neither LSW nor any of its agents or representatives give legal, tax, or accounting advice. You should consult your own tax advisor for tax advice.

[10] We believe this to be true in most states. The Iowa Insurance Division informed us that annuity contract values are includable in the probate estate in Iowa, and the attorney can charge a statutory fee against the value of the annuity contract. Consult a legal advisor in your state.

How will payout and withdrawals from my annuity be taxed?

All amounts in your annuity accumulate with federal income tax deferred until withdrawn or received as income. When You receive income or make a withdrawal, You pay ordinary income taxes on the taxable value. If You make a withdrawal before age 59½, You will be subject to a 10% federal income tax penalty unless You qualify under one of the exceptions provided by law.

How are State Taxes assessed?

As of the date of publication of this document, State Taxes will be administered as follows; states not identified do not assess State Taxes on annuities.

Residents of Maine: The State of Maine imposes a State Tax of 2% of all premiums paid to non-qualified annuities. We deduct 2% from your premium and pay this to the state. We apply the remaining 98% of the premium to the Accumulation Value of your Policy. Since the Cash Value may depend on the Accumulation Value, the Cash Value may be reduced as a result of the State Tax.

Residents of South Dakota and Wyoming: The State of South Dakota imposes a State Tax of 1.25% and the State of Wyoming imposes a State Tax of 1% of all premiums paid to non-qualified annuities. We deduct this amount from your premium and pay this to the state. We apply the remaining amount of the premium to the Accumulation Value of your Policy. Since the Cash Value may depend on the Accumulation Value, the Cash Value may be reduced as a result of the State Tax.

Residents of California: The State of California imposes a 0.50% State Tax in the case of qualified annuities and a 2.35% State Tax in the case of nonqualified annuities.
This tax is assessed on Withdrawal Charges in the case of a Total or Partial Withdrawal. It is assessed on amounts withdrawn to provide a periodic income. We deduct the amount of the tax from the amount withdrawn and pay this to the state. We then provide or apply the remaining amount as is appropriate at that time.

Residents of Nevada and West Virginia: The State of Nevada imposes a State Tax of 3.5% in the case of qualified annuities while the State of West Virginia imposes a State Tax of 1% in the case of both qualified and non-qualified annuities. This tax is assessed on amounts withdrawn to provide a periodic income. We deduct the amount of the tax from the amount withdrawn and pay this to the state. We then apply the remaining amount as is appropriate at that time.

SECTION V – Interest

How is interest credited to my Policy?

Interest can be credited to Your policy as Declared Interest to the Declared Interest Account and/or as Indexed Interest to the Indexed Interest Accounts and, if certain requirements are met, as transfers from the Bonus Accumulation Value.

A. **Declared Interest –** Your money in the Declared Interest Account is credited with interest daily. LSW sets the rate in advance for each Policy Year. The rate declared for the first Policy Year and the minimum rate thereafter will be shown in your policy. Neither will be less than 1%.

B. **Indexed Interest –** The 5 Indexed Interest Accounts that credit interest annually at the end of each Policy Year, based in part on the annual change of an index, are:

- S&P 500 Ending Index Rate Option 1

- S&P 500 Ending Index Rate Option 2
- Russell 2000 Ending Index Rate Option 1
- Russell 2000 Ending Index Rate Option 2
- S&P 500 Average Index

You may allocate your premium[11] to any combination of the above and/or to the Declared Interest Account. Allocations must be in whole percentages.

Indexed Interest Accounts differ as to the index, the method for calculating the interest, and the Rate Option available. The Rate Options are defined by the Index Rate and Cap declared for a given Interest Account. Rate Option 2 for a given index generally has a higher Index Rate and a lower Cap than Rate Option 1 for that index. For example, for a given index, Rate Option 1 might have an Index Rate of 100% and a Cap of 6.00% while Rate Option 2 might have an Index Rate of 140% and a Cap of 5.50%.

The two indexes available in *SecurePlus Marquee 10* are:

- The S&P 500 Index; and
- The Russell 2000 Index

These are widely used market-value weighted indexes which reflect capital growth only and do not include dividends paid on stocks included in the indexes.

The following is a more detailed description of each of the two methods for calculating indexed interest.

1. **Ending Index Method —** This crediting strategy is commonly referred to as the annual reset, point-to-point method. An Indexed Interest Account that uses the Ending Index Method is credited with interest based on a formula which considers the positive change in the index from the beginning of the Policy Year to the end of the Policy Year. For the Ending Index Method, the Annual Percentage Change is the change from the index value at the beginning of the Policy Year to the index value at the end of the Policy Year. Interest is only credited to the Indexed Interest Account at the end of the Policy Year.

2. **Averaging Index Method —** This crediting strategy is commonly referred to as the annual reset, point-to-daily average method. The basics of this method of crediting interest are very similar to those of the Ending Index Method. The difference is how the Annual Percentage Change is measured. For the Average Index Method, the Annual Percentage Change is the change from the index value at the beginning of the Policy Year (the same beginning point as the Ending Index Method) to the average of the daily index values for all days during the Policy Year that the market is open. As with the Ending Index Method, interest is only credited to an Indexed Interest Account at the end of the Policy Year.

   Only one Interest Account uses the Average Index method of calculating Indexed Interest, the S&P 500 Average Index Interest Account.

   The Index Rates and Caps for all Indexed Interest Account are guaranteed never to be set less than 10% and 1%, respectively. The Index Rates and Caps that apply for the first Policy Year will be shown in your policy. Index Rates and Caps for subsequent

[11] If appropriate, the premium is charged with an amount equal to a state tax.

Policy Years are declared annually in advance.

How Interest is Calculated — The Annual Percentage Change in the index over the Policy Year is first expressed as a percent gain (or loss). That percent gain is multiplied by an Index Rate, a value that LSW declares at the start of the Policy Year.

The result is then limited to a maximum percentage change called the Cap which is also declared at the start of the Policy Year. If the result is less than the Cap, the result of the multiplication is the credited interest rate for the year. If the result is greater than the Cap, the credited interest rate is the Cap.

If the change in the index over the Policy Year is negative or zero, then no interest is credited for the Policy Year. However and quite importantly, the value of the Indexed Interest Account is protected from the negative Annual Percentage Change (in other words, the floor for the interest credited is zero). This happens because you are not investing in the index. You are purchasing an annuity where interest can only be credited, adding to your value. Amounts cannot be deducted from your Accumulation Value due to a negative Annual Percentage Change.

The starting point for the index value for the new Policy Year is the ending index value for the year then ended.

Table 2 shows the result of applying the indexed interest formula(s) in various hypothetical situations:

Table 2:

Year	*Index Rate*	*Annual Percentage Change*	*Multiplied Result*	*Cap*	*Floor*	*Interest Credited*
1	70.00%	10.00%	7.00%	4.80%	0.00%	4.80%
2	70.00%	7.50%	5.25%	6.00%	0.00%	5.25%
3	70.00%	-12.00%	-8.40%	5.10%	0.00%	0.00%
4	100.00%	17.00%	17.00%	3.90%	0.00%	3.90%
5	100.00%	4.00%	4.00%	4.50%	0.00%	4.00%
6	100.00%	-10.00%	-10.00%	4.70%	0.00%	0.00%
7	65.00%	15.00%	9.75%	6.00%	0.00%	6.00%
8	70.00%	8.00%	5.60%	5.80%	0.00%	5.60%
9	30.00%	-2.00%	-0.60%	10.00%	0.00%	0.00%
10	40.00%	16.00%	6.40%	No Cap	0.00%	6.40%

Here is how the values for Policy Year 1 are determined:

Step 1: *Multiply the Index Rate (which had been declared at the beginning of the Policy Year) by the Annual Percentage Change*

70% x 10% = 7.00%

Step 2: *Compare this to the Cap of 4.80% (which also had been declared at the*

beginning of the Policy Year) and a Floor of 0.00%. The Cap is smaller, since 7.00% is greater than the Cap of 4.80%

Step 3: *The interest rate credited is limited to the Cap of 4.80%. The interest rate credited is 4.80%.*

C. Bonus Accumulation Value (BAV) – Your annuity contains a feature called the Bonus Accumulation Value that will increase the value of your annuity if the following requirements are met. During Policy Years one through ten, the Bonus Accumulation Value is equal to 10% of the Accumulation Value. At the end of Policy Years eleven through fifteen, the portion of the BAV set forth below is transferred to the Accumulation Value if your annuity is in force on each policy anniversary.

End of Policy Year	11	12	13	14	15
% of remaining BAV transferred	20%	25%	33.33%	50%	100%

Once an amount is transferred, it becomes part of the Accumulation Value and is no longer part of the BAV. Please understand, you have no right to or interest in the BAV until it is transferred to the Accumulation Value. All of the BAV will transfer into the Accumulation Value by the end of the fifteenth Policy Year. No annuitization is required to receive this benefit. Withdrawals in the first 15 Policy Years reduce the value of the BAV.

SECTION VI — Policy Guarantees

Your policy provides a guaranteed minimum to the Death Benefit and the Cash Value. This minimum is calculated separately and is called the Policy Value. The Policy Value has the potential to increase the Death Benefit and the Cash Value that are described above. This guarantee can be valuable if you were to allocate most of your value in the annuity to Indexed Interest Accounts during multiple years of declines in the index or indexes.

The Policy Value equals 87.5% of the single premium less withdrawals taken, accumulated at the Policy Value interest rate shown in your policy. The Policy Value interest rate will never be less than 1%.

Your policy provides these guaranteed benefits:

Death Benefit – Accumulation Value plus Bonus Accumulation Value, if you are the Annuitant or the Policy Value if greater;

Cash Value[12] – Accumulation Value less a withdrawal charge, if any, or the Policy Value if greater; and

Guaranteed Income – minimum payment amounts for various income options are provided in the policy form.

SECTION VII — Other Information

Issue age limits for this annuity are owner/annuitant age 0 to 80 (actual age).

[12] The benefit is adjusted by any MVA, whether positive or negative. If appropriate, an amount equal to a state tax is charged.

This annuity is designed for people who are willing to let their savings build for at least 15 years.

This annuity does not participate directly in any stock or equity investments. You are not buying shares of stock or shares in the indexes.

We may change your annuity contract from time-to-time only to follow federal or state laws and regulations. If We do, We will tell You about the changes in writing.

Right to Examine: You have a right to a complete refund of Your premium paid at any time within 30 days of receiving Your annuity policy. To exercise this right, You must return your Policy with a written request for a refund.

What should I know about Life Insurance Company of the Southwest?

When an annuity seems to be the right fit for Your financial plan, You want the assurance that Your money is safe. *SecurePlus Marquee 10* is backed by the full assets of LSW. LSW has a corporate investment policy that strongly emphasizes quality investments and safety. LSW is a life insurance company that specializes in annuity and life insurance products. LSW's goal is to provide products that benefit policyholders regardless of market conditions. LSW was incorporated in 1955 under the laws of Texas as a legal reserve insurance company and is licensed in 49 states and the District of Columbia.

LSW is a member of National Life Group[13]. National Life Group is a diversified family of financial service companies that has successfully forged a strong identity as a product innovator offering personalized service. Companies in the group offer a comprehensive portfolio of life insurance, annuity, and investment products to help individuals, families, and businesses pursue their financial goals.

Please Tell Us If You Understand

Please do not rely on any statements about *SecurePlus Marquee 10* that are not consistent with what is described in this Disclosure, in the annuity Policy form, or in other material published by LSW. In case of any ambiguity, conflict, or question regarding interpretation of this Disclosure or any other published material or statements, the provisions of the Policy form prevail. Please consult your annuity Policy form for further details.

Understanding

My signature as Applicant below acknowledges that I have read and the agent has explained the contents of this Disclosure. **I understand that I am applying for an indexed annuity that provides benefits linked to an external equity index but does not participate directly in the equity market. I understand that I am applying for an annuity that has a Market Value Adjustment and that certain withdrawals I take from this annuity may be reduced as a result of the MVA.** I understand this original Disclosure will be enclosed with my application and a copy of it will be sent with my Policy.

[13] National Life Group is a trade name of National Life Company and its affiliates. Each company of the National Life Group is solely responsible for its own financial condition and contractual obligations. LSW is not authorized to sell insurance in New York.

Print Applicant Name

Applicant Signature Date

Print Agent Name Agent No.

Agent Signature Date

Thank You.
We Appreciate Your Business and
Your Confidence in LSW.

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National Life Group is a trade name of National Life Company and its affiliates. Each company of the National Life Group is solely responsible for its own financial condition and contractual obligations. LSW is not authorized to sell insurance in New York.

Special Enhanced Life Income Summary

Life Insurance Company of the Southwest (LSW) • 1300 W. Mockingbird Ln. • Dallas, TX 75247-4921 • Customer Service 800-579-2878

SecurePlus Marquee 10

This Summary Provides Important Details on the Special Enhanced Life Income Options

LSW SecurePlus Marquee 10, form 8965(0411) is a Single Premium Deferred Annuity. It offers a unique feature called the Special Enhanced Life Income that could provide added benefits. We want you to understand its limitations and exclusions as well as its benefits and use.

Every LSW annuity offers the Owner the ability to use part or all of its value to provide an income. The *Special Enhanced Life Income* provision allows the Owner to do so with guarantees of higher income than would otherwise be available ***if*** specified circumstances exist. Those circumstances are that the Annuitant is proven to be unable to perform at least two of six *Activities of Daily Living* (see below) *without Substantial Assistance* (see below) from another individual, and that his or her need for this assistance is expected to be permanent as a result of the loss of functional capacity.

Please take note of the following items.

- The Special Enhanced Life Income provides income that can be used for any purpose.
- ***Neither*** this Policy ***nor*** its Special Enhanced Life Income provision are **Long Term Care** policies. The Special Enhanced Life Income provision **may *not* be available** even if the Annuitant needs Long Term Care.
- Even if Special Enhanced Life Income is elected and provided in a situation that requires Long Term Care for the Annuitant, the payments may not be sufficient to cover the cost of the Annuitant's Long Term Care.
- The Special Enhanced Life Income is only available if LSW receives certification from an Independent Health Care professional, contracted at our expense to supply such certification to us, that the medical and physical requirements are met.
- The Special Enhanced Life Income benefit is not available for the first five years that the Policy is in force.
- The Annuitant must be a U.S. resident.
- At commencement of the Special Enhanced Life Income, the Annuitant must be between 55 and 90 years old.
- The substantial assistance requirement shall not have been met if the need is:
  - caused by war or act of war, declared or otherwise,
  - caused by participation in a felony, riot, or insurrection,
  - intentionally self-inflicted, or
  - required as a result of alcoholism or drug addiction (unless the addiction was the result of administration of the drugs as part of a legitimate treatment by a licensed physician)
- The Annuitant must be available in the United States to prove continued life status to a designated representative of LSW at least once a year (following expiry of the 30-month, 60-month guarantee period or 120-month guarantee period, if a guarantee period is elected).

_____

Applicant's Initials

The Six Activities of Daily Living are:

1. Bathing: Washing oneself by sponge bath or in either a tub or shower, including the tasks of getting into or out of the shower;

2. Dressing: Putting on and taking off all items of clothing and any required braces, fasteners, or artificial limbs;

3. Transferring: Moving into and out of a bed, chair, or wheelchair;

4. Toileting: Getting to and from the toilet, getting on and off the toilet, and performing related personal hygiene;

5. Continence: Ability to maintain control of bowel and bladder function or when, not able to maintain control of bowel or bladder function, ability to perform related personal hygiene (including caring for catheter or colostomy bag);

6. Eating: Feeding oneself by getting food into the body from a receptacle (such as a cup, plate, or table) or by feeding tube or intravenously

Without Substantial Assistance means that:

- Without the physical assistance of another person, the Annuitant would be unable to perform the Activity of Daily Living or

- The presence of another person within arm's reach of the Annuitant is necessary to prevent, by physical intervention, injury to the Annuitant while the Annuitant performs the Activity of Daily Living

Even if the Annuitant qualifies for Special Enhanced Life Income, you do not have to elect it. All other benefits of the annuity continue to be available.

Please do not rely on any statements about the Special Enhanced Life Income Options that are not consistent with what is described in this Summary, in the annuity Policy form, or in other material published by LSW. In case of ambiguity, the provisions of the Policy form prevail.

If you have any questions, you may ask them of your Agent or you may call us at our Home Office. Our telephone number is 800-579-2878. When you call, please say that you have questions about the Special Enhanced Life Income Options. We will be glad to hear from you.

Agent's Signature	*Applicant's Signature*
Date	*Date*

Form No. 8965(0411) - Statement of Variability

Variables for the mailing address, street address, website address, phone number, logo, and company city – these items are subject to change.

Variables for the officer titles and signatures – signatures of the two officers currently holding that title. In the event the title of an officer signing the policy form changes, any new title utilized will be the title of an officer of the company.

Variable for the Policy Number is assigned by Life Insurance Company of the Southwest when the policy is issued.

Variables for the Annuitant, Owner, and Issue Age are based on the information in the application.

Variable for the Issue Date is the date when the policy is issued.

Variable for the Annuity Date is the date at which the policy must end in either lump-sum distribution or commencement of a periodic income payment and is fixed at the Policy anniversary for attained age 99 of the Annuitant.

Variable for the Single Premium – the dollar amount prints automatically based on the amount received.

The policy's non-guaranteed rate-type elements and their descriptive text which are bracketed on the Data Pages are limited to the following values (low to high):

- Policy Value Interest Rate – (1.00% to 3.00%)
- Guaranteed Declared Rate for the first Policy Year – (1.00% to 35.00%)
- Minimum Declared Rate for subsequent Policy Years – (1.00% to 3.00%)
- Initial Index Values for the two indices – the value of each of the two indexes on the Issue Date
- Optional Index – chosen by the Owner at the time of application from a list of available indices. The only index currently on this list is the Russell 2000®. The list might later include any of the following:
    - Dow Jones Industrial Average
    - Dow Jones Wilshire 5000 Total Stock Market Index
    - NASDAQ-100
    - DAX (German)
    - FTSE (British)
    - Other widely-published, unambiguous, measurable composite indices with a stable market for options

  This list is hypothetical as Life Insurance Company of the Southwest has not contracted with any providers of indices other than S&P 500® and Russell 2000®.
- Guaranteed Index Rate for the first Policy Year – (10.00% to 200.00%)
- Guaranteed Cap for the first Policy Year – (1.00% to NO CAP)
- Minimum Index Rate for the first ten Policy Years – (10.00% or 30.00%)
- Minimum Cap for the first ten Policy Years – (1.00% or 3.00%)

<u>Determination of the Policy Value Interest Rate and the minimum Declared Interest Account Declared Rate</u>

The minimum rates will change from calendar month to calendar month for policies issued in the month as determined in the following. The rates employed during a calendar month for issues in that month will be the 5-year Treasury Constant Maturity rate ("CMT-5") reported by the Federal Reserve for the calendar month two months prior to the month of issue, rounded to the nearest 0.05%, reduced by 125 basis points, the resulting answer limited to not more than 3.00% and not less than 1.00% in all policy years.

Determination of the minimum Index Rate and Cap for the first ten Policy Years

The minimum Index Rate and Cap for the first ten Policy Years will be set to 30.00% and 3.00%, respectively subject to the following exception. If the 5-year Treasury Constant Maturity rate ("CMT-5") reported by the Federal Reserve is less than 4.75% for any of the following:

- the calendar month two months prior to the month of issue,
- the calendar month three months prior to the month of issue, or
- the calendar month four months prior to the month of issue,

then the minimum Index Rate and Cap for the first ten policy years may be set to 10.00% and 1.00%, respectively. In the application of the rates, there is no discrimination within any class of Policies.

Sample Calculation Nonforfeiture Rate for Current Issues

The policy form submitted with an Issue Date in April 2011 would use the rate of 2.26% reported by the Federal Reserve for the month of February 2011. The rate is rounded to the nearest 0.05% with a result of 2.25%. That rate is then reduced by 125 basis points with a result of 1.00%. This is equal to the floor, so 1.00% becomes effective for policies issued in the month of April 2011.

Table 2 – Life Income Payments

- There are two sets of factors for Table 2. The rates print automatically based on information from the application:
  - If the policy is issued as non-qualified or individual retirement annuity:

The values in Table 2 on the following page are based on the Annuitant's age (nearer birthday) on the Annuity Date. We may require proof of age. The values in this table are based on interest guaranteed at a 1% annual effective rate and the a2000 Individual Annuity Mortality table with a 1% improvement per year for fifteen years after election. Amounts of income for any age not shown will be furnished on request.

Table 2 - Life Income Payments (Monthly Income Per $1,000)

	If the Annuitant is Male				If the Annuitant is Female			
Age	2(a) Life Only	2(b) Life with 30 Mos	2(c) Life with 60 Mos	2(d) Life with 120 Mos	2(a) Life Only	2(b) Life with 30 Mos	2(c) Life with 60 Mos	2(d) Life with 120 Mos
55	3.26	3.26	3.25	3.23	2.99	2.99	2.99	2.98
56	3.34	3.34	3.33	3.31	3.06	3.06	3.06	3.05
57	3.43	3.43	3.42	3.39	3.14	3.14	3.14	3.12
58	3.53	3.53	3.52	3.48	3.23	3.22	3.22	3.20
59	3.63	3.63	3.62	3.58	3.31	3.31	3.31	3.29
60	3.74	3.74	3.73	3.68	3.41	3.40	3.40	3.37
61	3.85	3.85	3.84	3.78	3.50	3.50	3.50	3.47
62	3.98	3.97	3.96	3.90	3.61	3.61	3.60	3.56
63	4.11	4.10	4.09	4.01	3.72	3.72	3.71	3.67
64	4.25	4.24	4.22	4.14	3.84	3.83	3.82	3.78
65	4.40	4.39	4.37	4.27	3.96	3.96	3.95	3.89
66	4.56	4.55	4.52	4.40	4.10	4.09	4.08	4.02
67	4.73	4.72	4.69	4.54	4.24	4.24	4.22	4.15
68	4.91	4.90	4.86	4.69	4.39	4.39	4.37	4.28
69	5.11	5.09	5.04	4.84	4.56	4.55	4.53	4.43
70	5.31	5.30	5.24	5.00	4.74	4.73	4.70	4.58
71	5.53	5.51	5.45	5.17	4.93	4.92	4.89	4.74
72	5.77	5.74	5.66	5.34	5.14	5.13	5.09	4.91
73	6.02	5.99	5.90	5.51	5.37	5.35	5.30	5.09
74	6.29	6.26	6.14	5.69	5.61	5.59	5.53	5.27
75	6.58	6.54	6.40	5.87	5.88	5.85	5.78	5.47
76	6.89	6.84	6.67	6.06	6.16	6.13	6.04	5.67
77	7.23	7.16	6.96	6.24	6.47	6.44	6.33	5.87
78	7.58	7.50	7.27	6.43	6.81	6.77	6.63	6.08
79	7.97	7.87	7.59	6.62	7.17	7.12	6.95	6.29
80	8.38	8.26	7.92	6.80	7.57	7.50	7.30	6.50
81	8.82	8.68	8.27	6.98	8.00	7.92	7.66	6.71
82	9.29	9.12	8.64	7.16	8.47	8.37	8.05	6.92
83	9.79	9.59	9.01	7.33	8.98	8.85	8.45	7.12
84	10.33	10.08	9.40	7.49	9.53	9.36	8.87	7.31
85	10.91	10.61	9.80	7.64	10.13	9.92	9.31	7.48
86	11.53	11.16	10.20	7.78	10.77	10.51	9.76	7.65
87	12.19	11.74	10.62	7.91	11.46	11.13	10.21	7.80
88	12.89	12.35	11.03	8.03	12.20	11.78	10.67	7.94
89	13.63	12.99	11.45	8.14	12.99	12.46	11.14	8.07
90	14.43	13.65	11.86	8.25	13.83	13.17	11.58	8.18
91				8.34				8.28
92				8.42				8.37
93				8.49				8.45
94				8.55				8.51
95				8.60				8.57
96				8.65				8.62
97				8.68				8.66
98				8.71				8.70
99				8.73				8.72

- If the policy is issued as qualified tax-sheltered annuity:

The values in Table 2 are based on the Annuitant's age (nearer birthday) on the Annuity Date. We may require proof of age. The values in this table are based on interest guaranteed at a 1% annual effective rate and the a2000 Individual Annuity Mortality Table blended for unisex use with a 1% improvement per year for fifteen years after election. Amounts of income for any age not shown will be furnished on request.

Table 2 - Life Income Payments (Monthly Income Per $1,000)

Age	2(a) Life Only	2(b) Life with 30 Mos	2(c) Life with 60 Mos	2(d) Life with 120 Mos
55	3.10	3.10	3.09	3.08
56	3.18	3.17	3.17	3.15
57	3.26	3.26	3.25	3.23
58	3.35	3.35	3.34	3.32
59	3.44	3.44	3.43	3.40
60	3.54	3.54	3.53	3.50
61	3.64	3.64	3.63	3.59
62	3.75	3.75	3.74	3.70
63	3.87	3.87	3.86	3.81
64	4.00	4.00	3.98	3.92
65	4.13	4.13	4.11	4.04
66	4.28	4.27	4.25	4.17
67	4.43	4.43	4.40	4.31
68	4.60	4.59	4.56	4.45
69	4.78	4.77	4.73	4.60
70	4.96	4.95	4.92	4.75
71	5.17	5.15	5.11	4.91
72	5.39	5.37	5.32	5.08
73	5.62	5.60	5.54	5.26
74	5.88	5.85	5.77	5.44
75	6.15	6.12	6.03	5.63
76	6.45	6.41	6.29	5.83
77	6.77	6.72	6.58	6.02
78	7.11	7.06	6.88	6.22
79	7.48	7.42	7.21	6.43
80	7.89	7.80	7.55	6.63
81	8.32	8.22	7.90	6.82
82	8.79	8.66	8.28	7.02
83	9.30	9.14	8.68	7.20
84	9.85	9.65	9.08	7.38
85	10.44	10.19	9.51	7.55
86	11.07	10.77	9.94	7.70
87	11.75	11.37	10.38	7.85
88	12.48	12.01	10.82	7.98
89	13.25	12.67	11.26	8.10
90	14.06	13.36	11.69	8.21
91				8.30
92				8.39
93				8.46
94				8.53
95				8.59
96				8.63
97				8.67
98				8.70
99				8.72

Table 3 – Monthly Life Income While Either Person Lives

- There are two sets of factors for Table 3. The rates print automatically based on information from the application:
  - If the policy is issued as non-qualified or individual retirement annuity:

The values in Table 3 are based on the Annuitants' ages (nearer birthday) on the Annuity Date. We may require proof of ages. The values in this table are based on interest guaranteed at a 1% annual effective rate and the a2000 Individual Annuity Mortality Table with a 1% improvement per year for fifteen years after election. Amounts of income for any ages not shown will be furnished on request.

Table 3 - Life Income Payments While Either Person Lives
(Monthly Income Per $1,000)

Female Age ->	**55**	**60**	**65**	**70**	**75**	**80**	**85**	**90**	**95**
Male Age									
55	2.75	2.87	3.00	3.11	3.19	3.25	3.28	3.30	3.31
60	2.83	3.01	3.20	3.37	3.52	3.62	3.68	3.72	3.74
65	2.91	3.14	3.40	3.68	3.92	4.11	4.24	4.31	4.35
70	2.97	3.24	3.59	3.97	4.36	4.69	4.95	5.11	5.20
75	3.01	3.32	3.73	4.23	4.79	5.33	5.79	6.12	6.31
80	3.03	3.37	3.83	4.43	5.16	5.96	6.73	7.34	7.75
85	3.05	3.40	3.89	4.56	5.43	6.50	7.66	8.70	9.48
90	3.06	3.41	3.92	4.64	5.62	6.91	8.46	10.05	11.39
95	3.06	3.42	3.94	4.68	5.73	7.19	9.09	11.24	13.28

  - If the policy is issued as qualified tax-sheltered annuity:

The values in Table 3 are based on the Annuitants' ages (nearer birthday) on the Annuity Date. We may require proof of ages. The values in this table are based on interest guaranteed at a 1% annual effective rate and the a2000 Individual Annuity Mortality Table blended for unisex use with a 1% improvement per year for fifteen years after election. Amounts of income for ages not shown will be furnished on request.

Table 3 – Life Income Payments While Either Person Lives
(Monthly Income Per $1,000)

Age	**55**	**60**	**65**	**70**	**75**	**80**	**85**	**90**	**95**
55	2.74	2.85	2.94	3.03	3.08	3.12	3.14	3.15	3.16
60	2.85	3.00	3.16	3.29	3.40	3.47	3.51	3.53	3.55
65	2.94	3.16	3.39	3.62	3.80	3.94	4.03	4.08	4.11
70	3.03	3.29	3.62	3.96	4.28	4.53	4.71	4.82	4.89
75	3.08	3.40	3.80	4.28	4.77	5.22	5.57	5.82	5.96
80	3.12	3.47	3.94	4.53	5.22	5.93	6.58	7.08	7.41
85	3.14	3.51	4.03	4.71	5.57	6.58	7.62	8.54	9.24
90	3.15	3.53	4.08	4.82	5.82	7.08	8.54	10.02	11.28
95	3.16	3.55	4.11	4.89	5.96	7.41	9.24	11.28	13.24

Table 4 – Special Enhanced Life Income Payments

- There are two sets of factors for Table 4. The rates print automatically based on information from the application:
  - If the policy is issued as non-qualified or individual retirement annuity:

The values in Table 4 are based on the Annuitant's age (nearer birthday) on the Commencement Date. We may require proof of age. The values in this table are based on interest guaranteed at a 1% annual effective rate and a substandard a2000 Individual Annuity Mortality Table with a 1% improvement per year for fifteen years after election.

Table 4 - Special Enhanced Life Income Payments (Monthly Income Per $1,000)

	If the Annuitant is Male				If the Annuitant is Female			
Age	4(a) Life Only	4(b) Life with 30 Mos	4(c) Life with 60 Mos	4(d) Life with 120 Mos	4(a) Life Only	4(b) Life with 30 Mos	4(c) Life with 60 Mos	4(d) Life with 120 Mos
55	7.03	6.92	6.65	5.83	5.25	5.21	5.10	4.73
56	7.15	7.04	6.75	5.90	5.34	5.30	5.18	4.79
57	7.28	7.16	6.86	5.97	5.44	5.39	5.27	4.86
58	7.41	7.29	6.97	6.04	5.53	5.48	5.35	4.92
59	7.55	7.42	7.09	6.11	5.62	5.57	5.43	4.98
60	7.71	7.57	7.22	6.19	5.72	5.67	5.52	5.04
61	7.88	7.74	7.36	6.26	5.82	5.76	5.60	5.10
62	8.06	7.90	7.50	6.34	5.92	5.86	5.69	5.16
63	8.24	8.08	7.64	6.41	6.01	5.95	5.77	5.22
64	8.43	8.26	7.78	6.48	6.11	6.04	5.85	5.27
65	8.63	8.43	7.93	6.55	6.20	6.13	5.94	5.33
66	8.83	8.61	8.06	6.62	6.30	6.23	6.02	5.39
67	9.02	8.78	8.19	6.68	6.39	6.31	6.10	5.45
68	9.19	8.94	8.31	6.74	6.49	6.40	6.18	5.50
69	9.35	9.09	8.42	6.79	6.58	6.49	6.26	5.56
70	9.50	9.22	8.52	6.84	6.67	6.58	6.34	5.63
71	9.63	9.33	8.61	6.89	6.77	6.67	6.42	5.69
72	9.75	9.44	8.70	6.94	6.87	6.77	6.51	5.76
73	9.87	9.55	8.80	6.98	6.97	6.87	6.60	5.84
74	10.00	9.67	8.89	7.03	7.08	6.98	6.71	5.93
75	10.15	9.82	9.01	7.09	7.21	7.10	6.82	6.02
76	10.35	9.99	9.14	7.15	7.36	7.25	6.96	6.13
77	10.54	10.16	9.26	7.21	7.52	7.41	7.11	6.25
78	10.72	10.32	9.38	7.27	7.71	7.59	7.28	6.37
79	10.90	10.48	9.50	7.33	7.92	7.80	7.47	6.51
80	11.08	10.64	9.63	7.39	8.17	8.05	7.70	6.67
81	11.28	10.82	9.77	7.46	8.50	8.36	7.98	6.83
82	11.48	11.00	9.91	7.54	8.86	8.70	8.28	7.00
83	11.70	11.20	10.07	7.62	9.26	9.08	8.61	7.17
84	11.95	11.43	10.26	7.70	9.71	9.51	8.97	7.33
85	12.25	11.71	10.47	7.79	10.23	10.00	9.36	7.50
86	12.64	12.05	10.72	7.89	10.85	10.57	9.80	7.66
87	13.06	12.42	10.99	7.98	11.52	11.17	10.24	7.81
88	13.53	12.83	11.28	8.08	12.24	11.81	10.68	7.94
89	14.06	13.30	11.60	8.17	13.01	12.47	11.14	8.07
90	14.69	13.85	11.95	8.26	13.83	13.17	11.58	8.18

- If the policy is issued as qualified tax-sheltered annuity:

The values in Table 4 are based on the Annuitant's age (nearer birthday) on the Commencement Date. We may require proof of age. The values in this table are based on interest guaranteed at a 1% annual effective rate and a substandard a2000 Individual Annuity Mortality Table blended for unisex use with a 1% improvement per year for fifteen years after election.

Table 4 - Special Enhanced Life Income Payments (Monthly Income Per $1,000)

Age	4(a) Life Only	4(b) Life with 30 Mos	4(c) Life with 60 Mos	4(d) Life with 120 Mos
55	6.01	5.94	5.77	5.23
56	6.11	6.04	5.86	5.29
57	6.21	6.14	5.95	5.35
58	6.31	6.24	6.04	5.42
59	6.42	6.35	6.14	5.48
60	6.54	6.46	6.23	5.55
61	6.66	6.57	6.34	5.61
62	6.78	6.69	6.44	5.67
63	6.91	6.81	6.54	5.74
64	7.03	6.93	6.64	5.80
65	7.16	7.04	6.74	5.86
66	7.28	7.16	6.84	5.92
67	7.40	7.27	6.93	5.97
68	7.52	7.38	7.02	6.03
69	7.62	7.48	7.11	6.08
70	7.72	7.57	7.19	6.14
71	7.82	7.67	7.27	6.19
72	7.92	7.76	7.35	6.25
73	8.02	7.85	7.43	6.31
74	8.12	7.95	7.53	6.38
75	8.25	8.07	7.63	6.46
76	8.40	8.22	7.76	6.54
77	8.56	8.37	7.90	6.64
78	8.74	8.54	8.05	6.74
79	8.93	8.73	8.22	6.85
80	9.17	8.95	8.41	6.96
81	9.46	9.23	8.64	7.09
82	9.77	9.52	8.89	7.22
83	10.12	9.84	9.16	7.35
84	10.51	10.21	9.46	7.49
85	10.96	10.64	9.79	7.62
86	11.52	11.14	10.16	7.76
87	12.11	11.66	10.54	7.88
88	12.75	12.22	10.93	8.00
89	13.43	12.81	11.33	8.11
90	14.18	13.45	11.73	8.21

Form No. 8966(0411) - Statement of Variability

Variables for the street address, website address, and phone number – these items are subject to change.

Variables for the officer title and signature – signature of the officer currently holding that title. In the event the title of the officer signing the form changes, any new title utilized will be the title of an officer of the company.

The rider's elements which are bracketed are limited to the following values (low to high):

- MVA Period – (3 to 15)
- MVA Corridor (k) – this factor will be greater than 0.00%, but not greater than 0.50%

Form No. 8967(0411) - Statement of Variability

Variables for the street address, website address, and phone number – these items are subject to change.

Variables for the officer title and signature – signature of the officer currently holding that title. In the event the title of the officer signing the form changes, any new title utilized will be the title of an officer of the company.

The rider's elements which are bracketed are limited to the following values:

- BAV Percentage – 1.00% to 15.00%
- BAV Deferral Period – Policy Years 1 through 10
- BAV Transfer Period – Policy Years 11 through 15
- BAV Transfer Percentages:
    - Policy Year 11 – 20.00%
    - Policy Year 12 – 25.00%
    - Policy Year 13 – 33.33%
    - Policy Year 14 – 50.00%
    - Policy Year 15 – 100.00%

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
04/25/2011	Form	Single Premium Indexed and Declared Interest Deferred Annuity Policy	04/26/2011	8965(0411).pdf (Superceded)
04/25/2011	Form	Bonus Accumulation Value Rider	04/25/2011	8967(0411).pdf (Superceded)
04/14/2011	Supporting Document	Life & Annuity - Acturial Memo	06/03/2011	8966 Actuarial Memorandum certified.pdf 8967 Actuarial Memorandum certified.pdf (Superceded) 8965 Actuarial Memorandum certified.pdf
04/25/2011	Supporting Document	Statement of Variability	06/03/2011	8965(0411) SOV final.pdf 8966(0411) SOV FINAL.pdf 8967(0411) SOV.pdf (Superceded)

LSW

LIFE INSURANCE COMPANY OF THE SOUTHWEST

Mailing Address: PO Box 569080 • Dallas, TX 75356-9080
Street Address: 1300 West Mockingbird Lane • Dallas, TX 75247-4921

www.lifeofsouthwest.com
Customer Service: 800-579-2878

YOUR SINGLE PREMIUM INDEXED AND DECLARED INTEREST DEFERRED ANNUITY POLICY

Policy Number: 123456X	**Issue Date:** April 14, 2011
Annuitant: John Doe	**Annuity Date:** April 14, 2075
Owner: John Doe	**Issue Age:** 35

Annuity Benefits

We will pay an annuity income beginning on the Annuity Date if the Annuitant and Owner and, if named, Joint Owner are then living, subject to the terms of this Policy.

Death Benefits

We will pay a Death Benefit to the Beneficiary when We receive due proof of the death of the Owner, Joint Owner, or the Annuitant occurring before the Annuity Date, subject to the terms of this Policy.

Right to Examine this Policy

This Policy may be returned within thirty days after it is received. Return it to Our Home Office or to the agent through whom it was purchased. We will cancel the Policy and return any premium paid.

Request for Information

Upon written request from You, We will provide, within a reasonable time, factual information regarding the benefits and provisions of this Policy.

Important Notice

While future values for this Policy are guaranteed to be linked to a stock market index if You so choose, the Policy does not directly participate in any stock or equity investments.

This Policy is signed for **Life Insurance Company of the Southwest,** Dallas, Texas, by

Secretary	*President*

This Policy is a legal contract between You and the Company. **Please read it carefully.** We want You to understand the coverage it provides.

Single Premium Indexed and Declared Interest Deferred Annuity Policy. Benefits are calculated based on the movement of an index or stipulated interest rates. Minimum underlying values. Income payments start on the Annuity Date. Death Benefit payable before the Annuity Date. Nonparticipating.

DATA PAGES

Policy Number: [123456X]

Issue Date: [April 14, 2011]

Annuitant: [John Doe]

Annuity Date: [April 14, 2075]

Owner: [John Doe]

Issue Age: [35]

Coverage

Single Premium Indexed and Declared Interest Deferred Annuity Policy

Single Premium

$[10,000.00]

Withdrawal Charge Percentages

Policy Year	1	2	3	4	5	6	7	8	9	10	11+
Percentage %	10	9	8	7	6	5	4	3	2	1	0

Policy Value Interest Rate

The interest rate credited to the Policy Value is [1.00%].

Interest Accounts

Declared Interest Account

The guaranteed Declared Rate for [the first Policy Year] is [3.50%]. The minimum Declared Rate for subsequent Policy Years is [1.00%].

Indexed Interest Accounts

Index: Standard & Poor's 500® **Initial Index Value:** [1,234.56]

Ending Index Rate Option 1	**Index Rate**	**Cap**	**Floor**
Guaranteed rates for the first Policy Year	[100.00%]	[5.90%]	0.00%
Minimum rates for Policy Years after the first	10.00%	1.00%	0.00%

Ending Index Rate Option 2	**Index Rate**	**Cap**	**Floor**
Guaranteed rates for the first Policy Year	[50.00%]	[6.70%]	0.00%
Minimum rates for Policy Years after the first	10.00%	1.00%	0.00%

Average Index	**Index Rate**	**Cap**	**Floor**
Guaranteed rates for the first Policy Year	[45.00%]	[No Cap]	0.00%
Minimum rates for Policy Years after the first	10.00%	1.00%	0.00%

Index: [Russell 2000®] **Initial Index Value:** [789.10]

Ending Index Rate Option 1	**Index Rate**	**Cap**	**Floor**
Guaranteed rates for the first Policy Year	[100.00%]	[5.85%]	0.00%
Minimum rates for Policy Years after the first	10.00%	1.00%	0.00%

Ending Index Rate Option 2	**Index Rate**	**Cap**	**Floor**
Guaranteed rates for the first Policy Year	[50.00%]	[6.70%]	0.00%
Minimum rates for Policy Years after the first	10.00%	1.00%	0.00%

The Company declares Declared Rates, Index Rates, Caps, and Floors in advance of each Policy anniversary. Once declared, such rates are guaranteed for the subsequent Policy Year. Rates will not be less than the guaranteed minimums shown above. The Declared Rates, Index Rates, Caps, and Floors do not affect the computation of the Policy Value. See *Rate Declaration* in Part 4.

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Any riders and Endorsements and a copy of the application, follow page 18

In this Policy, the words **We**, **Us**, **Our** and **The Company** mean Life Insurance Company of the Southwest. **You** and **Your** mean the Owner of the Policy.

Part 1: Ownership of the Policy

Owner
The Owner on the Issue Date of this Policy is named in the application. If the Owner is not designated in the application, the Annuitant is the Owner.

Joint Owner
A Joint Owner may be named in the application on the Issue Date of this Policy. If a Joint Owner is named, You and Your shall refer to both the Owner and the Joint Owner together.

Rights of Owner
You may exercise all rights and privileges under this Policy, while the Annuitant is living, prior to the Annuity Date. Use of these rights may be subject to the consent of any assignee or irrevocable Beneficiary.

Transfer of Ownership
Subject to the limitations described below, You may transfer ownership of this Policy. We will not be responsible for any payment We make or other action We take before a copy of the written request for transfer of ownership is received at Our Home Office. We are not responsible for the validity of the transfer. We may require the Policy to record the transfer.

Under certain provisions of the Internal Revenue Code, ownership and assignment of annuity policies are restricted. If this annuity is issued to qualify under such a provision, this will be specified in the application. We will restrict ownership and assignment of this Policy so that it will comply with the provisions of the Internal Revenue Code or any successor statute.

Assignment
Subject to the limitations described in the Transfer of Ownership provision, this Policy may be assigned. We will not be responsible for any payment We make or any other action We take before a written copy of the assignment is received at Our Home Office. We are not responsible for the validity of the assignment.

Part 2: The Annuitant

Annuitant
The Annuitant is named in the application and on the Data Page(s) of this Policy. The Annuitant may not be changed after this Policy is issued, except as otherwise provided in this Policy. If the Annuitant is living on the Annuity Date while this Policy is in force, We will pay an annuity income as provided in Payment of Benefits, Part 5.

Contingent Annuitant
If the Owner and the Joint Owner, if one has been named, are both natural persons, and neither the Owner nor the Joint Owner is the Annuitant, You may name a Contingent Annuitant by written request. The written request must be signed while the Annuitant is living and prior to the Annuity Date. The designation of a Contingent Annuitant takes effect on the date We approve it and is subject to any action We take before receiving the request. Any designation of a Contingent Annuitant expires on the Annuity Date.

If the Annuitant dies prior to the Annuity Date while this Policy is in force and while the Contingent Annuitant is alive:

- The Death Benefit will not be payable;
- The Contingent Annuitant becomes the Annuitant for purposes of this Policy; and
- All other rights and benefits provided by this Policy will continue in effect.

Under certain provisions of the Internal Revenue Code, You are not permitted to name a Contingent Annuitant. If this annuity is issued to qualify under such a provision in the Internal Revenue Code, the Contingent Annuitant provision will not apply.

Part 3: Beneficiary Provisions

Beneficiary

The Beneficiary on the Issue Date of this Policy is named in the application. The primary Beneficiary will receive any Death Benefit payable under this Policy. A contingent Beneficiary may be named to receive the Death Benefit if the primary Beneficiary is not living at the time the Death Benefit is payable. If no named Beneficiary is living at the time the Death Benefit is payable, it will be paid to Your estate.

You may name more than one primary Beneficiary and more than one contingent Beneficiary. If more than one Beneficiary is to receive the Death Benefit, it will be paid in equal shares unless You specify otherwise in writing.

If a Joint Owner is named under the Policy, on the death of either the Owner or Joint Owner, the surviving owner will be the sole Beneficiary.

Minors

If a Beneficiary is a minor, We will make payment to the minor's court appointed guardian. If there is no court appointed guardian, We will hold the Death Benefit at interest until the minor reaches the age of majority as defined by the state where this Policy was issued. We may require proof of age of any Beneficiary.

Change of Beneficiary

You may change the Beneficiary at any time during the Annuitant's life. You must make a written request to Our Home Office in a form acceptable to Us. We may require the Policy to record the change. The request will take effect when signed by the Owner and irrevocable Beneficiary, if applicable, subject to any action We take before receiving it.

Part 4: Policy Dates and Values

Issue Date

The Issue Date of this Policy is shown on the Data Page(s). It is the date that Your Policy takes effect.

Policy Years

Policy Years are yearly periods which start on the Issue Date and on the same month and day of each year thereafter.

Annuity Date

Annuity income payments begin on the Annuity Date shown on the Data Page(s) if the Annuitant is living.

Net Single Premium

The Net Single Premium is the Single Premium, shown on the Data Page(s) of this Policy, minus any applicable State Tax (see State Taxes, Part 6).

Total Withdrawal

You may withdraw all of the Cash Value of this Policy at any time at or before the commencement of any annuity income payments. This is termed a Total Withdrawal. If You withdraw all of the Cash Value of this Policy, this Policy will terminate.

Partial Withdrawals

You may withdraw value from this Policy at any time prior to the Annuity Date. This is termed a Partial Withdrawal.

Partial Withdrawals impact the Policy Value, the Accumulation Value, and thus the Cash Value.

You may designate the Interest Account(s) from which to deduct a Partial Withdrawal. If You make no such election, the Partial Withdrawal will be deducted from each Interest Account in proportion to its value.

Partial Withdrawals are subject to the following limits:

- each Partial Withdrawal must be at least $500; and
- a Partial Withdrawal may not reduce the Accumulation Value to less than $5,000.

Please note that the order of withdrawal, whether interest or principal, may not be identical to the order of withdrawal of earnings or premium as regarded by the Internal Revenue Service.

Cash Value

The Cash Value of this Policy is the greater of:

- the Accumulation Value less applicable Withdrawal Charges; or
- the Policy Value,

less an amount equal to any State Tax assessed at time of (a) withdrawal, (b) use of the Cash Value to provide an income, or (c) any other use of the Cash Value (see State Taxes, Part 6).

We reserve the right to defer the payment of the Cash Value for a period not to exceed six (6) months after making written request and receiving written approval of the commissioner of insurance of the state in which this Policy is issued. If We exercise the right to defer the payment of the Cash Value and if required by state law, We will pay interest according to the laws of the state in which this Policy is issued.

You may withdraw all of the value of this Policy to provide a periodic income from Us. If You do so before the end of the fifth Policy Year, We will determine the annuity payments using the Cash Value. If You do so on or after the end of the fifth Policy Year, We will determine the annuity payments by applying the greater of:

- the Accumulation Value; or
- the Policy Value,

less an amount equal to any State Tax assessed at time of such withdrawal (see State Taxes, Part 6).

Policy Value

The Policy Value at any time is equal to:

- 100% of the Single Premium;
- minus 12.5% of the Single Premium for expenses and guarantees;
- minus any amounts withdrawn or amounts applied to provide an income (excluding any applicable Withdrawal Charges);
- plus or minus, as applicable, interest on the above items credited at the Policy Value Interest Rate shown on the Data Page(s).

Accumulation Value

The Accumulation Value at any time equals the sum of the values of the Interest Accounts.

Withdrawal Charges

If You request a Total or Partial Withdrawal, We will deduct a Withdrawal Charge from the amount withdrawn. If the amount withdrawn during a Policy Year is less than or equal to the Free Withdrawal Amount, or the Withdrawal Charge Percentage is zero, then the Withdrawal Charge is zero. The Withdrawal Charge on any additional amount withdrawn in excess of the Free Withdrawal Amount equals (a) times (b), where:

(a) is the additional amount withdrawn; and

(b) is the Withdrawal Charge Percentage for the Policy Year in which the withdrawal occurs.

Withdrawal Charge Percentage

The Withdrawal Charge Percentage is shown on the Data Page(s).

Free Withdrawal Amount

In the first Policy Year, the Free Withdrawal Amount is zero.

In Policy Years two and later, the Free Withdrawal Amount equals the greater of the Required Minimum Distribution or ten percent of the Accumulation Value at the time of the first withdrawal, either Partial Withdrawal or Total Withdrawal, in that Policy Year. If the first withdrawal in a Policy Year exceeds the Free Withdrawal Amount, We will assess Withdrawal Charges as defined above; and, if the Policy remains in force, the Free Withdrawal Amount for the remainder of the Policy Year is zero. If the first Partial Withdrawal is less than or equal to the Free Withdrawal Amount, We will assess no Withdrawal Charges; and the Free Withdrawal Amount is reduced by the amount withdrawn. Any withdrawal after the first Partial Withdrawal in a Policy Year is then treated in the same manner as the first Partial Withdrawal, measured against any remaining Free Withdrawal Amount at the time of the withdrawal.

A Required Minimum Distribution is determined (a) annually as of the end of the calendar year ending immediately prior to the beginning of the current Policy Year, (b) in accordance with applicable tax law and regulations in effect at the time the Required Minimum Distribution is determined, and (c) as if the Policy were the only annuity owned by the Owner.

Interest Accounts

We make two interest crediting methods available for the Interest Accounts under this Policy: crediting of interest based on an interest rate declared in advance and crediting of interest based on the change in an Index. The Interest Account for which an interest rate is declared in advance is called the Declared Interest Account. Interest Accounts based on the change in an Index are called Indexed Interest Accounts. The Net Single Premium is allocated among the Interest Accounts according to Your instructions. Your instructions are recorded in Your application, which is attached to and made part of this Policy.

Declared Interest Account

The value of the Declared Interest Account at any time is equal to:

- the amount of the Net Single Premium allocated to the Declared Interest Account;
- plus all transfers to the Declared Interest Account;
- plus all Declared Interest credited to the Declared Interest Account;
- minus all transfers from the Declared Interest Account;
- minus all amounts withdrawn or amounts applied to provide an income from the Declared Interest Account (including any Withdrawal Charges).

Declared Interest

We credit Declared Interest to the Declared Interest Account daily at an interest rate equivalent to the Declared Rate, which is an annual effective rate.

Declared Rate

We will determine the Declared Rate for the Declared Interest Account in advance of each Policy anniversary as described below under *Rate Declaration*. The value of the Declared Rate for the first Policy Year is shown on the Data Page(s).

Indexed Interest Accounts

The value of an Indexed Interest Account at any time is equal to:

- the amount of the Net Single Premium allocated to the Indexed Interest Account;
- plus all transfers to the Indexed Interest Account;
- plus all Indexed Interest credited to the Indexed Interest Account;
- minus all transfers from the Indexed Interest Account;
- minus all amounts withdrawn or amounts applied to provide an income for the Indexed Interest Account (including any Withdrawal Charges).

The rate at which an Indexed Interest Account grows depends on:

- its Index;
- its Index Method;
- its Cap;
- its Floor; and
- its Index Rate.

Indexed Interest

The Indexed Interest for an Indexed Interest Account equals the Indexed Interest Account's value times the Index Increase Percentage Factor. We will calculate the Indexed Interest for each Indexed Interest Account on the Policy anniversary. If the Indexed Interest is greater than zero, We will credit it to the Indexed Interest Account on the Policy anniversary.

Indices

The Indices for this Policy at issue are shown on the Data Page(s). Each of the Indices for the Policy is guaranteed to apply while the Policy is in force except as is defined below.

The value for a given day of an Index whose value is quoted continuously throughout that day in the United States is the value quoted by the provider of the Index at the close of activity for that day in the United States. The value for a given day of any other Index is the value quoted by the provider of the Index at the most recent close of activity for a day as of 5 p.m. in Dallas, Texas. If there is no activity in an Index for a day, no value will be used for that day.

If publication of the Index is discontinued or the calculation of the Index is changed substantially, We may substitute a suitable index. If required by the insurance department in the state where this Policy was issued, We will obtain the department's approval before a substitute index is used, and We will notify You and any assignee of the substitution.

Index Methods

There are two Index Methods used in this Policy: Ending Index and Average Index.

Index Increase Percentage Factor

The Index Increase Percentage Factor for an Indexed Interest Account will never be less than the Floor or more than the Cap declared at the start of that Policy Year for that Indexed Interest Account. Within those bounds, the Index Increase Percentage Factor equals the Index Rate for the Indexed Interest Account declared at the start of that Policy Year multiplied by the Index Change.

Index Change

The Index Change for an Indexed Interest Account is ((a) divided by (b)), less one, where:

- for Indexed Interest Accounts that use the Index Method Ending Index, (a) is the posted Index Value on the current Policy anniversary, or if there is no Index Value for the current Policy anniversary, the Index Value for the most recent day preceding that date for which there is an Index Value; or

  for the Indexed Interest Account that uses the Index Method Average Index, (a) is the arithmetic average of every Index Value posted after the previous Policy anniversary until the current Policy anniversary; and

- (b) is the posted Index Value on the previous Policy anniversary or, if there is no Index Value for the previous Policy anniversary, the Index Value for the most recent day preceding that date for which there is an Index Value.

Cap

The Cap is the maximum percentage per Policy Year by which an Indexed Interest Account will be increased. We will declare Caps for the Indexed Interest Accounts in advance of each Policy anniversary as described below under Rate Declaration. The values of the Caps for the first Policy Year are shown on the Data Page(s).

Floor

The Floor is the minimum percentage per Policy Year by which an Indexed Interest Account will be increased. We will declare Floors for the Indexed Interest Accounts in advance of each Policy anniversary as described below under Rate Declaration. The values of the Floors for the first Policy Year are shown on the Data Page(s).

Index Rate

The Index Rate is a percentage used to calculate the Index Increase Percentage Factor for an Indexed Interest Account. We will declare Index Rates for the Indexed Interest Accounts in advance of each Policy anniversary as described below under Rate Declaration. The values of the Index Rates for the first Policy Year are shown on the Data Page(s).

Rate Declaration

For the Declared Interest Account, We declare interest rates in advance of each Policy anniversary. The rate We so declare each year is guaranteed to remain in effect for the entire Policy Year.

For the Indexed Interest Accounts, We declared the Index Rates, Caps, and Floors in advance of each Policy anniversary. The Index Rates, Caps, and Floors We declare are likely to differ for each Indexed Interest Account.

We will set initial and/or renewal Declared Rates, Index Rates, Caps, and Floors depending on historical and then current interest rates and other relevant factors. The minimum Declared Rate, Index Rates, Caps, and Floors are shown on the Data Page(s).

Interest Account Value Transfers

You may request that We transfer amounts between or among Interest Accounts. Amounts may be transferred only on the Policy anniversary. The Declared Rates, the Index Rates, the Caps, and/or the Floors applicable to amounts subsequent to transfer will be the same rate(s) that would be applied to these amounts had the amounts been in the Interest Accounts to which they are being transferred from the Issue Date. You must notify Us requesting the transfer at least fifteen (15) days in advance of the Policy anniversary.

Part 5: Payment of Benefits

Death Benefits

While this Policy is in force and prior to the Annuity Date, We will pay a Death Benefit at the earlier of:

- the death of the Owner; or
- the death of the Joint Owner; or
- if neither the Owner nor the Joint Owner is the Annuitant, the death of the Annuitant, unless a validly designated Contingent Annuitant is living.

If the Annuitant dies, the Death Benefit will be the greater of:

- the Policy Value as of the date of death; or
- the Accumulation Value as of the date of death.

The Death Benefit will be the Cash Value as of the date of death if the Owner dies and the Owner is not the Annuitant. The Death Benefit will be the Cash Value as of the date of death if the Joint Owner dies and the Joint Owner is not the Annuitant. Payment will be made to the Beneficiary upon receipt of due proof of death. You may specify how the Death Benefit is to be paid, subject to the limits imposed by Section 72(s) of the Internal Revenue Code. If You do not specify how the Death Benefit is to be paid, the payment will be in a single sum unless the Beneficiary elects otherwise. In any event, the Death Benefit will be paid within five years of the date of death, unless one of the following exceptions applies.

Death of the Owner or Joint Owner

If the Owner or the Joint Owner dies and the Beneficiary is the surviving spouse of the decedent, the Beneficiary may elect to be treated as the successor Owner of the Policy and continue the Policy. If the Owner or Joint Owner who dies is also the Annuitant, and the Beneficiary is the surviving spouse of the decedent who elects to be treated as the successor Owner and continue the Policy, the Beneficiary will become the Annuitant. In the event of such an election, on the death of the surviving spouse, the Death Benefit will be paid within five years of the date of such death, or distributed in accordance with the next paragraph, even if the Beneficiary at that time is a surviving spouse.

If the Owner or the Joint Owner dies and the surviving spouse of the decedent is not the Beneficiary, the Beneficiary may elect to receive the Beneficiary's entire interest in the Policy over such Beneficiary's life or over a period not extending beyond the life expectancy of such Beneficiary. Such distributions must begin within one year from the date of death.

Death of the Annuitant, if neither the Owner nor the Joint Owner is the Annuitant

Except as provided in the next section (*Non-Natural Owners*), if neither the Owner nor the Joint Owner is the Annuitant and the Annuitant dies, the Beneficiary may elect to receive the Beneficiary's entire interest in the Policy over such Beneficiary's life or over a period not extending beyond the life expectancy of such Beneficiary. Such distributions must begin within one year from the date of death.

Non-Natural Owners

If either the Owner or the Joint Owner is not an individual and the Annuitant dies, and the Annuitant's surviving spouse is the Beneficiary, the Beneficiary may elect to be treated both as the successor Owner and as the successor Annuitant of the Policy and continue the Policy. In the event of such an election, on the death of the Annuitant's surviving spouse, the Death Benefit will be paid within five years of the date of such death, or distributed in accordance with the next paragraph, even if the Beneficiary at that time is a surviving spouse.

If either the Owner or the Joint Owner is not an individual and the Annuitant dies, and the Annuitant's surviving spouse is not the Beneficiary, the Beneficiary may elect to receive the Beneficiary's entire interest in the Policy over such Beneficiary's life or over a period not extending beyond the life expectancy of such Beneficiary. Such distributions must begin within one year from the date of death.

Annuity Benefits

If the Annuitant is living on the Annuity Date and this Policy is in effect, We will apply the Cash Value to provide a periodic income.

The Annuity Benefits will be paid to You unless You direct Us in writing to pay another person. The amount and duration of the annuity depend on the amount applied and the Payment Option under which it is applied. If the Payment Option is one involving the life of the Annuitant, We reserve the right to require periodic proof that the Annuitant is still living.

If the Annuitant dies on or after the Annuity Date, (or if both the Annuitant and the joint annuitant die if the selected Payment Option is a Joint and Survivor Payment Option), any remaining payments provided by the selected Payment Option will be paid to the Beneficiary.

If both (a) and (b) are true, where

(a) means neither the Owner nor the Joint Owner is either the Annuitant or the joint annuitant and

(b) means either the Owner or the Joint Owner dies on or after the Annuity Date, then any remaining payments provided by the selected Payment Option will be paid to the Beneficiary.

If either (c) or (d) is true, where

(c) means the Owner, the Joint Owner, the Annuitant, or the joint annuitant dies on or after the Annuity Date and

(d) means that You had directed Us in writing irrevocably to pay the Annuity Benefits to another person and that person dies on or after the Annuity Date,

then any remaining benefits will be paid to the Beneficiary at least as rapidly as under the Payment Option in effect as of the date of death.

If You elect to receive the Annuity Benefits in a single sum, We will pay You the Cash Value on the Annuity Date.

Part 6: Other Provisions

This part contains important general and required provisions.

This Agreement

This Policy, the application, and any attached riders and endorsements constitute the complete agreement between You and Us. We have issued this Policy in exchange for the application and the payment of the premium. Any change in this Policy must be in writing, signed by one of Our officers, and in the form of an amendment or endorsement to this Policy. No agent has the power or authority to waive, change, or alter any of the terms or conditions of this Policy. Only one of Our officers has the power or authority to waive, change, or alter any of the terms or conditions of this Policy.

Tax Qualification

We may amend this Policy as necessary to comply with the Internal Revenue Service requirements. Otherwise, this Policy may not be amended unless You agree in writing.

Incontestability

We cannot contest this Policy.

Misstatement of Age or Gender

If the Annuitant's age or gender has been misstated on the application, the benefits will be those which the premium paid would have bought for the correct age and gender. We will adjust the annuity payments on the basis of the correct age and gender. The total amount of any underpayment that may have been made will be credited with 5% interest and added to the annuity payment next following the adjustment. The total amount of any overpayment that may have been made will be charged with 5% interest and deducted from the annuity payments, as required, next following the adjustment.

State Taxes
Some states impose a tax on annuities. If so, We must pay this tax to the state.

- In the event that a State Tax is imposed on the premium or other amount received under this Policy, We will deduct an amount equal to such tax from the premium or other amount at the time of its receipt.
- In the event that a State Tax is imposed as a result of this Policy at any other time or for any other reason, We will deduct an amount equal to such tax, at the time the tax is assessed, from any value of the Policy prior to its use to provide a benefit. If We are unable to assess such a State Tax against a value of the Policy prior to its use to provide a benefit, We will deduct an amount equal to such tax from any benefit(s) payable as a result of the Policy.

Reports
At least once each year, We will send You a report showing the Accumulation Value. The report will also show all amounts added to and subtracted from the Accumulation Value during the period the report covers and any additional items required by the insurance department of the state where this Policy is issued.

Nonparticipating
This Policy is not entitled to share in the profits or surplus of the Company.

Required Standards
All values under this Policy meet the requirements of the Standard Nonforfeiture Law for individual deferred annuities. A detailed statement of Our computation method for all values and reserves has been filed with the insurance department of the state where this Policy is delivered. All values and reserves are equal to, or greater than, those required by the laws of such state. Any paid-up annuity, cash values, Death Benefits or reserves under this Policy are not less than the minimum benefits required by any statute of the state in which the Policy is delivered.

Protection from Creditors
Benefits and Values payable under this Policy will be free from claims of creditors to the extent allowed by law.

Our Liability
We will not incur any liability or be responsible for Your failure, in whole or in part, to comply with the provisions set forth in the Internal Revenue Code or any other law.

Part 7: The Payment Options

This part contains methods of payments of the Death and Annuity Benefits. Death Benefits must be paid in accordance with Part 5: Payment of Benefits. Monthly income payments are illustrated, but other frequencies of payments may be available. We may agree to other Installment Income or Life Income options.

Option Selection

You may select the option under which benefits will be paid while the Annuitant is still alive and prior to the Annuity Date. If no option is selected on the Annuity Date, Life Income Option 2(d) with monthly payments will be used automatically.

Installment Income (Option 1)

We will pay periodic income for a selected term or amount. The first payment is due on the Annuity Date. The right to withdraw money under an Installment Income option will be as agreed upon when the option is elected. The following Installment Income Options are available:

1(a) Income for a Selected Term. We will make equal periodic payments for the number of years selected (not less than 5 years or more than 25 years). The monthly income for each $1,000 applied will not be less than those shown in Table 1. This table is based on interest guaranteed at a 1% annual effective rate.

1(b) Income of Selected Amount. We will make equal periodic payments of an amount selected. Payments will continue until the amount applied, including interest, has been paid. Payments must be made for at least 5 years and for not more than 25 years. We guarantee interest at a 1% annual effective rate.

Table 1 - Installment Income Payments for a Selected Term (Per $1,000)

Years	Monthly Income	Years	Monthly Income	Years	Monthly Income
5	$17.08	12	$7.36	19	$4.81
6	14.30	13	6.83	20	4.59
7	12.32	14	6.37	21	4.40
8	10.83	15	5.98	22	4.22
9	9.68	16	5.63	23	4.05
10	8.75	17	5.33	24	3.90
11	7.99	18	5.05	25	3.76

Life Income (Option 2)

Payments depend on the life of the Annuitant. The monthly income for each $1,000 applied will not be less than those shown in Table 2. We will pay periodic income to the named person for the certain period selected and then for as long as the Annuitant is alive. The first payment is due on the Annuity Date. The money applied under a Life Income option cannot be withdrawn once payments begin. The following Life Income options are available:

2(a) Payments For Life Only.
We will make equal periodic payments for the lifetime of the Annuitant. Payments stop when the Annuitant dies.

2(b) Payments For Life with Thirty (30) Months Guaranteed.
We will make equal periodic payments for 30 months and then for as long as the Annuitant is alive.

2(c) Payments For Life with Sixty (60) Months Guaranteed.
We will make equal periodic payments for 60 months and then for as long as the Annuitant is alive.

2(d) Payments For Life with One Hundred Twenty (120) Months Guaranteed.
We will make equal periodic payments for 120 months and then for as long as the Annuitant is alive.

The values in Table 2 on the following page are based on the Annuitant's age (nearer birthday) on the Annuity Date. We may require proof of age. The values in this table are based on interest guaranteed at a 1% annual effective rate and the a2000 Individual Annuity Mortality Table with a 1% improvement per year for fifteen years after election. Amounts of income for any age not shown will be furnished on request.

Table 2 - Life Income Payments
(Monthly Income Per $1,000)

	If the Annuitant is Male				If the Annuitant is Female			
Age	2(a) Life Only	2(b) Life with 30 Mos	2(c) Life with 60 Mos	2(d) Life with 120 Mos	2(a) Life Only	2(b) Life with 30 Mos	2(c) Life with 60 Mos	2(d) Life with 120 Mos
55	3.26	3.26	3.25	3.23	2.99	2.99	2.99	2.98
56	3.34	3.34	3.33	3.31	3.06	3.06	3.06	3.05
57	3.43	3.43	3.42	3.39	3.14	3.14	3.14	3.12
58	3.53	3.53	3.52	3.48	3.23	3.22	3.22	3.20
59	3.63	3.63	3.62	3.58	3.31	3.31	3.31	3.29
60	3.74	3.74	3.73	3.68	3.41	3.40	3.40	3.37
61	3.85	3.85	3.84	3.78	3.50	3.50	3.50	3.47
62	3.98	3.97	3.96	3.90	3.61	3.61	3.60	3.56
63	4.11	4.10	4.09	4.01	3.72	3.72	3.71	3.67
64	4.25	4.24	4.22	4.14	3.84	3.83	3.82	3.78
65	4.40	4.39	4.37	4.27	3.96	3.96	3.95	3.89
66	4.56	4.55	4.52	4.40	4.10	4.09	4.08	4.02
67	4.73	4.72	4.69	4.54	4.24	4.24	4.22	4.15
68	4.91	4.90	4.86	4.69	4.39	4.39	4.37	4.28
69	5.11	5.09	5.04	4.84	4.56	4.55	4.53	4.43
70	5.31	5.30	5.24	5.00	4.74	4.73	4.70	4.58
71	5.53	5.51	5.45	5.17	4.93	4.92	4.89	4.74
72	5.77	5.74	5.66	5.34	5.14	5.13	5.09	4.91
73	6.02	5.99	5.90	5.51	5.37	5.35	5.30	5.09
74	6.29	6.26	6.14	5.69	5.61	5.59	5.53	5.27
75	6.58	6.54	6.40	5.87	5.88	5.85	5.78	5.47
76	6.89	6.84	6.67	6.06	6.16	6.13	6.04	5.67
77	7.23	7.16	6.96	6.24	6.47	6.44	6.33	5.87
78	7.58	7.50	7.27	6.43	6.81	6.77	6.63	6.08
79	7.97	7.87	7.59	6.62	7.17	7.12	6.95	6.29
80	8.38	8.26	7.92	6.80	7.57	7.50	7.30	6.50
81	8.82	8.68	8.27	6.98	8.00	7.92	7.66	6.71
82	9.29	9.12	8.64	7.16	8.47	8.37	8.05	6.92
83	9.79	9.59	9.01	7.33	8.98	8.85	8.45	7.12
84	10.33	10.08	9.40	7.49	9.53	9.36	8.87	7.31
85	10.91	10.61	9.80	7.64	10.13	9.92	9.31	7.48
86	11.53	11.16	10.20	7.78	10.77	10.51	9.76	7.65
87	12.19	11.74	10.62	7.91	11.46	11.13	10.21	7.80
88	12.89	12.35	11.03	8.03	12.20	11.78	10.67	7.94
89	13.63	12.99	11.45	8.14	12.99	12.46	11.14	8.07
90	14.43	13.65	11.86	8.25	13.83	13.17	11.58	8.18
91				8.34				8.28
92				8.42				8.37
93				8.49				8.45
94				8.55				8.51
95				8.60				8.57
96				8.65				8.62
97				8.68				8.66
98				8.71				8.70
99				8.73				8.72

Joint and Survivor Life Income (Option 3)

We will make equal periodic payments during the joint lifetime of two persons and the remaining lifetime of the survivor. The monthly income for each $1,000 applied for sample age combinations will not be less than those shown in Table 3. The first payment is due on the Annuity Date. The money applied under a Joint and Survivor Life Income Option cannot be withdrawn once payments begin.

The values in Table 3 are based on the Annuitants' ages (nearer birthday) on the Annuity Date. We may require proof of ages. The values in this table are based on interest guaranteed at a 1% annual effective rate and the a2000 Individual Annuity Mortality Table with a 1% improvement per year for fifteen years after election. Amounts of income for any ages not shown will be furnished on request.

Table 3 - Monthly Life Income While Either Person Lives (Per $1,000)

Female Age ->	55	60	65	70	75	80	85	90	95
Male Age									
55	2.75	2.87	3.00	3.11	3.19	3.25	3.28	3.30	3.31
60	2.83	3.01	3.20	3.37	3.52	3.62	3.68	3.72	3.74
65	2.91	3.14	3.40	3.68	3.92	4.11	4.24	4.31	4.35
70	2.97	3.24	3.59	3.97	4.36	4.69	4.95	5.11	5.20
75	3.01	3.32	3.73	4.23	4.79	5.33	5.79	6.12	6.31
80	3.03	3.37	3.83	4.43	5.16	5.96	6.73	7.34	7.75
85	3.05	3.40	3.89	4.56	5.43	6.50	7.66	8.70	9.48
90	3.06	3.41	3.92	4.64	5.62	6.91	8.46	10.05	11.39
95	3.06	3.42	3.94	4.68	5.73	7.19	9.09	11.24	13.28

More Information About Our Payment Options

Right to Increase Periodic Income

Subject to Our approval, a person who is to receive periodic income payments may make an extra contribution at the time of option selection to increase the income to be received. The contribution will be applied under the option at the same rates as are the benefits. We may make a charge, the amount of which will not exceed the sum of 3% of the extra contribution plus any State Tax assessed as a result of the extra contribution (see State Taxes, Part 6). We may limit the extra contribution to an amount equal to the value of the Policy used to provide the income payments.

Minimum Payments

If periodic payments under the selected payment option at time of election would be less than $20, We may change the frequency of payments or pay the amount applied in a single sum.

Automatic Cancellation

A previous election of a Payment Option for Death Benefits will be cancelled if the Beneficiary is changed.

Payments to Minors

While a person named to receive benefits is a minor, We will make all payments to the court appointed guardian of the minor's estate. We may require proof of age of any such person in determining his or her status as a minor.

Part 8: Special Enhanced Life Income Options

If both the Policy and the Annuitant meet Eligibility Requirements detailed in this Part of the Policy, You may be entitled to apply some or all of the value of the Policy to provide a Life Income that is higher than that otherwise available under Part 7: The Payment Options. If You are entitled to do so, You may choose an Option from this Part under which You want the annuity payments to be made. Even if the Policy and Annuitant meet the Eligibility Requirements, it is not mandatory that You elect to make use of this Special Enhanced Life Income. All of the other benefits of this Policy, including those under Part 7: The Payment Options, are unaffected by the presence of these benefit options. None of the provisions of Part 7 apply to the Special Enhanced Life Income Options available under this Part.

Election Date

The Election Date is the date We receive a request from You electing to use some or all of the value of Your Policy to provide an annuity (see the Cash Value provision of this Policy) under the provisions of this Part of the Policy. The request must be in a form acceptable to Us.

Commencement Date

The Commencement Date is the date We approve all proofs required by this Part; if this date is on a 29th, 30th, or 31st of a month, the Commencement Date is the next business day on or following the subsequent 1st of a month.

Activities of Daily Living

The Activities of Daily Living are:

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

Without Substantial Assistance

Without Substantial Assistance means:

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

Eligibility Requirements

The Eligibility Requirement for the Policy is that it has been in force at least five (5) years on the date the Special Enhanced Life Income commences.

The Eligibility Requirements for the Annuitant are the following.

1. The Annuitant must be a U.S. resident.
2. The Annuitant must be at least fifty-five (55) years old and no more than ninety (90) years old on the Commencement Date.
3. We must receive proof satisfactory to Us that the Annuitant is unable to perform, without Substantial Assistance from another individual, at least two (2) of the six (6) Activities of Daily Living (ADLs) defined above. This inability to perform the ADLs must be due to a permanent loss of functional capacity, and should We choose to use an independent health care professional (see How to Elect a Special Enhanced Life Income later in this Part) that person must agree and document that the loss is expected to be permanent.

Special Enhanced Life Income (Option 4)

Payments depend on the life of the Annuitant. The monthly income for each $1,000 applied will not be less than those shown in Table 4. We will pay the periodic income to the named person for the certain period selected and then for as long as the Annuitant is alive. The money applied under the Special Enhanced Life Income Option cannot be withdrawn once payments begin.

If the Commencement Date is ten (10) or more years after the Issue Date of this Policy, We will increase the amount of the Special Enhanced Life Income by 10% of the amount otherwise payable.

The first payment is due on the Commencement Date, but We may take up to thirty (30) days for accounting and administration before We make the first payment. Payments after the first are due on the same day of the month as the Commencement Date. Monthly Income payments are illustrated, but other frequencies of payments may be available. The following Special Enhanced Life Income Payment Options are available.

4(a) Payments for Life Only

We will make equal periodic payments for the lifetime of the Annuitant. Payments stop when the Annuitant dies.

4(b) Payments for Life with Thirty (30) Months Guaranteed

We will make equal periodic payments for 30 months and then for as long as the Annuitant is alive.

4(c) Payments for Life with Sixty (60) Months Guaranteed

We will make equal periodic payments for 60 months and then for as long as the Annuitant is alive.

4(d) Payments for Life with One Hundred Twenty (120) Months Guaranteed

We will make equal periodic payments for 120 months and then for as long as the Annuitant is alive.

The values in Table 4 are based on the Annuitant's age (nearer birthday) on the Commencement Date. We may require proof of age. The values in this table are based on interest guaranteed at a 1% annual effective rate and a substandard a2000 Individual Annuity Mortality Table with a 1% improvement per year for fifteen years after election.

Table 4 - Special Enhanced Life Income Payments (Monthly Income Per $1,000)

	If the Annuitant is Male				If the Annuitant is Female			
Age	4(a) Life Only	4(b) Life with 30 Mos.	4(c) Life with 60 Mos.	4(d) Life with 120 Mos.	4(a) Life Only	4(b) Life with 30 Mos.	4(c) Life with 60 Mos.	4(d) Life with 120 Mos.
55	7.03	6.92	6.65	5.83	5.25	5.21	5.10	4.73
56	7.15	7.04	6.75	5.90	5.34	5.30	5.18	4.79
57	7.28	7.16	6.86	5.97	5.44	5.39	5.27	4.86
58	7.41	7.29	6.97	6.04	5.53	5.48	5.35	4.92
59	7.55	7.42	7.09	6.11	5.62	5.57	5.43	4.98
60	7.71	7.57	7.22	6.19	5.72	5.67	5.52	5.04
61	7.88	7.74	7.36	6.26	5.82	5.76	5.60	5.10
62	8.06	7.90	7.50	6.34	5.92	5.86	5.69	5.16
63	8.24	8.08	7.64	6.41	6.01	5.95	5.77	5.22
64	8.43	8.26	7.78	6.48	6.11	6.04	5.85	5.27
65	8.63	8.43	7.93	6.55	6.20	6.13	5.94	5.33
66	8.83	8.61	8.06	6.62	6.30	6.23	6.02	5.39
67	9.02	8.78	8.19	6.68	6.39	6.31	6.10	5.45
68	9.19	8.94	8.31	6.74	6.49	6.40	6.18	5.50
69	9.35	9.09	8.42	6.79	6.58	6.49	6.26	5.56
70	9.50	9.22	8.52	6.84	6.67	6.58	6.34	5.63
71	9.63	9.33	8.61	6.89	6.77	6.67	6.42	5.69
72	9.75	9.44	8.70	6.94	6.87	6.77	6.51	5.76
73	9.87	9.55	8.80	6.98	6.97	6.87	6.60	5.84
74	10.00	9.67	8.89	7.03	7.08	6.98	6.71	5.93
75	10.15	9.82	9.01	7.09	7.21	7.10	6.82	6.02
76	10.35	9.99	9.14	7.15	7.36	7.25	6.96	6.13
77	10.54	10.16	9.26	7.21	7.52	7.41	7.11	6.25
78	10.72	10.32	9.38	7.27	7.71	7.59	7.28	6.37
79	10.90	10.48	9.50	7.33	7.92	7.80	7.47	6.51
80	11.08	10.64	9.63	7.39	8.17	8.05	7.70	6.67
81	11.28	10.82	9.77	7.46	8.50	8.36	7.98	6.83
82	11.48	11.00	9.91	7.54	8.86	8.70	8.28	7.00
83	11.70	11.20	10.07	7.62	9.26	9.08	8.61	7.17
84	11.95	11.43	10.26	7.70	9.71	9.51	8.97	7.33
85	12.25	11.71	10.47	7.79	10.23	10.00	9.36	7.50
86	12.64	12.05	10.72	7.89	10.85	10.57	9.80	7.66
87	13.06	12.42	10.99	7.98	11.52	11.17	10.24	7.81
88	13.53	12.83	11.28	8.08	12.24	11.81	10.68	7.94
89	14.06	13.30	11.60	8.17	13.01	12.47	11.14	8.07
90	14.69	13.85	11.95	8.26	13.83	13.17	11.58	8.18

Minimum Payments

If periodic payments under the selected payment option at time of election would be less than $20, We may change the frequency of payments or pay the amount applied in a single sum.

Limitations and Exclusions

The requirement of the need for Substantial Assistance shall not have been met if that need was:

1. caused by any war or any act of war (whether declared or undeclared); or
2. caused by participation in a felony, riot, or insurrection; or
3. intentionally self-inflicted; or
4. required as a result of alcoholism or drug addiction (unless the addiction was the result of administration of the drugs as part of a legitimate treatment by a licensed physician).

If You choose to apply less than the full value of this Policy to provide a Special Enhanced Life Income, the annualized amount of the payments must be at least $1,000.00.

You agree that We must be notified in a timely fashion of the Annuitant's death and that the responsible individuals must return any payments made after the date of the Annuitant's death not guaranteed by the option chosen.

The Annuitant must be available in the United States prior to the Commencement Date and at least once every twelve (12) months following the Commencement Date to prove continued life status. If the Annuitant is not available during this period, We will assume the Annuitant is not living and will stop payments after the guaranteed period, if any, under the provisions of this Part of the Policy. If this happens and the Annuitant later proves his or her continued life status in the United States, We will pay any payments that were not made in a lump sum and commence subsequent payments.

How to Elect a Special Enhanced Life Income

If You believe the requirements for the Special Enhanced Life Income are met, You can notify Us by contacting Us in writing at the address on the Policy cover. You should include:

1. Your Policy Number (see Data Pages);
2. Your name;
3. the Annuitant's name, if different;
4. the Activities of Daily Living with which the Annuitant needs Substantial Assistance; and
5. the nature of the Annuitant's need for Substantial Assistance.

In order to determine whether You are eligible for Special Enhanced Life Income:

1. We have the right to have the Annuitant examined by an independent health care professional contracted by Us to provide such services at Our expense, and We have the right to conduct an on-site assessment.
2. The Annuitant and/or the Annuitant's legally-qualified representative must cooperate with Us so that the independent health care professional can obtain satisfactory proof from the Annuitant, the Annuitant's physician(s), the Annuitant's care-giver(s), and/or other persons familiar with the Annuitant's condition.
3. We may require and We must be given access to the Annuitant's medical and/or care-giver records to obtain information about the Annuitant's condition.

After We have received all information We deem necessary, including information We request from You and all information We request or seek in the above three instances, We will approve or deny Your request for Special Enhanced Life Income as soon as reasonably possible. Within ten (10) days of having received all necessary information, We will send You written notice of Our decision or of Our need for additional time and the reason for that need. At the end of every subsequent forty-five (45) days, until We approve or deny Your request for Special Enhanced Life Income, We will send You notice of Our need for additional time and the reason for that need.

If We deny the eligibility for Special Enhanced Life Income, We will review Our decision if You ask that We do so, in writing, within sixty (60) days of receiving Our decision to deny. Your request should provide Us the following:

1. the reason You disagree with Our decision;
2. facts and/or factors You believe We should consider in Our review;
3. whom We may contact (please include names and complete contact information) to gather any additional pertinent information regarding the Annuitant's need for Substantial Assistance.

Within sixty (60) days of the day We receive Your request, We will review the denial and make a final decision. Our final decision will be in writing; and, if it is a denial, We will include Our specific reasons for the denial and make available all information directly relating to such denial.

At any time prior to the Commencement Date, You may revoke Your election.

Single Premium Indexed and Declared Interest Deferred Annuity Policy. Benefits are calculated based on the movement of an index or stipulated interest rates. Minimum underlying values. Income payments start on the Annuity Date. Death Benefit payable before the Annuity Date. Nonparticipating.

BONUS ACCUMULATION VALUE RIDER

Life Insurance Company of the Southwest (LSW) • www.lifeofsouthwest.com
1300 West Mockingbird Lane • Dallas, Texas 75247-4921 • **Customer Service** 800-579-2878

BAV Percentage	[10%]	
BAV Deferral Period:	Policy Years 1 through [10]	
BAV Transfer Period:	Policy Years [11] through [15]	
BAV Transfer Percentages:	Policy Year	Percentage
	[11]	[6.67%]
	[12]	[14.29%]
	[13]	[25.00%]
	[14]	[44.44%]
	[15]	[100.00%]

Part 1: Bonus Accumulation Value

This Rider must be issued at the time the policy is issued; otherwise, this Rider has no effect. We will establish a Bonus Accumulation Value (*BAV*) on the Issue Date. You have no rights to or interest in the BAV except as is defined in this Rider.

During the BAV Deferral Period, the BAV equals the BAV Percentage multiplied by the Accumulation Value.

During the BAV Transfer Period:

- We will increase the then-existing BAV any time interest is added to the Accumulation Value. When We do this, We will increase the then-existing BAV in the same proportion as the Accumulation Value is increased.

- We will reduce the then-existing BAV any time the Accumulation Value is reduced. When we do this, We will decrease the then-existing BAV in the same proportion as the Accumulation Value is reduced.

- We will transfer a portion of the BAV to the Accumulation Value at the end of each Policy Year. On each of these transfer dates, the percentage of the then-existing BAV We will transfer is determined from the table of BAV Transfer Percentages.

- The transfer of an amount from the BAV to the Accumulation Value reduces the BAV by the amount transferred.

- If the Accumulation Value is composed of Interest Accounts, an amount transferred will be divided and added to those Interest Accounts in proportion to their values at the time of transfer.

- After the final transfer from the BAV to the Accumulation Value, there is no more BAV.

Part 2: Annuity Benefits

Prior to the final transfer from the BAV to the Accumulation Value, if:

- the Policy's provisions allows You to withdraw all or part of the value of the Policy to provide a periodic income from Us

and if

- those provisions of the Policy state that, in certain circumstances, We will calculate that income in a manner that does not include application of Withdrawal Charges,

then, in those circumstances, We will also include a portion of the then-existing BAV with the Accumulation Value that is used for that purpose.

The amount that will be so included will be the then-existing BAV multiplied by the factor

[(A/B) X (C/D)], where:

A is the reduction in the Accumulation Value as a result of the transaction;

B is the total Accumulation Value prior to the transaction;

C is the number of completed Policy Years since the Issue Date of the Policy; and

D is the number of complete Policy Years from the Issue Date to the end of the BAV Transfer Period.

If less than all of the value of the Policy is withdrawn to provide the income, the BAV will be reduced as a result of the transaction by an amount equal to the BAV prior to the transaction multiplied by the factor (A/B), where A and B are determined as above. If all of the value of the Policy is withdrawn for any reason, there is no more BAV.

Part 3: Death Benefit

The Policy's Death Benefits provision is amended as follows.

If the Annuitant dies, then the determination of the amount of the Death Benefit referencing the Accumulation Value will be made by applying the Accumulation Value plus any then-existing BAV rather than the Accumulation Value alone.

Part 4: Rider Charges

There are no charges for this Rider.

Part 5: Rider Termination

This Rider terminates at the earlier of the termination of the Policy to which it is attached or when there is no more BAV.

Part 6: General Provisions

This Rider is part of the Policy to which it is attached. The Rider is subject to all terms, conditions, and provisions contained in the Policy. The provisions of this Rider apply in lieu of any Policy provision to the contrary.

The provisions of this Rider begin on the Policy's Issue Date.

This Rider has no cash value or loan value.

All terms not defined in this Rider refer to the terms as used in the Policy.

In all other respects, the Policy's provisions remain unchanged.

SIGNED FOR LIFE INSURANCE COMPANY OF THE SOUTHWEST

Jacque Crawford

Secretary

Form No. 8967(0411) - Statement of Variability

Variables for the street address, website address, and phone number – these items are subject to change.

Variables for the officer title and signature – signature of the officer currently holding that title. In the event the title of the officer signing the form changes, any new title utilized will be the title of an officer of the company.

The rider's elements which are bracketed are limited to the following values:

- BAV Percentage – 10%
- BAV Deferral Period – Policy Years 1 through 10
- BAV Transfer Period – Policy Years 11 through 15
- BAV Transfer Percentages:
    - Policy Year 11 – 20.00%
    - Policy Year 12 – 25.00%
    - Policy Year 13 – 33.33%
    - Policy Year 14 – 50.00%
    - Policy Year 15 – 100.00%