

State: Arkansas **Filing Company:** Life Insurance Company of the Southwest

TOI/Sub-TOI: A071 Individual Annuities - Special/A071.001 Equity Indexed

Product Name: Elite 5- Data Pages

Project Name/Number: Elite 5- Data Pages/7967(0612)

Filing at a Glance

Company: Life Insurance Company of the Southwest
Product Name: Elite 5- Data Pages
State: Arkansas
TOI: A071 Individual Annuities - Special
Sub-TOI: A071.001 Equity Indexed
Filing Type: Form
Date Submitted: 07/18/2012
SERFF Tr Num: NALF-128581406
SERFF Status: Closed-Approved-Closed
State Tr Num:
State Status: Approved-Closed
Co Tr Num: 7967(0612)
Implementation: On Approval
Date Requested:
Author(s): Junan Boldrey, Dionne Wills
Reviewer(s): Linda Bird (primary)
Disposition Date: 07/23/2012
Disposition Status: Approved-Closed
Implementation Date:

State Filing Description:

State: Arkansas Filing Company: Life Insurance Company of the Southwest
TOI/Sub-TOI: A071 Individual Annuities - Special/A071.001 Equity Indexed
Product Name: Elite 5- Data Pages
Project Name/Number: Elite 5- Data Pages/7967(0612)

General Information

Project Name: Elite 5- Data Pages Status of Filing in Domicile: Pending
Project Number: 7967(0612) Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments: Pending approval in domicile.
Explanation for Combination/Other: Market Type: Individual
Submission Type: Resubmission Previous Filing Number: Form No. 7967
Individual Market Type: Overall Rate Impact:
Filing Status Changed: 07/23/2012
State Status Changed: 07/23/2012 Deemer Date:
Created By: Dionne Wills Submitted By: Dionne Wills
Corresponding Filing Tracking Number:

Filing Description:
Filing Description:
Policy Form No. 7967
Limited Refiling

Submission: This filing is being submitted as a Limited Refiling and contains new Data Pages, a new Statement of Variability, and a revised Actuarial Memorandum. Changes were only made to the Data Pages of the policy form. There were no changes to the language in the policy form. The form number for the new Data Pages is 7967(0612).

Summary of Changes: Policy form 7967 was approved by your department on 05/12/2010 under Filing ID 45615. The changes to the new Data Pages and Statement of Variability relative to the originals are:

- 1. the lower limit on the minimum guaranteed rate for the Premium Account, the Declared Interest Accounts, and the Policy Value is changed from 1.95% to 1.00%; and
2. the minimum guaranteed Index Rates and Caps are changed from 30% and 3% to 10% and 1%, respectively.

Since we no longer have pre-printed policy and associated forms—we print our policy and associated forms on demand from our administrative systems at issue—we will begin printing the new Data Pages containing the revised rates once we have completed all necessary modifications to our administrative systems to support the change.

Statement of Variability. A Statement of Variability for use with the new Data Pages is enclosed. The Statement of Variability discloses the policy's elements that are bracketed.

Actuarial Requirements. A revised Memorandum demonstrating compliance of the policy form with the Standard Valuation Law and the Standard Nonforfeiture Law for Individual Deferred Annuities is enclosed.

Company and Contact

Filing Contact Information

Junan Boldrey, Manager, Policy Filings, jboldrey@nationallife.com
Retirement Division
15455 North Dallas Parkway 800-543-3794 [Phone] 9316 [Ext]
Suite 800 214-638-9196 [FAX]
Addison, TX 75001

State: Arkansas Filing Company: Life Insurance Company of the Southwest

TOI/Sub-TOI: A07I Individual Annuities - Special/A07I.001 Equity Indexed

Product Name: Elite 5- Data Pages

Project Name/Number: Elite 5- Data Pages/7967(0612)

Filing Company Information

Life Insurance Company of the Southwest
15455 Dallas Parkway
Suite 800
Addison, TX 75001
(214) 638-9316 ext. [Phone]

CoCode: 65528
Group Code: 634
Group Name: National Life Group
FEIN Number: 75-0953004

State of Domicile: Texas
Company Type:
State ID Number: 1117

Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? Yes
Fee Explanation: Domicile filing fee is 100.00.
Per Company: No

Table with 4 columns: Company, Amount, Date Processed, Transaction #. Row 1: Life Insurance Company of the Southwest, \$100.00, 07/18/2012, 60996456

SERFF Tracking #:	NALF-128581406	State Tracking #:		Company Tracking #:	7967(0612)
State:	Arkansas	Filing Company:	Life Insurance Company of the Southwest		
TOI/Sub-TOI:	A071 Individual Annuities - Special/A071.001 Equity Indexed				
Product Name:	Elite 5- Data Pages				
Project Name/Number:	Elite 5- Data Pages/7967(0612)				

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	07/23/2012	07/23/2012

SERFF Tracking #:	NALF-128581406	State Tracking #:		Company Tracking #:	7967(0612)
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Product Name:	Elite 5- Data Pages				
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Disposition

Disposition Date: 07/23/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Statement of Variability		Yes
Supporting Document	Additional certifications		Yes
Form	Revised Data Pages		Yes

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Form Schedule

Lead Form Number: 7997(0612)							
Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments
1		7967(0612)	DDP	Revised Data Pages	Revised: Replaced Form #: Form No. 7967 Data Pages Previous Filing #: 45615		7967(0612) DP.pdf

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages

DATA PAGES

Policy Number: [123456X]

Issue Date: [June 14, 2012]

Annuitant: [John Doe]

Policy Date: [June 14, 2012]

Owner: [John Doe]

Annuity Date: [June 14, 2076]

Issue Age: [35]

Coverage

Indexed and Declared Interest Flexible Premium Deferred Annuity, With Initial Premium of \$[1,000.00]

Planned Premium

\$[1,000.00] [Per Year]

Policy Value Interest Rate

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

Premium Account Interest Rate

The interest rate credited to the Premium Account is [1.00%].

Declared Interest Accounts

The Declared Rate in effect for a new Declared Interest Account established on the Issue Date is [1.15%].

The guaranteed minimum Declared Rate for Reset Dates after the Issue Date is [1.00%].

Indexed Interest Accounts

The initial Index Value applicable to any portion of a premium which is transferred from the Premium Account to an Indexed Interest Account will be that on the close of activity on the [14th] of the month, coincident with or next following the receipt of that premium.

Standard & Poor's 500® Index

	Index Rate	Cap	Floor
Rates in effect for a new Indexed Interest Account opened on the Issue Date	[100.00%]	[2.75%]	0.00%
Guaranteed minimum rates for Reset Dates after the Issue Date	10.00%	1.00%	0.00%

Russell 2000® Index

	Index Rate	Cap	Floor
Rates in effect for a new Indexed Interest Account opened on the Issue Date	[100.00%]	[2.75%]	0.00%
Guaranteed minimum rates for Reset Dates after the Issue Date	10.00%	1.00%	0.00%

The Company declares Declared Rates, Index Rates, Caps, and Floors in advance only on each Reset Date. Rates will not be less than the guaranteed minimums shown above. The initial Declared Rate applicable to any portion of a premium which is transferred from the Premium Account to a Declared Interest Account will be that in effect on the [14th] of the month, coincident with or next following the receipt of that premium. The initial set of Index Rate, Cap, and Floor applicable to any portion of a premium which is transferred from the Premium Account to an Indexed Interest Account will be that in effect on the [14th] of the month, coincident with or next following the receipt of that premium. The Premium Account Interest Rate, 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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Product Name:	Elite 5- Data Pages				
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Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification		
Comments:			
Attachment(s):			
Form No 7967- AR-Revised Data Pages- 071812- Read Cert.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:	Statement of Variability		
Comments:			
Attachment(s):			
SOV for 7967 with DP 7967(0612) 07 03 2012.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Additional certifications		
Comments:			
Attachment(s):			
Form No 7967- AR- Revised Data Pages- 071812- EIA Certification.pdf			
Form No 7967-AR-Revised Data Pages-071812- Certification of Compliance.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

Form No. 7967

51.3



Digitally signed by Michael Ward
DN: cn=Michael Ward, o=(professional),
ou, email=mikeward@sbcglobal.net, c=US
Date: 2012.07.18 11:12:04 -05'00'

Signature

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

July 18, 2012

Date

Form No. 7967–Statement of Variability

This Statement of Variability is for use with policy form 7967 and data page 7967(0612).

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 Policy Date is the first date on which an Interest Account is established and is never more than one month after the Issue Date. The Policy Date will be set at company discretion to a day of the month between the 1st and 28th, inclusive. The Policy Date will not be set in any manner that discriminates unfairly between classes of policy owners.

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 set at issue to the Policy Date anniversary coincident with or next following the Policy anniversary for attained age 99 of the Annuitant. This is an item that is adjustable by the owner.

Variable for the Initial Premium under the Coverage Section:

- With Initial Premium of \$[1,000.00] – the dollar amount prints automatically based on the amount received.

Variables for the Planned Premium:

- \$[1,000.00] – the dollar amount is based on the information in the application
- [Per Year] = the billing frequency, if any, translated as follows:
 - [Per Year]
 - [Semi-Annually]
 - [Per Quarter]
 - [Per Month]
 - [Every Four Weeks]
 - [Every Three Weeks]
 - [Semi-Monthly]
 - [Bi-Weekly]
 - [Per Week]

Variable text for Withdrawal Charges on the first page of the Data Pages:

- If the Issue Age is less than or equal to 55, then the following text will be inserted:
 - The Withdrawal Charge Percentage is twelve percent in the first Policy Year. It reduces by one percent per year for the next eleven Policy Years. The Withdrawal Charge Percentage is zero after the twelfth Policy Year.
- If the Issue Age is equal to 56, then the following text will be inserted:
 - The Withdrawal Charge Percentage is eleven percent in Policy Years one and two. It reduces by one percent per year for the next ten Policy Years. The Withdrawal Charge Percentage is zero after the twelfth Policy Year.
- If the Issue Age is equal to 57, then the following text will be inserted:
 - The Withdrawal Charge Percentage is ten percent in the first three Policy Years. It reduces by one percent per year for the next nine Policy Years. The Withdrawal Charge Percentage is zero after the twelfth Policy Year.
- If the Issue Age is equal to 58, then the following text will be inserted:
 - The Withdrawal Charge Percentage is ten percent in Policy Years one and two. It reduces by one percent per year for the next nine Policy Years. The Withdrawal Charge Percentage is zero after the eleventh Policy Year.
- If the Issue Age is greater than or equal to 59, then the following text will be inserted:

- The Withdrawal Charge Percentage is eight and one quarter percent in Policy Years one and two, reducing by one percent per year for the next two Policy Years. It reduces by one and one quarter percent in the fifth Policy Year and reduces by one percent for the next four Policy Years. The Withdrawal Charge Percentage is zero after the ninth Policy Year.

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%)
- Premium Account Interest Rate – (1.00% to 3.00%)
- Declared Interest Account Declared Rate in effect on the Issue Date – (1.00% to 35.00%)
- Guaranteed minimum Declared Interest Account Declared Rate – (1.00% to 3.00%)
- Index Rate in effect for a new Indexed Interest Account established on the Issue Date – (10% to 200%)
- Cap in effect for a new Indexed Interest Account established on the Issue Date – (1% to NO CAP)

Determination of the Policy Value Interest Rate, Premium Account Interest Rate, and the guaranteed minimum Declared Interest Account Declared Rate

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 20th of 1%, reduced by 125 basis points, the resulting answer limited to not more than 3% and not less than 1% in all policy years.

Sample Calculation Nonforfeiture Rate for Current Issues

The policy form submitted with an Issue Date of June 14, 2012 would use the rate of 0.89% reported by the Federal Reserve for the month of April 2012. The rate is rounded to the nearest 1/20th of 1% with a result of 0.90%. That rate is then reduced by 125 basis points with a result of -0.35%. This is less than 1.00%, so the floor of 1.00% becomes effective for policies issued in the month of June, 2012.

Variable for the day of the month used to determine the initial Index Value applicable to any portion of a premium which is transferred from the Premium Account to an Indexed Interest Account:

- [14th] – the same day of the month as the Policy Date

Variable for the day of the month used to determine the initial Declared Rate applicable to any portion of the a premium which is transferred from the Premium Account to a Declared Interest Account:

- [14th] – the same day of the month as the Policy Date

Variable for the day of the month used to determine the initial set of Index Rate, Cap, and Floor applicable to any portion of the a premium which is transferred from the Premium Account to an Indexed Interest Account:

- [14th] – the same day of the month as the Policy Date

Variable text in the Withdrawal Charges provision in Part 4 of the form:

- If the Issue Age is less than or equal to 57, then the following text will be inserted:
 - twelve
- If the Issue Age is equal to 58, then the following text will be inserted:
 - eleven
- If the Issue Age is greater than or equal to 59, then the following text will be inserted:
 - nine

Variable text under the Withdrawal Charge Percentage provision in Part 4 of the form will print the same variable text as the Withdrawal Charges section on the first page of the Data Pages (as described above).

**Arkansas Certification of Compliance with External Index Guidelines
Form No. 7967**

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.



Digitally signed by Michael Ward
DN: cn=Michael Ward, o=(professional), ou,
email=mikeward@sbcglobal.net, c=US
Date: 2012.07.18 11:12:22 -05'00'

Signature

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

July 18, 2012

Date

