

MEMORANDUM

December 15, 2008

To: File No. S7-14-08

From: Scott H. Kimpel
Office of Commissioner Troy A. Paredes

Re: Indexed Annuities and Certain Other Insurance Contracts

On December 12, 2008, Commissioner Troy A. Paredes and Scott H. Kimpel, Counsel to the Commissioner, met with the following individuals: Eric L. Marhoun, Senior Vice President, General Counsel & Secretary, Old Mutual Financial Network; Wade H. Mayo, President and Chief Executive Officer, Life Insurance Company of the Southwest; and Thomas McDonald, Baker & Hostetler LLP. The participants discussed proposed rule 151A.



A PRESENTATION TO:

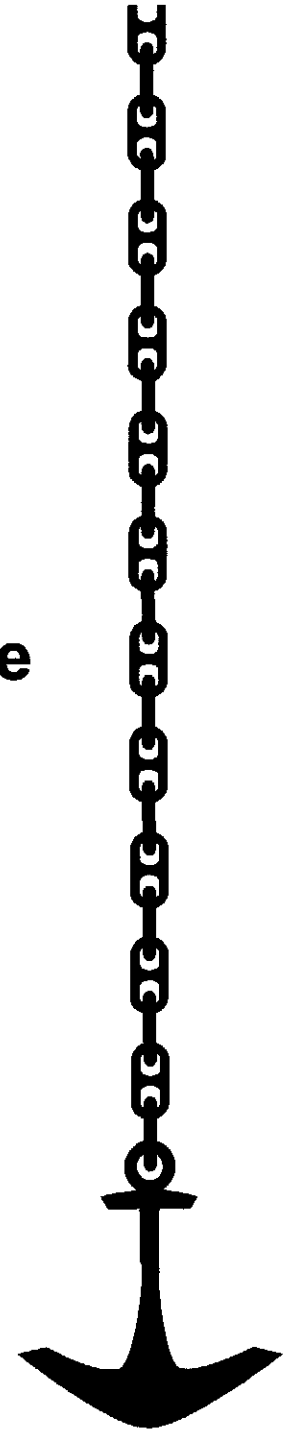
Hon. Kathleen Casey
Commissioner, SEC

PRESENTED BY:

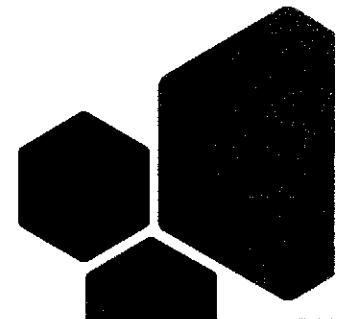
Eric Marhoun

October 20, 2008

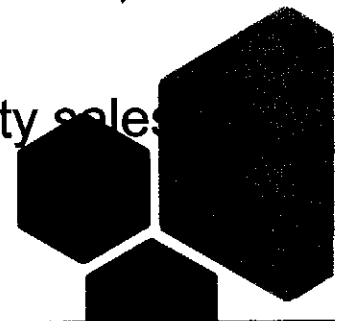
Old Mutual's View of SEC Rule 151A



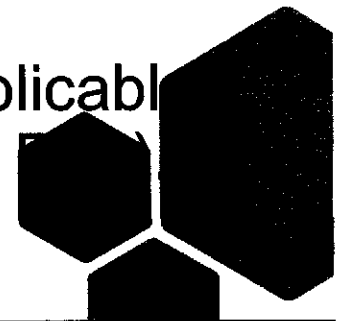
- Rule 151A is unnecessary and overly burdensome – goes beyond marketing to seniors.
- Rule 151A ignores the efforts of State Insurance Commissioners in addressing sales practices.
- Rule 151A is so broadly written that it would apply to all annuities, and ultimately all interest-crediting life insurance.
- Rule 151A would have an adverse impact upon Old Mutual Financial, its 400 employees and 30,000 independent producers.



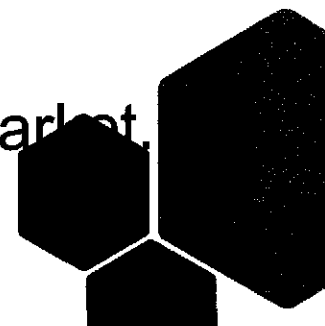
- A leading retirement product offered by life insurance companies offering:
 - Guaranteed retirement savings and asset protection
 - Probate efficiencies
 - Guaranteed income options like annuitization
- Benefits of FIAs:
 - Guaranteed accumulation with no up-front sales charge
 - Tax deferral
 - Withdrawal or annuitization rights
- Regulated by state insurance departments. 3 basic types: FIAs, declared rate and VAs.
- Growth from @\$4B in 1998 to \$25B in 2007; 10% of annuity sales



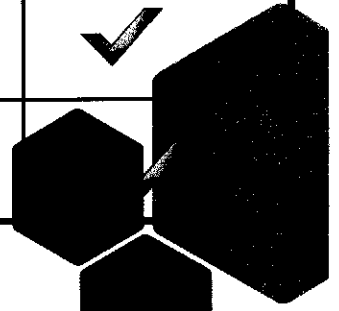
- Proposed by the SEC without any real warning after over a decade of non-action by the SEC other than 2005 voluntary information request.
- Imposes an unprecedented two-prong test that could be read to apply to nearly all non-variable annuities and, ultimately, to all interest-crediting life insurance policies.
- Applies to insurance products which have been regulated as insurance products since their inception almost 13 years ago.
- Ignores State Insurance Department suitability regulation developed over the past 5-6 years applicable to FIA sales practices (and prior Unfair Practices



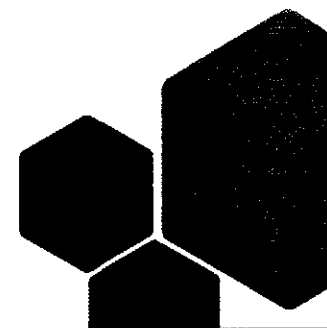
- Fixed Index Annuities (FIAs) are fixed annuities and have no market risk.
- The 151A release incorrectly equates the purchase of an FIA with an investment in a market index.
- The only difference between a traditional declared rate annuity and an FIA is the manner in which annual interest is calculated.
- In both cases, the full contract value, including premium plus interest credited in all prior years, is **not** exposed to **any** market risk.
- The consumer cannot lose money due to the market.



	Declared Rate Annuity	Fixed Index Annuity	Variable Annuity
Guarantee of premium and minimum interest	✓	✓	
Annual interest at rates declared by the insurer	✓		
Annual interest linked to an external index		✓	
Consumer bears Market Risk			✓
Tax-deferred growth	✓	✓	✓
No up front sales charges or annual fees	✓	✓	
Penalty-free 10% annual withdrawals starting in yr 2	✓	✓	✓
Penalty-free systematic interest withdrawals	✓	✓	✓
Surrender charges apply for withdrawals above 10%, waived at death	✓	✓	✓
Additional liquidity upon nursing home confinement or terminal illness or unemployment	✓	✓	



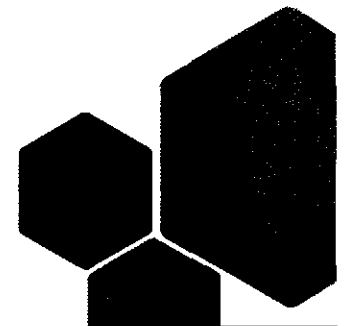
- The SEC 151A release incorrectly concludes that FIAs are marketed and purchased primarily for market gains.
- FIAs are purchased primarily for safety of premium with the potential for additional credited interest.
- FIAs offer consumers the opportunity to earn a somewhat higher interest rate than would be paid on a declared rate product.



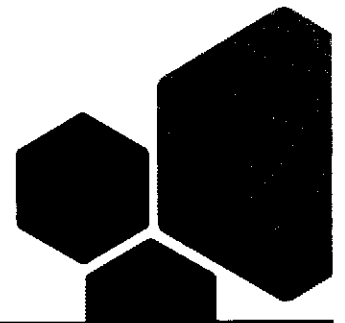
- The 151A release mistakenly states that an FIA purchaser assumes investment risk comparable to a variable annuity or mutual fund. **This is incorrect and has led to a totally unprecedented proposed Rule with 2-prongs having no basis in law.**
- FIA investment risk is limited to fluctuations in annual interest (similar to declared rate annuity) subject to a guaranteed minimum.
- Prong 1 – reference to a Security: Many insurance and bank products not regulated as securities have fluctuating levels of annual interest – including e.g. indexed certificates of deposit.
- Prong 2 – more likely than not in excess of guarantee: Many insurance products not regulated as securities provide for “excess value” above guaranteed minimums.



- Fixed annuity insurers manage their “general account” securities to fund guaranteed FIA contract values.
- None of the risk of loss on general account securities is passed through to consumers.
- Variable annuities are “separate account” products where all investment experience of securities within the account is passed through to consumers, whether gain or loss.



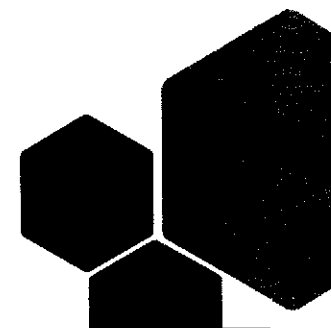
- Insurance Producers are already licensed and regulated by State Insurance Commissioners.
- Insurance Companies *as issuer* have duty to develop system of supervision with regard to annuity suitability.
- Insurance regulations impose disclosure and advertising requirements upon all annuity sales.
- Insurers apply suitability standards nationally.



- The 151A release incorrectly states that the main focus of state insurance regulation is insurer financial solvency. **(Strongly disputed at SEC Senior Summit.)**
- State insurance regulation also covers (with some variation by state):
 - Annuity disclosure requirements
 - Suitability reviews
 - “Free-look” periods
 - Advertising
 - Unfair trade practices
 - Regulation of “replacements”, or exchanges of annuities
 - Market conduct reviews of insurers
 - Levels of consumer guarantees in annuities/surrender charges
 - Agent licensing and training (specific FIA training in some states)
 - Insurance agent penalties for violations of sales rules



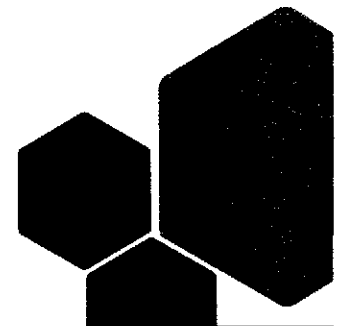
- The 151A release states – with no evidence -- that complaints and abusive FIA sales practices are sharply increasing.
- NAIC complaint data shows fewer complaints regarding FIAs than VAs.
- NASAA maintains no complaint data that we (or others) have been able to locate.
- The NBC Dateline segment on FIAs featured only one actual consumer.



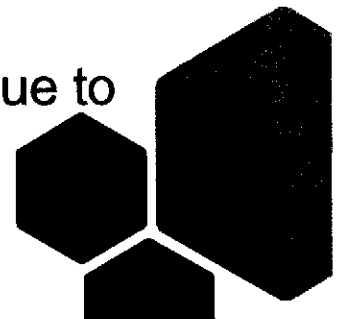
- The 151A release incorrectly states that fraud and abuse in sales to the elderly are closely linked to FIAs.
- Securities regulation is no more effective than state insurance regulation in protecting seniors from unscrupulous sales practices in sales of financial products.
- State insurance regulators are implementing new and enhanced protections for seniors, just as securities regulators are.
- SEC proposal will derail progress on sales practice regulation.



- No Old Mutual FIA policyholder has ever lost a dime of contract value as a result of market volatility.
- Old Mutual conducts suitability reviews of all sales in all states.
- Old Mutual has a complaint ratio of less than 0.2% of all FIA contract-holders.



- Reach out to the NAIC, particularly the Annuity Suitability Working Group chaired by the Wisconsin Commissioner.
- Coordinate suitability enhancement efforts with the Annuity Working Group of which FINRA is a member.
- Rule 151A would have unintended consequences which have not been explored:
 - Diminish Guarantee Fund coverage for FIAs: “any policy or contract under which risk is born by the policyholder.”
 - Diminish availability of product offerings in rural areas due to limitations imposed by OSJ requirements.





Experience Life™

\$2.3 Trillion Lost in Retirement Savings Plans in 2008!

*Your employees with
an LSW 403(b) annuity
haven't lost a penny!*

Life Insurance Company of the Southwest (LSW) continues to be a leader in the 403(b) market. We serve more than 7,000 school districts nationwide by providing outstanding traditional fixed and indexed annuities for teachers and employees. Our company was a leader in providing timely and accurate advice on the new 403(b) regulations to the districts we serve.

In today's volatile economy, it is important that school district employees have a safe and secure place to save for their retirement — with a company that specializes in the 403(b) market. It is our core business. LSW offers excellent tax-sheltered annuities that provide guarantees from loss of premiums paid and earned interest. (Assumes no withdrawals.)

We help your employees retire with dignity.

LSW...Integrity You Can Retire On!

For more information about Life Insurance Company of the Southwest, a company located in Dallas, Texas, please call Keith W. Young, Vice President of LSW at 214-638-9184 or e-mail at kyoung@nationallife.com.

Life Insurance Company of the Southwest

LSW Home Office: 1300 West Mockingbird Lane, Dallas, Texas 75247 / Telephone: 800-579-2873 / www.lifeofsw.com. National Life Home Office: One National Life Drive, Montpelier, Vermont 05604 / Telephone: 800-277-9329 / www.nationallife.com.

 NATIONAL LIFE
GROUP*

Form No. 9003 (10/08)

2007

FINANCIAL REPORT

Life Insurance Company of the Southwest
A Member of National Life Group



Life Insurance Company of the Southwest
A Member of National Life Group



1300 West Mockingbird Lane, Dallas, Texas 75247
www.lifeofsouthwest.com

Form No. 9788 (0408); Cat No. 100015



Integrity You Can Retire On...

Life Insurance Company of the Southwest!

Life Insurance Company of the Southwest (LSW), a member of National Life Group, is a trusted leader in traditional fixed and interest indexed annuities. As a dynamic and growing financial service company, LSW offers products and services that help individuals and businesses meet their financial goals.

LSW was incorporated in 1955 under Texas law as a legal reserve life insurance company. LSW is licensed to do business in 49 states and the District of Columbia.

In February 1996, National Life Insurance Company acquired a majority interest in LSW. In June 1999, LSW became a wholly owned subsidiary

of National Life. Founded in 1850, National Life is among the 10 oldest life insurance companies in the United States and is licensed to do business in all 50 states and the District of Columbia.

LSW specializes in annuity and life insurance products. Our goal is to provide secure products that benefit our policyholders regardless of market conditions.

Annuities offered by LSW include single and flexible premium annuities specially designed for each of the qualified and non-qualified markets. Life insurance products offered by LSW include term, universal life, and interest indexed universal life products.

Investment Management of LSW's Reserves

All invested assets are constantly managed by a process called dynamic portfolio management, which improves the quality and performance of the assets as market conditions change.

Each proposed investment is carefully analyzed prior to purchase. Only those investments providing the highest risk-adjusted return are selected.

LSW's basic investment strategy involves the selection of diverse investments, including bonds, money market instruments and first-lien commercial mortgages. Securities are purchased and sold on a cash basis in accordance with such policy.

The percentage mix within each investment category varies with the trend of interest rates, the policyholder reserves to be supported and the availability of suitable investments. All amounts invested are in accordance with our investment policy.

LSW's careful and conservative investment techniques have resulted in steady growth with an emphasis on quality.

Detailed Planning Resulted in Continued Growth in '07

By carefully managing our assets, we ensure that funds are available when our policyholders need them. Our ongoing strategy of buying high-quality assets to properly support policy reserves achieved excellent results in 2007.

1. LSW Total Assets (GAAP Basis*)

2007 **\$6,529,922,325**

2006 **\$6,057,953,338**

2005 **\$5,097,009,779**

2004 **\$4,467,510,249**

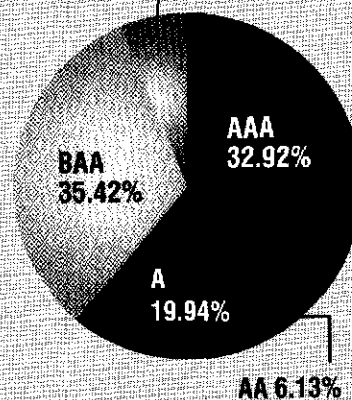
2003 **\$3,786,396,011**

Billions of \$

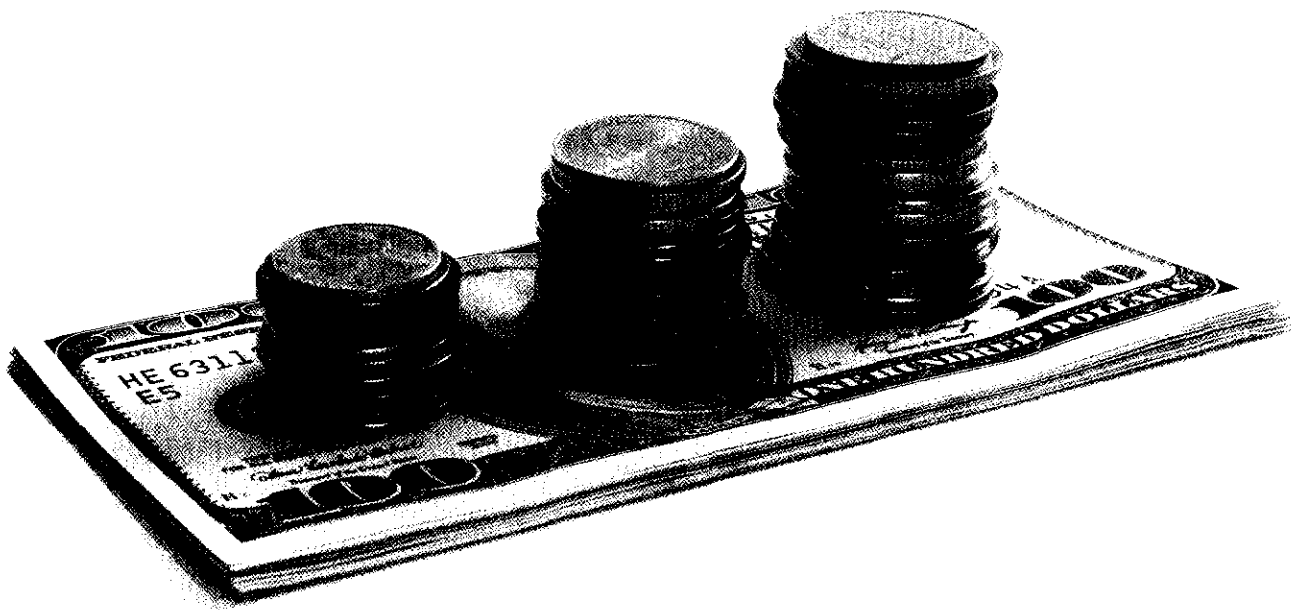
2. LSW Bond Ratings

(As of December 31, 2007)

BA & Below 5.59%



* Fluctuations in stockholders' equity and total assets are due in part to recognition of the fair value treatment of debt and equity securities promulgated by Financial Accounting Standards Board, Statement No. 115.



Bond Investments

Bond investments are limited to:

- U.S. Government and U.S. Government Agency bonds and notes
- Corporate bonds and notes (including certain mortgage-backed securities)

Approximately 67.2% of LSW's bond portfolio is comprised of corporate bonds with 2.0% being U.S. Government/Treasury/Municipal Bonds. Mortgage-backed Securities (MBS) comprise 30.8% of bonds, all of which represent the right to receive both principal and interest from the underlying first-lien

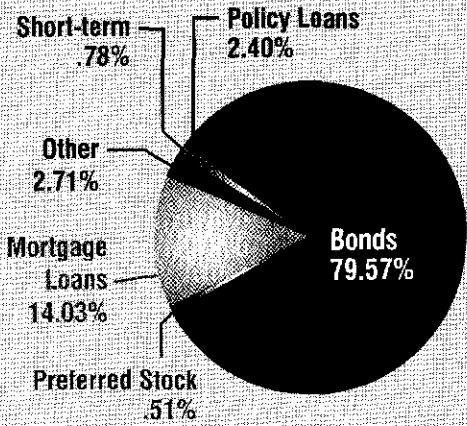
mortgages. The majority of LSW's MBS portfolio has the collection of principal and interest guaranteed by the U.S. Government or other agencies thereof. Approximately 5.6% of LSW's bonds are non-investment grade.

Money Market Instruments

Money market instrument investments consist of:

- Treasury bills
- Commercial paper
- Certificates of deposit
- Other similar short-term instruments

3. LSW Distribution of Invested Assets (As of December 31, 2007)



Commercial Mortgage Loans

Commercial mortgage loans comprise 12.4% of Total Assets and only consist of first-lien commercial mortgages. LSW has a staff of knowledgeable mortgage loan underwriters who use rigorous guidelines to evaluate commercial lending opportunities.

LSW limits its commercial loan exposure by diversifying geographically, loaning dollars on many different types of property, and by having an average loan amount of \$1.5 to \$2 million.

At year end 2007...

- Records were reached in total assets of \$6.5 billion and stockholders' equity of \$537.6 million.
- Total liabilities (including policy reserves) were \$6.0 billion.
- Our net gain from operations (after tax) totaled \$50 million.
- Over 94% of our bond portfolio was investment grade.
- Our commercial mortgage loan portfolio was 14.03% of invested assets.

4. LSW Net Gain from Operations (GAAP Basis*)

2007	\$50,011,246
2006	\$46,043,271
2005	\$45,586,346
2004	\$43,269,461
2003	\$36,344,911
	Millions of \$

* Fluctuations in stockholders' equity and total assets are due in part to recognition of the fair value treatment of debt and equity securities promulgated by Financial Accounting Standards Board, Statement No. 115.

5. LSW Stockholders' Equity (GAAP Basis*)

2007 **\$ 537,590,179**

2006 **\$ 457,364,631**

2005 **\$ 418,772,982**

2004 **\$ 404,830,545**

2003 **\$ 319,791,204**

Millions of \$

Markets We Serve

Annuities

LSW is committed to both the qualified and nonqualified annuity markets. Today, LSW works with more than 5,500 school districts nationwide by providing teachers and administrators with 403(b) tax sheltered annuities and annuities for 457 plans. Representative of this commitment is the increasing salary-reduction flow premium collected for 403(b) and 457 plans. In 2007, LSW collected a record \$258 million of flow premium for qualified annuities.

In the nonqualified retirement savers market, LSW provides a full range of fixed annuities using both traditional interest crediting and indexed interest crediting methods. Sales in this market helped LSW's assets increase to a record \$6.5 billion.

Life Insurance

LSW offers an outstanding array of life insurance products, including term, universal life, and interest index universal life. These products also have outstanding living benefits and riders that can help meet insurance protection and retirement income needs.

6. LSW 403(b) and 457(f) Flow Premium

2007 **\$ 258,055,195**

2006 **\$ 239,304,300**

2005 **\$ 206,605,300**

2004 **\$ 156,488,966**

2003 **\$ 118,494,586**

Millions of \$

LSW's Financial Rating

LSW's rating by the A.M. Best Company provides a good reflection of LSW's claims paying ability, investment quality and financial strength.

A.M. Best Company, the oldest rating agency in the life insurance industry, gives LSW an "A" (Excellent) rating (effective June 2007).

A description of the rating scale used by the A.M. Best Company is shown on the next page.

A++	Superior	Secure
A+	Superior	
A	Excellent — LSW	
A-	Excellent	
B++	Good	
B+	Good	
B	Fair	Vulnerable
B-	Fair	
C++	Marginal	
C+	Marginal	
C	Weak	
C-	Weak	
D	Poor	
E	Under Regulatory Supervision	
F	In Liquidation	
S	Suspended	

A. M. Best Company Rating Scale

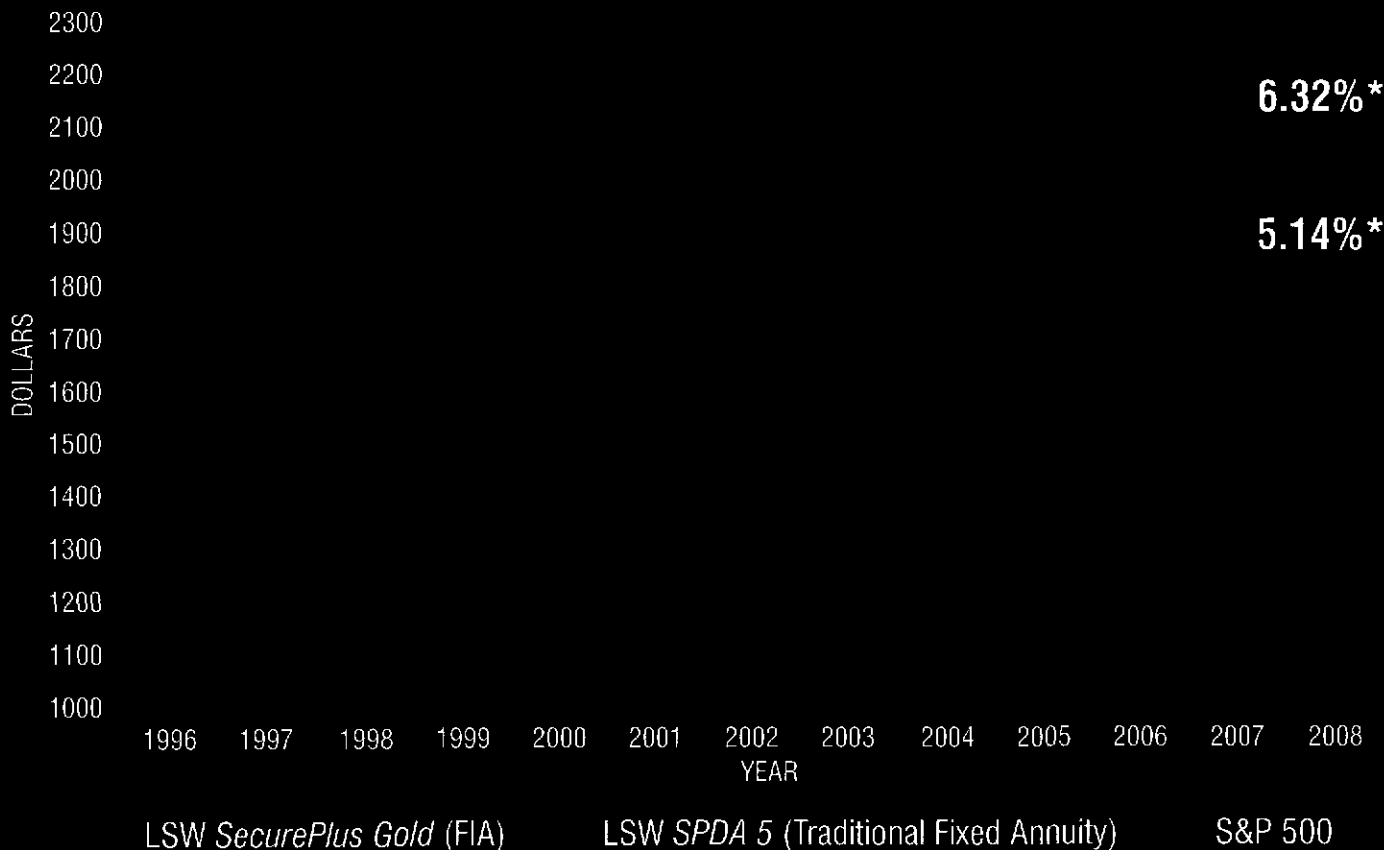
Rating Reports from the A.M. Best Company represent an independent opinion from the leading provider of insurer ratings of a company's financial strength and ability to meet its obligations to policyholders.

Facts About LSW

LSW is a Dallas, Texas based national financial services company. LSW specializes in the design, administration, and marketing of traditional fixed and indexed annuities and life insurance products. One of LSW's specialties is the 403(b) marketplace.

LSW is a wholly owned subsidiary of National Life Insurance Company, a 160-year-old insurance company based in Montpelier, Vermont. National Life and all of its subsidiaries are jointly referred to as National Life Group.® Together, they have over \$20 billion in assets under management and 721,000 policyholders.

None of the LSW information contained herein includes aspects of National Life's business operations as LSW is solely responsible for its own obligations.



*The chart compares the 12-year accumulation value (premiums + interest credited) of LSW's SecurePlus Gold (Policy Form Nos. 7912 and 7918), an indexed annuity, and LSW's SPDA 5 (Policy Form No. 7682), a traditional fixed annuity. Both policy terms have a 10 year withdrawal charge period.

The above illustration is reflective of a single premium payment into both LSW annuities, with an issue date of 10/21/1996. Past interest credited results are no indication or guarantee of future interest credits. *Interest rate is annual effective rate.

LSW...Proven Results!

The Trusted Leader in Indexed Annuities.™

**Life Insurance Company
of the Southwest**

member of  NATIONAL LIFE
GROUP®

Form No. 9473LSW (1108)

Over twelve years ago, LSW was one of the first companies in the industry to develop a fixed indexed annuity. Today, we continue to design and deliver quality fixed indexed products to help diversify a customer's financial portfolio and to meet his or her long-term retirement savings needs.

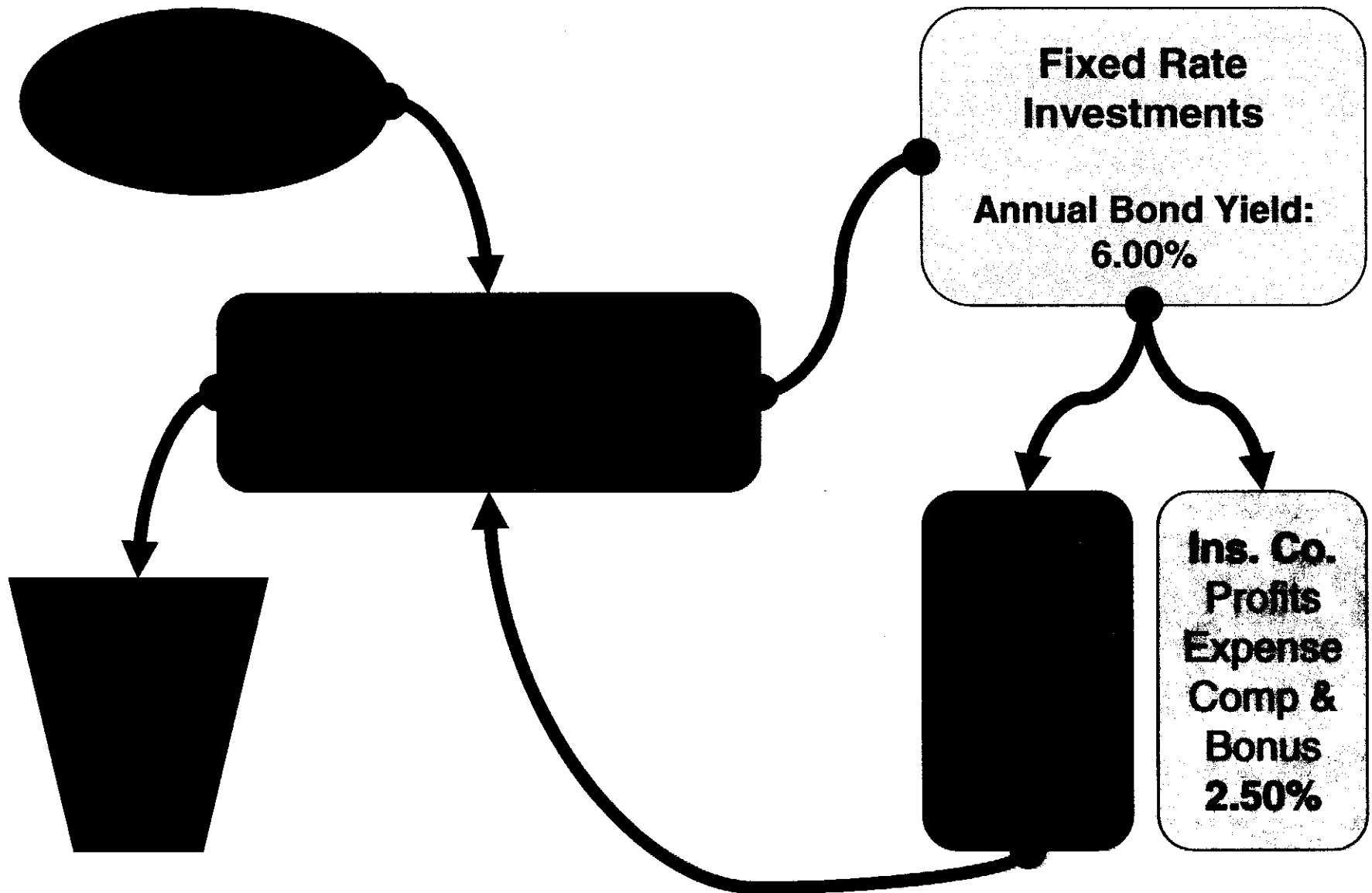
LSW designs fixed indexed annuities with one major goal in mind; to provide significant guarantees with the potential of providing more interest than a traditional fixed annuity. It is that simple. Over the last 12 years, LSW has met this goal, delivered on its promises, and has met its policyholders' expectations.

If you are a financial professional or a marketing organization who values your reputation and puts the needs of your clients first, then we invite you to join LSW, a company that promotes innovation, integrity, and outstanding marketing practices. We at LSW do not hide our renewal rate history. We know of its critical importance to our policyholders, and we publish it!

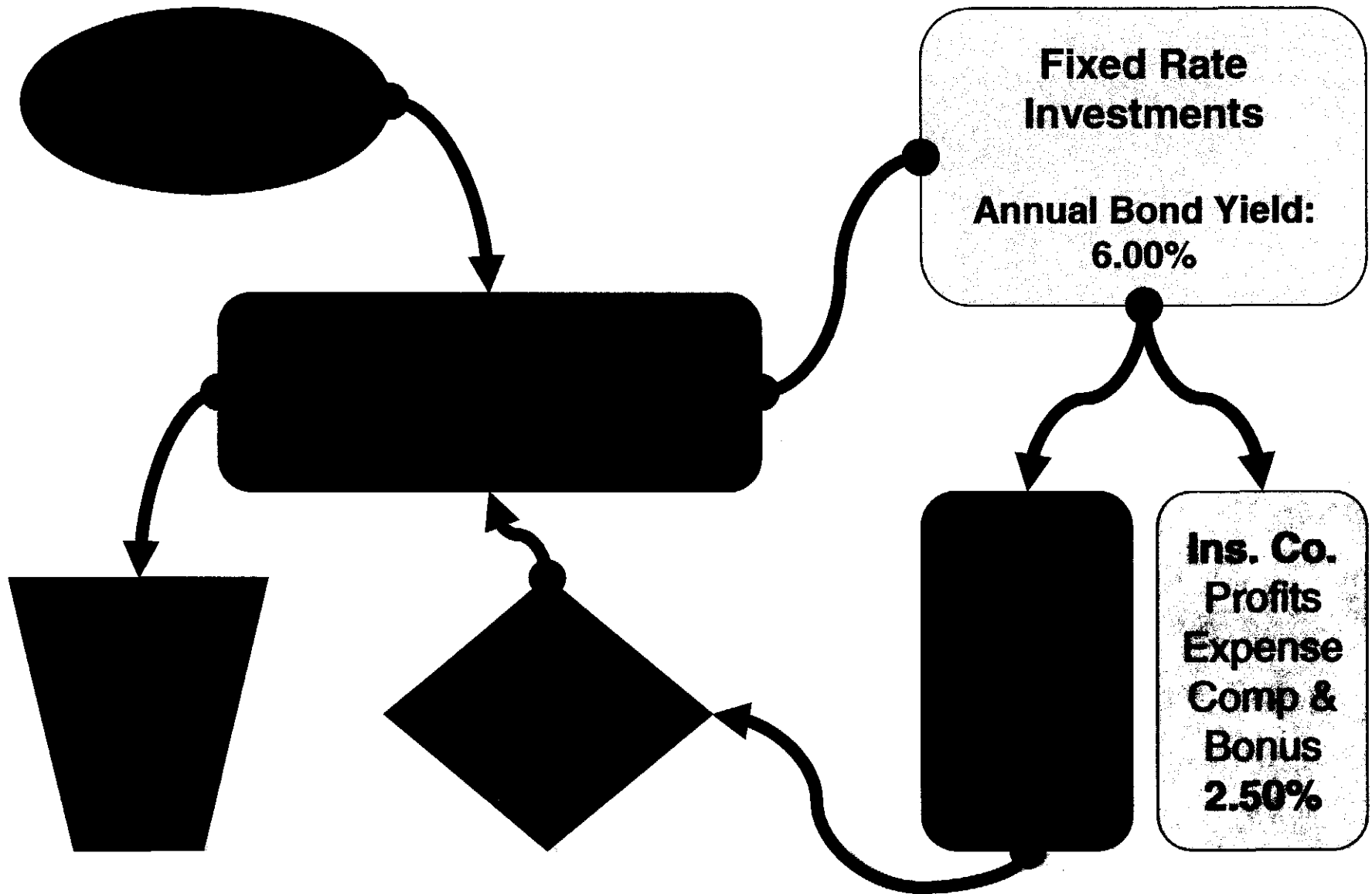
LSW...Integrity You Can Retire On!™

FOR AGENT USE ONLY

Declared Rate Annuity



Indexed Annuity



**LSW Business Snapshot
2008 (estimate)**

2008 Premium:

- First Year - 740 million (est.)
 - Renewal - 275 million (est.)
- 1.015 billion

Total Assets - 7 billion (est.)

Index Annuity Reserves – 3.6 billion

9/30/08 IA Reserves – 403(b)/457	1,354,496,945	38.08%
9/30/08 IA Reserves – 412(i) & Pension	208,165,965	5.85%
9/30/08 IA Reserves – IRA	1,120,207,614	31.49%
9/30/08 IA Reserves – Other Qualified	63,175,927	1.78%
9/30/08 IA Reserves – Non-Qualified	<u>811,304,679</u>	<u>22.81%</u>
Total	<u>3,557,351,131</u>	<u>100.00%</u>

Average Policyholder Age - 47

Number of Policyholders - 225,000

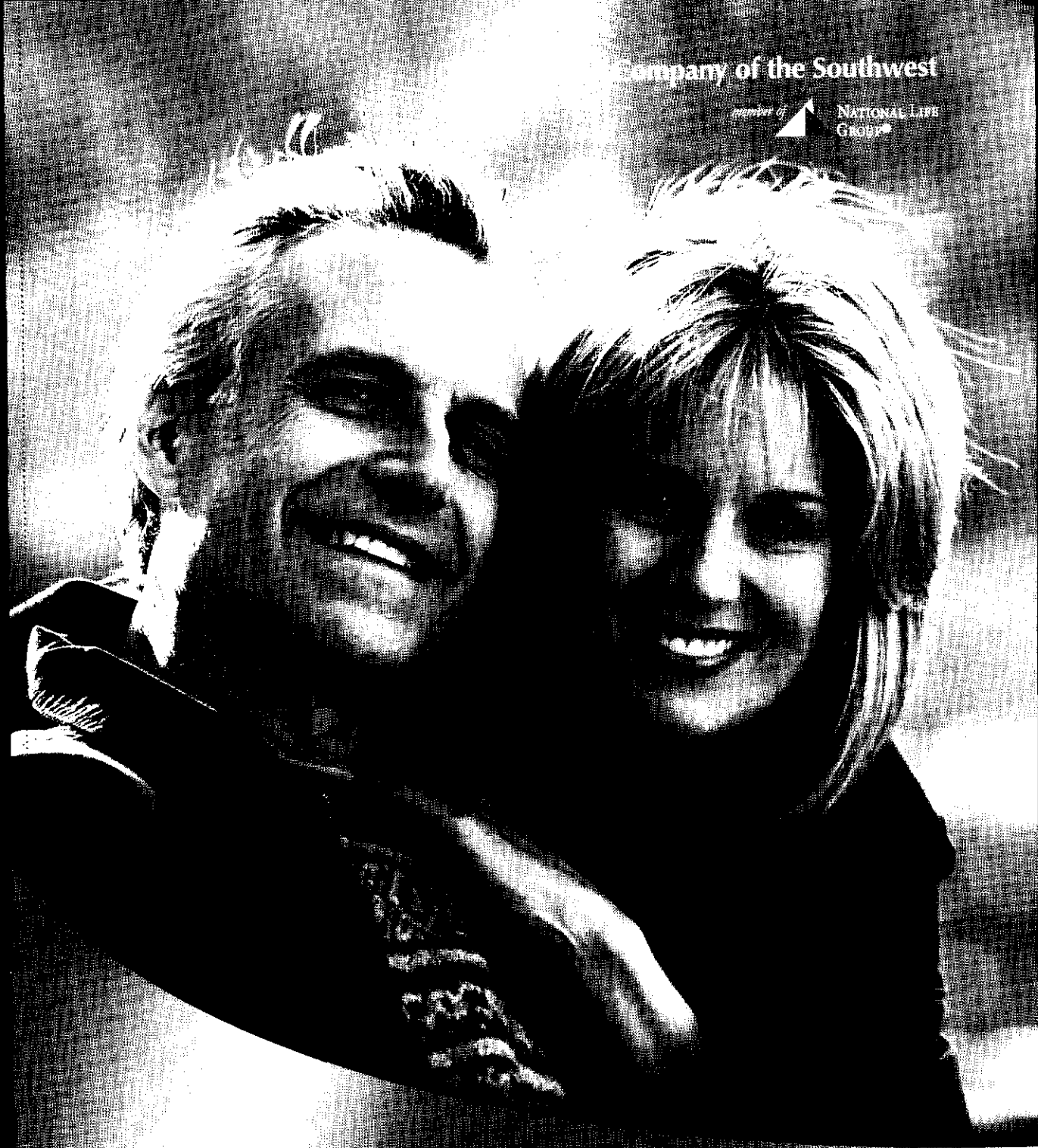
Number of Agents - 6,000

Company of the Southwest

member of



NATIONAL LIFE
GROUP



SecurePlus
GOLD

Multi-Policy Term Life Insurance Summary/Application



Is This Annuity Right For You?

LSW's goal is to provide retirement savings and income products that truly meet your needs. We hope the following questions will help you focus on some important points to consider while you review this Disclosure.

I. Risk vs. Reward

Your savings are important. To make proper choices for your savings, you need to weigh risks versus rewards. Generally speaking, high risk savings choices subject you to the potential loss of all or part of your savings while providing the potential of high returns. Low risk savings choices, like this annuity, provide guarantees as to principal (premium) paid and as to interest credited but with expectations of lower returns than high risk choices.

Is a low risk savings choice consistent with your financial goals/retirement? Yes No

If no, explain: _____

II. Savings Diversifications

It is generally believed that diversifying savings choices is prudent. Is this your only form of retirement/long term savings?

Yes No

If yes, explain: _____

III. Access to These Savings

Access to these savings may be an important consideration.

A. Do you understand that this annuity is designed for persons who have a retirement/long term savings horizon of at least 10 years?

Yes No

If no, explain: _____

B. Do you expect to need access to these savings before 10 years?

Yes No

If yes, explain: _____

Do you expect to need any access to these savings in the first policy year?

Yes No

If yes, explain: _____

Do you expect to need access to more than 10% of these savings in any of the first 10 policy years?

Yes No

If yes, explain: _____

IV. Qualified Plan Retirement Savings

Is your premium coming from a 403(b), 457, IRA, or other qualified retirement plan?

Yes No

If so, there are additional restrictions in these plans to accessing your savings. Do you understand access to these savings will be subject to policy terms, plan terms, and applicable tax law?

Yes No

If no, explain: _____

I have read and completed the above. _____ (Initial)

LSW's Multi-Account Indexed Annuity

***SecurePlus Gold* is an Indexed and Declared Interest Rate Annuity**

SecurePlus Gold is a flexible premium deferred annuity[†] issued by Life Insurance Company of the Southwest (LSW). It is not a mutual fund, variable annuity, or any instrument that participates directly in stock or equity investments. Unlike mutual funds and stock or equity investments, *SecurePlus Gold* is an annuity with important insurance features, such as the tax deferral, Death Benefit[‡], and annuitization features. *SecurePlus Gold* also differs from variable annuities in that it offers protection from market loss, a feature not always found in variable annuities.

SecurePlus Gold will accept additional premiums at any time and has been designed for long-term retirement planning. *SecurePlus Gold* is generally similar to all other LSW fixed annuities except for the interest crediting features described later.

* When we use the words "you" and "your" in this Summary, we mean the Owner of a *SecurePlus Gold*.

† *SecurePlus Gold* is LSW Policy Form Nos. 7912, 7918, and 7938.

** Some words and phrases that are capitalized in this document are defined in the policy form.

Form No. 9097 (1008); Cat. No. 100501 I have read and the agent has explained the information presented on this page. _____ (initial)

Tax-Deferred Accumulation*

SecurePlus Gold provides tax-deferred accumulation. All amounts in your annuity accumulate with federal income tax deferred until withdrawn. This tax deferral feature has two primary benefits. First, interest compounds on amounts you would otherwise pay in taxes during the accumulation period. Second, you may be in a lower tax bracket when you receive taxable interest than you are today.

You are liable for any tax on withdrawals. If you make a withdrawal before age 59½, you may be subject to an IRS 10% penalty.

This is our understanding of the current tax law. Neither LSW nor any of its agents or representatives give legal, tax, or accounting advice. Please consult your own tax advisor for tax advice.

Death Benefit

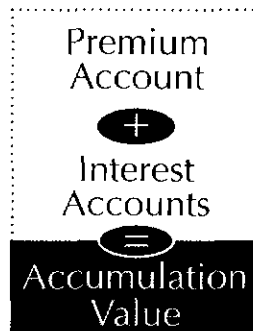
If you are the Annuitant and you die while this annuity is in force, LSW will pay the greater of the Accumulation Value or the Policy Value (these are described later) to your Beneficiary as a Death Benefit and will waive any remaining Withdrawal Charges. If you die and are the Owner but not the Annuitant, the Death Benefit will equal the Cash Value (this is described later). If death occurs after a Payment Option has been selected, any payments which remain to be paid under your election will be paid to your Beneficiary.

Annuitization

The Annuity Date is shown on Page 3 of your Policy. *SecurePlus Gold* guarantees that on the Annuity Date, you may choose to have the value of your annuity applied to provide a stream of payments. Your options range from a 5-year certain payout to a payment stream you cannot outlive. The amount of any payment depends in part on annuitization rates then in effect. Your *SecurePlus Gold* specifies certain guaranteed annuitization rates.

SecurePlus Gold Accumulation Value

Each premium payment is placed in the Premium Account on the day received. The Premium Account is credited with interest to the next 21st of a calendar month (unless the premium is received on the 21st of a calendar month). Then we transfer, on the 21st of each calendar month, all amounts in the Premium Account to new Interest Accounts. We maintain each Interest Account separately. The period from the 21st of the month when an Interest Account is started to the 21st of the same month in the next year, and each one-year period thereafter, is an Account Year for that Account.



Premium Account Example

If you pay multiple premiums, your *SecurePlus Gold* will have a like number of Interest Accounts, each with its own Account Year. The sum of all Interest Accounts plus the Premium Account is your Accumulation Value.

Premium Account Example

If we receive a premium from you on September 27th, the premium is kept in the Premium Account, earning interest, until the next October 21st. Then the amount in the Premium Account is transferred to new Interest Account(s). Interest Accounts will have recurring Account Years that are measured from each October 21st to October 21st of the next following year.

Interest Crediting Options

An important feature of *SecurePlus Gold* is that you may choose among three methods to determine the interest credited to each of your Interest Accounts. The types of Interest Accounts available to you include Declared Interest Accounts and two Indexed Interest Accounts:

- Ending Index Indexed Interest Accounts (Ending Index Accounts)
and
- Average Index Indexed Interest Accounts (Average Index Accounts)

Because you may pay multiple premiums, there can be multiple accounts of any of these types.

* Annuities owned by trusts or corporate entities do not generally enjoy the tax deferral feature.

Declared Interest Accounts

A Declared Interest Account is an Interest Account for which interest is credited daily at a declared effective annual interest rate. LSW sets the rate in advance each Account Year. The minimum annual effective rate is guaranteed to be at least 1.95%. Here is an example. None of the examples shown here are representations of the rates that LSW will actually credit to your *SecurePlus Gold* annuity.

Declared Interest Account Example

LSW declares an effective annual interest rate at the beginning of the Account Year of 4.75%. If the Declared Interest Account had been \$10,000 at the beginning of the Account Year, in one year it would grow by \$475 in interest, and the Declared Interest Account would have a value of \$10,475 at the end of the Account Year. This value would also be the beginning value of the Declared Interest Account for the next Account Year.

.....

Indexed Interest Accounts in General

Indexed Interest Accounts give you the potential to receive higher interest than might be the case with traditional fixed-rate annuities but without subjecting your retirement savings to market risk. Indexed Interest is credited annually based, in part, on the performance of the S&P 500 Index over the Account Year. All S&P 500 Index values (**Index Values**) are determined at the close of trading for the day.

To determine Indexed Interest credited to an Indexed Interest Account, we calculate an **Annual Percentage Change** at the end of the Account Year. This calculation is defined differently for Ending Index and Average Index Accounts.

The interest rate credited to all Indexed Interest Accounts is the Index Rate (sometimes called a "participation rate") multiplied by the Annual Percentage Change. The result is subject to a minimum called the Floor and a maximum known as the Cap.

- The **Index Rate** is the percentage of the Annual Percentage Change that is used as described above to determine the interest credited to an Indexed Interest Account. The Index Rate can never be less than 30%.
- The **Cap** is the maximum interest rate that may be credited to the Indexed Interest Account for the Account Year. It is guaranteed to be no less than 3%.
- The **Floor** is the minimum annual interest rate that may be credited to the Indexed Interest Account. The Floor can never be less than zero.

The Index Rate, Cap, and Floor for each Indexed Interest Account are set and guaranteed by LSW annually in advance at the beginning of each Account Year. The Index Rate, Cap, and Floor in effect for premiums paid at the time your annuity is issued will be shown in your annuity.

Ending Index Accounts

The Annual Percentage Change for an Ending Index Account is equal to the percentage change in the S&P 500 Index from the S&P 500 Index Value at the beginning of the Account Year to the Index Value at the end of the Account Year. The Index Rate, Cap, and Floor LSW determines for Ending Index Accounts may not be the same as those it determines for Average Index Accounts.

The following are examples of how interest is credited to Ending Index Accounts each Account Year. These examples are only demonstrations of how the formula works in different situations and are not representations of the rates that LSW will apply to your *SecurePlus Gold* annuity or of our expectations of the S&P 500 Index.

Ending Index Account Example 1

The S&P 500 Index is 1,000 at the beginning of the Account Year and is 1,050 at the end of the Account Year. The Annual Percentage Change is 5%.

LSW had declared an Index Rate for the Ending Index Account at the beginning of the Account Year of 75% (the minimum Index Rate is 30%), a Cap of 11% (the minimum Cap is 3%), and a Floor of 0%.

Multiply the Annual Percentage Change (5%) by the Index Rate (75%). The result is 3.75%. Is this more than the Cap of 11%? No. Is it less than the Floor of 0%? No. Then the result, 3.75%, is the interest rate applied to the Ending Index Account.

If the Ending Index Account had been \$10,000 at the beginning of the year, it would be credited with \$375 in interest at the end of the Account Year. Then, the Ending Index Account would have a value of \$10,375 at the end of the Account Year. This value would also be the beginning value of the Ending Index Account for the next Account Year.

.....

Ending Index Account Example 2

The S&P 500 Index is 1,200 at the beginning of the Account Year and is 1,500 at the end of the Account Year. The Annual Percentage Change is 25%.

LSW had declared an Index Rate for the Ending Index Account at the beginning of the Account Year of 80% (the minimum Index Rate is 30%), a Cap of 10% (the minimum Cap is 3%), and a Floor of 0%.

Multiply the Annual Percentage Change (25%) by the Index Rate (80%). The result is 20%. Is this more than the Cap of 10%? Yes. Then the rate of interest applied to the Ending Index Account for this Account Year is the Cap, 10%.

If the Ending Index Account had been \$10,000 at the beginning of the year, it would be credited with \$1,000 in interest at the end of the Account Year. Then, the Ending Index Account would have a value of \$11,000 at the end of the Account Year. This value would also be the beginning value of the Ending Index Account for the next Account Year.

Here, the Cap was less than the Index Rate multiplied by the Annual Percentage Change. Thus, the interest was limited by the Cap.

Ending Index Account Example 3

The S&P 500 Index is 1,200 at the beginning of the Account Year and is 1,080 at the end of the Account Year. The Annual Percentage Change is -10% (minus 10%).

LSW had declared an Index Rate for the Ending Index Account at the beginning of the Account Year of 60% (the minimum Index Rate is 30%), a Cap of 12% (the minimum Cap is 3%), and a Floor of 0%.

Multiply the Annual Percentage Change (-10%) by the Index Rate (60%). The result is -6%. Is this more than the Cap of 12%? No. Is it less than the floor of 0%? Yes. Then the rate of interest applied to the Ending Index Account this Account Year is the Floor, 0%.

If the Ending Index Account had been \$10,000 at the beginning of the year, it would remain at \$10,000. This value would also be the beginning value of the Ending Index Account for the next Account Year.

Note that, in Example 3, the Ending Index Account retained its value even though the S&P 500 Index declined by 10% this Account Year. Increases in your Indexed Interest Accounts are locked in every year. This demonstrates one of the most important features of *SecurePlus Gold* – downside protection. Downside protection means there will be no decreases in the Indexed Interest Accounts due to a decrease in the S&P 500 Index. See the section on “What Happens if the S&P 500 Index Becomes Volatile?”

Average Index Accounts

The Annual Percentage Change for an Average Index Account is equal to the percentage change in the S&P 500 Index from the S&P 500 Index Value at the beginning of the Account Year to the average of the Index Values each day for every day the market is open during the Account Year. Because the S&P 500 Index does not move smoothly, the Annual Percentage Change for an Average Index Account may be higher or lower than the Annual Percentage Change for an Ending Index Account over the same time period.

There is no Cap for the Average Index Accounts for Account Years starting during the first 10 Policy Years. After the first 10 Policy Years, LSW will set the Cap in advance for each Account Year. The Cap is guaranteed to be at least 3%. The Index Rate, Cap, and Floor LSW determines for Average Index Accounts may not be the same as those it determines for otherwise-identical Ending Index Accounts.

Let's examine two examples for the Average Index Account.

Average Index Account Example 1

The S&P 500 Index is 1,000 at the beginning of the Account Year. There are 250 trading days during the Account Year. The sum of the Index Values for each trading day during this time is 270,000. The average Index Value is 1,080. The Annual Percentage Change is 8%.

LSW had declared an Index Rate for the Average Index Account at the beginning of the Account Year of 90% (the minimum Index Rate is 30%), no Cap, and a Floor of 0%.

Multiply the Annual Percentage Change (8%) by the Index Rate (90%). The result is 7.20%. No Cap applies. Is the result less than the Floor of 0%? No. Then the result, 7.20%, is the interest rate applied to the Average Index Account.

If the Average Index Account had been \$10,000 at the beginning of the year, it would be credited with \$720 in interest at the end of the Account Year. Then, the Average Index Account would have a value of \$10,720 at the end of the Account Year. This value would also be the beginning value of the Average Index Account for the next Account Year.

Remember, the Index Rates, Caps, and Floors may be different for an Average Index Account than for an Ending Index Account. The magnitude of differences may vary over time. These are only examples.

Average Index Account Example 2

The S&P 500 Index is 1,000 at the beginning of the Account Year. There are 250 trading days during the Account Year. The sum of all the Index Values during this time is 237,500. The average is, then, 950. The Annual Percentage Change is -5% (minus 5%).

LSW had declared an Index Rate for the Average Index Account at the beginning of the Account Year of 85% (the minimum Index Rate is 30%), no Cap, and a Floor of 0%.

Multiply the Annual Percentage Change (-5%) by the Index Rate (85%). The result is -4.25%. No Cap applies. Is the result less than the Floor of 0%? Yes. Then the rate of interest applied to the Average Index Account this year is the Floor, 0%.

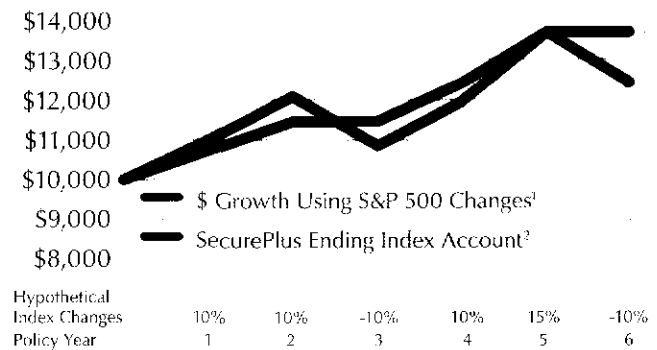
If the Average Index Account had been \$10,000 at the beginning of the year, it would remain at \$10,000. This value would also be the beginning value of the Average Index Account for the next Account Year.

What Happens if the S&P 500 Index Becomes Volatile?

As shown in the examples, interest previously credited to an Ending Index Account or an Average Index Account is not lost with *SecurePlus Gold* if the Annual Percentage Change is negative for any year. This interest crediting method is called the **Ratchet Method**. While direct investments in the marketplace must recover from a downturn, premium and credited interest in the *SecurePlus Gold* maintain their value. With *SecurePlus Gold*, a decline in the S&P 500 Index over an Account Year has no effect on the value of an Interest Account. The Index Value at the end of an Account Year becomes the beginning Index Value for the next Account Year – you have a fresh start. If the Annual Percentage Change determined at the end of the next Account Year is positive, you will earn interest on the change, even if the ending Index Value is lower than a level it reached in a prior Account Year.

Follow both the S&P 500 Index and a *SecurePlus Gold* Ending Index Account in Graph 1 during a hypothetical six-year period to examine how the Ratchet Method of crediting interest is important to you. Again, this example is not meant to be representative of what will happen to your annuity.

Graph 1
Benefits of the ratchet method



Actual rates may vary and are subject to change without notice. Illustration is not representative of future results or of any applicable Index Rate. ¹Assumed changes without dividends. ²Assumed 75% Index Rate, 10% Cap, 0% Floor. Withdrawal Charges apply for the first 10 years and are not reflected above.

We'll assume the Ending Index Account has a constant Index Rate of 75%, a Cap of 10%, and a Floor of zero. We'll track a single premium payment of \$10,000 and see how it behaves and compare this with the same amount that tracks the S&P 500 Index itself. Graph 1 shows the results during this theoretical six-year period. Graph 1 illustrates two of the key features of the Ratchet Method, the potential for additional interest when the Index increases and protection of your account values when it decreases.

SecurePlus Gold uses the S&P 500 Index, an indicator widely used to measure the overall performance of the United States stock market (*equities*). The S&P 500 Index is a market-value weighted price index which reflects capital growth only and does not include dividends paid on stocks.

We do not ever expect to change our index from the S&P 500 Index. If we ever have to, we will notify you and your state insurance department.

Premium Allocation

You indicate on your application how you wish to allocate your premium for the first Policy Year among the available Interest Accounts. After the first Policy Year, you may change the allocation for future premiums once each Policy Year. You may choose to distribute your premiums among any or all of the Interest Accounts. Your allocation must be whole percentages (for instance, 33%, 33%, and 34% respectively for the three available Interest Accounts). To change your allocations, you must do so in writing. New instructions become effective on the date we receive them and will apply to premiums received after that date.

Transfers Among Interest Accounts

Transfers between and among Interest Accounts may be made without charge. Amounts can be transferred from any type of Interest Account to another type of Interest Account only on the anniversary of the Interest Account from which the transfer is to be made and only after receipt of your written request for the transfer. Transfers from Interest Accounts are made on a LIFO basis (Last In, First Out). This means that the most recently opened Interest Accounts are transferred first. Your written request must be received 30 days before the transfer is to be made.

The rates applicable to the transferred amounts will be the same rates applied to premiums that had been in such Interest Accounts since the transfer premium was originally paid.

Following are brief examples of transferring money among accounts.

A new Interest Account is to be opened on July 21, 2005 with \$100.00, and you direct that the amount be placed in a Declared Interest Account. Assume the rate applicable to the Declared Interest Account on July 21 is 5%. The value of the Account on July 21, 2006 would then be \$105.00.

Prior to June 21, 2006 you request (in writing) that the entire amount in the Declared Interest Account be transferred to an Ending Index Account on July 21, 2006. On that date we will transfer the \$105.00 from the Declared Interest Account to the Ending Index Account.

On July 21, 2006, LSW will set rates for all accounts that reset that day and will guarantee those rates for Account Years starting that day. For accounts that are one year old on that date, LSW might set a credited interest rate for the Declared Interest Account of 4.9% and an Index Rate of 70% and a Cap of 10% for the Ending Index Account. Note these renewal rates for monies with LSW may not be the same as the rates for Interest Accounts opened with transfers from the Premium Account on that day. They also may not be the same as the rates for Interest Accounts that are more than one year old.

The \$105.00 in an Ending Index Account will start a new Account Year on July 21, 2006. Interest will be credited to the Ending Index Account on its next reset date, July 21, 2007, depending on the change in value of the S&P 500 Index between July 21, 2006 and July 21, 2007 given the Index Rate of 70% and Cap of 10% that were guaranteed at the beginning of the Account Year.

Assume you request by June 21, 2007 that the entire amount in the Ending Index Account be transferred to the Declared Interest Account. Assume the S&P 500 Index had increased 15% more from July 21, 2006 to July 21, 2007, and the amount credited to your Ending Index Account on July 21, 2007 is 10%. The \$105.00 placed in the Ending Index Account on July 21, 2006 would have increased by \$10.50 ($\$105.00 \times 10\%$) in interest credited, and the amount in the Ending Index Account at the end of the Account Year would be \$115.50. Per your instructions, we will transfer \$115.50 to a Declared Interest Account for the next Account Year.

On July 21, 2007, LSW will set rates for all accounts being reset that day and will guarantee those rates for Account Years starting on that day. For accounts that are two years old on that date, LSW might set a credited interest rate for the Declared Interest Account of 4.85% and an Index Rate of 65% and a Cap of 10% for the Ending Index Account. Note these rates may not be the same as the rates for Interest Accounts opened with transfers from the Premium Account on that day. They also may not be the same as the rates for Interest Accounts that are one year old or more than two years old, either.

The \$115.50 in a Declared Interest Account will start a new Account Year on July 21, 2007. Interest will be credited to the Account until July 21, 2008 at a rate of 4.85%.

Remember, the above are only an example of how the Policy operates and are not an indication of rates LSW will declare, the future of the S&P 500 Index, or amounts that may be credited to any of your Accounts.

Withdrawals

Partial Withdrawals may be taken from your annuity, subject to IRS rules. A Partial Withdrawal affects both the Accumulation Value and the Policy Value (described later). The Accumulation Value is reduced by the amount of the Partial Withdrawal including Withdrawal Charges assessed, if any.

Beginning in the second Policy Year and in each Policy Year thereafter, you may withdraw up to 10% of your annuity's Accumulation Value without a Withdrawal Charge (**Free Withdrawal Amount**). This feature is not cumulative. Any Withdrawal made during the first Policy Year will incur a Withdrawal Charge on the amount withdrawn. Withdrawals after the first Policy Year that exceed 10% of the annuity's Accumulation Value will incur a Withdrawal Charge on the excess over the Free Withdrawal Amount. Withdrawal Charges are applied as a percentage of the amount withdrawn in excess of the available Free Withdrawal Amount. There are no Withdrawal Charges after the 10th Policy Year.

If you elect to make a Total Withdrawal from your *SecurePlus Gold* annuity, we will pay you the Cash Value. The Cash Value is the greater of a) or b) where:

- a) is the Accumulation Value minus a Withdrawal Charge, and
- b) is the Policy Value defined below.

You may request that we pay the Cash Value under one of the Payment Options in your Policy. If you do so after the fifth Policy Year, we will provide an annuity based on the calculation of the Cash Value without application of Withdrawal Charges.

Because of the Withdrawal Charge, withdrawals from your *SecurePlus Gold* during the first 10 Policy Years could result in a loss of a portion of your premiums paid. See Table 1 below.

**Table 1
Withdrawal Charges**

Policy Year	1	2	3	4	5	6	7	8	9	10	11+
W/D Charge %	10	9	8	7	6	5	4	3	2	1	0

Policy Value

SecurePlus Gold provides a guaranteed minimum value to your annuity, called the **Policy Value**. The Death Benefit, the annuitization benefit, and the Cash Value can never be less than the Policy Value.

The calculation of the Policy Value is independent of the calculation of the Accumulation Value for the first 10 Policy Years. The minimum Policy Value is equal to the accumulation of 90% of each premium at an annual rate of at least 1.95%, reduced by Partial Withdrawals, but not by any Withdrawal Charges assessed to the Accumulation Value.

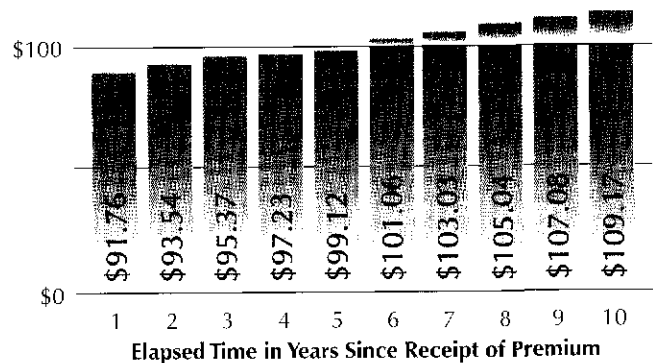
On the 10th anniversary of the issue date and annually thereafter, the Policy Value may be increased by Excess Interest. Excess Interest is the excess of a) over b) where:

- a) is total interest credited to the Accumulation Value since issue of the Policy, and
- b) is total interest credited to the Policy Value since issue of the Policy.

Once Excess Interest is credited to the Policy Value, it becomes part of the Policy Value and earns interest at an annual rate of at least 1.95%.

No matter what the performance of the S&P 500 Index may be, *SecurePlus Gold* assures you that, six years after the date each premium is received, the Policy Value attributable to it will be greater than the amount of such premium. This is so, even if the S&P 500 Index Annual Percentage Change declines every year. Graph 2 shows the guaranteed minimum value for the first 10 years following payment for every \$100 of premium.

**Graph 2
Guaranteed Minimum Policy Value
for Every \$100 in Premium Paid**



Right to Examine This Policy

You have a right to a complete refund of your total premium payments 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.

Premium Taxes

Some states charge a premium 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 Policy benefits.

Questions?

If you have questions, you may ask them of your agent. You may also call our Home Office. Our telephone number is 800-579-2878. When you call, please say that you have questions about your *SecurePlus Gold* Indexed and Declared Interest Rate Annuity. We will be glad to hear from you.

Please Tell Us If You Understand

Please do not rely on any statements about *SecurePlus Gold* 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 any ambiguity, conflict, or question regarding interpretation of this Summary or any other published material or statements, the provisions of the Policy form prevail. Please consult your annuity Policy form for further details.

Disclosure Understanding/Purchase Recommendation

1. Purchase Recommendation

(Agent must initial 1a or 1b.)

_____ a. By my signature at right as Agent and by
Agent Initials my initial here, I recommend this annuity for purchase by the Owner. I have reasonable grounds for believing this recommendation is suitable based on the facts disclosed by Owner as to his/her investments, other insurance products, and financial situation needs. I will maintain a copy of this recommendation for the length of time required by applicable state and will make available to LSW or any insurance department, upon demand by either, a copy of information collected and a listing of other information used as the basis for this recommendation for the length of time required by applicable state law. Any process that accurately reproduces the actual document may be used to maintain these records.

(If Agent has initialed 1a, proceed to #2 at right. Otherwise, Agent must initial 1b below, and Owner must then initial 1c below.)

_____ b. By signature at right as Agent and by my
Agent Initials initial here, I acknowledge that I have not received adequate information from the owner to make a recommendation as to the purchase of this annuity, and the owner is proceeding based on owner's own judgment.

_____ c. By my signature at right as Owner and
Agent Initials by my initial here, I acknowledge responsibility for the suitability of this annuity purchase for my needs. I elect not to provide the information necessary for Agent to make a recommendation to make this purchase or exchange. I have decided to enter into this annuity purchase without a recommendation from Agent.

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2. Understanding

My signature as Owner below acknowledges that I have read and the agent has explained the contents of this Summary. 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 this original Summary will be enclosed with my application and a copy of it will be sent with my Policy.

Print Owner Name

Owner Signature

Date

Print Agent Name

Agent No.

Agent Signature

Date

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

Life Insurance Company of the Southwest



LSW Home Office: 1300 West Mockingbird Lane, Dallas, Texas 75247
Telephone: 800-579-2878 / www.lifeofsouthwest.com

National Life Home Office: One National Life Drive
Montpelier, Vermont 05604 / Telephone: 800-277-9929
www.nationallife.com

National Life Group is a trade name of National Life Insurance 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 and does not do any insurance business in New York.

APPLICATION FOR ANNUITY

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

Section I – Owner/Joint Owner/Annuitant

S0105

Owner's Name		SS No or Taxpayer ID	DOB (m/d/yy)	Age	Sex
Home Address		City	State	Zip Code	
Home Phone Number	Home Fax Number	Home e-mail Address			
Annuitant's Name (if different from Owner)		SS No or Taxpayer ID	DOB (m/d/yy)	Age	Sex
Home Address		City	State	Zip Code	
Home Phone Number	Home Fax Number	Home e-mail Address			
Joint Owner's Name (if applicable, non-qualified only)		SS No or Taxpayer ID	DOB (m/d/yy)	Age	Sex
Home Address		City	State	Zip Code	
Home Phone Number	Home Fax Number	Home e-mail Address			
Employer		Work e-mail Address			
Work Address		City	State	Zip Code	
Work Phone Number	Work Fax Number	Occupation or Job Title	Hire Date (m/d/yy)	Annual Salary	

Section II – Beneficiary

S0201

Beneficiary	Relationship	Share
1)		%
2)		%
Contingent Beneficiary	Relationship	Share
1)		%
2)		%

Section III – Premium

S0306

Amount Paid with Application	Rollover/Transfer/1035 (Approximate)	Planned Premium Per Pay

If Salary Reduction, first on (m/d/yy)

Payable How? Salary Reduction/Deduction Pre-Authorized Check Plan Direct (Check) Transfer/1035

Payable How Often? Monthly (12 payments) Semi-Monthly (24 payments) Bi-Weekly (26 payments) Single Other

Circle Months to Skip Payments: Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Special Instructions for Future Billing Changes

Premium Allocation – Must be whole numbers and sum to 100%. Selection required.

Standard Allocation:	Ending Index Account _____ % – Average Index Account _____ % + Declared Interest Account _____ % = 100%
	(003) (005) (007)
Initial Single Sum Transfer (If Different):	Ending Index Account _____ % + Average Index Account _____ % + Declared Interest Account _____ % = 100%
	(003) (005) (007)

Section IV – Plan Selected

S0403

SecurePlus® Gold Indexed and Declared Interest Annuity

Section V – Plan Qualification

S0503

403 (b) TSA 457 Def. Comp Pension/Profit Sharing IRA ROTH IRA IRA Rollover Non-Qualified Other (specify) _____

Section VI – Existing Insurance

S0602

Do you the applicant have any life insurance or annuity contract or policy with Life Insurance Company of the Southwest or any other insurance company?

Yes No (Applicant to check box)

If answered yes, appropriate replacement and exchange forms must be completed. The replacement forms must be completed even if no replacement is involved.

Section VII – Remarks

S0701

Section VIII – For Home Office Endorsement Only (Not applicable in Pennsylvania or West Virginia)

S0801

Section IX – Fraud Warnings and Notices

S0901

DC/WA – It is a crime to knowingly provide false incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. **FL – Notice:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony in the third degree. **KY/ME/OH** – Any person who knowingly and with intent to injure, defraud, or deceive any insurer files an application for insurance containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime. **LA/MD** – Any person who knowingly presents false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. **NJ – Notice:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties. **AR/NM/PA – Warning:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. **VA** – Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law. **Notice to Residents of AZ:** The annuity to which this application is attached may be returned within 31 days after it is received. Return it to our Home Office or to the agent through whom it was purchased. If returned, we will cancel the annuity and return any premium paid. Upon written request from the Owner, we will provide within a reasonable time, factual information regarding the benefits and provisions of the annuity to which this application is attached.

Section X – Acknowledgments

S1003

The Annuitant and the Owner, if other than the Annuitant; (1) represents, to the best of their knowledge and belief, that all statements and answers contained herein are full, complete and true as written and are correctly recorded; and, (2) expressly agrees as follows:

1. This application and the answers and agreements contained herein shall be the basis of, a part of the consideration for and a part of the annuity hereby applied for.
2. The payment of premium constitutes consideration to the Company for the granting of an annuity and upon payment becomes the absolute property of the Company.
3. If proof of age is not given with this application, the Annuitant(s) will furnish the Company with such proof before annuity payments begin.
4. The annuity applied for shall take effect on the date the premium is received by the Company in its Home Office. The SecurePlus single premium deferred annuities shall take effect on the 7th, 14th, 21st or 28th of the month following or coincident with the date the premium is received by the Company in its Home Office.
5. The Company is authorized to amend this application by an appropriate notation in the space designated "For Home Office Endorsement Only" in order to correct apparent errors or omissions. The acceptance of any annuity issued on this application shall constitute acceptance and ratification of the beneficiary designation, if any, in such annuity and of any amendments contemplated above except that no change shall be made in the plan of annuity or benefits without the written acceptance of the Annuitant(s) or of the Owner if other than the Annuitant(s).

W9: Under the penalties of perjury, I certify that: (1) the number shown on this application is my correct taxpayer identification number; (2) the IRS has never notified me that I am subject to backup withholding, or has notified me that I am no longer subject to such withholding or I am exempt from such withholding; and (3) I am a U.S. person (including a U.S. resident alien). *You must cross out item 2 if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.*

Section XI – Signature and Agent Information

S1102

Dated at (city/state) _____ on (month/day/year) _____

Signature of Owner _____ Signature of Annuitant (if different from Owner) _____

Signature of Joint Owner (if applicable) _____

To the best of my knowledge, a replacement is is not involved in this transaction. (Agent to check box.) Florida License ID No. _____

Signature of Agent _____ Soliciting Agent (print) _____ Agent No. _____ Percent _____

Agent Phone Number _____ Other Agent (print) _____ Agent No. _____ Percent _____

Trail Commission Option for SecurePlus Gold

Section XII – Disclosure Information

S1202

I have received a copy of the disclosure material and understand that the results shown, other than the guaranteed minimum values, are not guarantees, promises or warranties.

Applicant Signature _____ Date _____

I certify that the disclosure material has been presented to the applicant and a copy was provided to the applicant. I have not made statements that differ from this material nor have I made any promises about the expected future equity values of this contract.

Agent Signature _____ Date _____