



When You Need a Retirement
Savings Solution for a Short Term!

*A Single Premium
Deferred Annuity from LSW*

LSW

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

LSW...Integrity You Can Retire On!

Form No. 9466 (0506), Cat. No. 100774



Integrity You Can Retire On!

In a well-structured savings or retirement plan, the elements of cash, fixed income, and other investment alternatives are very important. Many consumers unfortunately do not spend the time necessary to research their alternatives. Many settle for low returns when superior ones may be available in today's marketplace.

When surveyed, many people who have purchased Certificates of Deposit (CDs) have said, "I didn't know what else to do with the money." A CD may be the right solution for some people, but there may be other choices that should be considered. As interest rates rise and fall, a person needs to find the best short-term and long-term strategies for protecting his or her wealth and accumulating income for retirement.

SureRate 2 is an excellent solution. It is a fixed single premium deferred annuity that offers an interest rate guaranteed for the first two policy years, a two-year withdrawal charge period, and a five-year maturity. It is ideal for people who want a retirement savings alternative for a shorter period of time.

About the Company

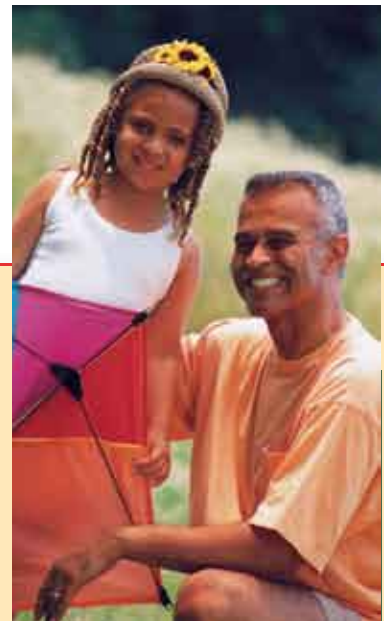
Even when an annuity seems to be the right fit for your financial plan, you want the reassurance that your money is safe. *SureRate 2* is backed by the full assets of Life Insurance Company of the Southwest. LSW has a corporate investment policy that strongly emphasizes quality investments and safety.

LSW was incorporated in 1955 under the laws of Texas as a legal reserve insurance company. The Company is licensed in 49 states and the District of Columbia.

Please Note: Neither LSW nor any of its agents or representatives give legal, tax, or accounting advice. The information provided here is a summary of our understanding of the current tax laws and regulations as they relate to annuities. All prospective purchasers should consult with their own attorneys, accountants, and tax advisors.

For more information about *SureRate 2*, please contact LSW at the telephone number shown below.

Life Insurance Company of the Southwest, A Member of the National Life Group®
1300 West Mockingbird Lane, Dallas, Texas 75247-4921
214-628-9271 or 800-579-2878, www.lifeofsouthwest.com



SureRate 2 –
When You Need
a Short-term
Savings Strategy

Policy Exchange Rules

After the first policy year, a policyholder may exchange *SureRate 2* without a withdrawal charge to another LSW annuity (except another *SureRate 2* policy). LSW also will waive all withdrawal charges if *SureRate 2* is systematically liquidated over a 12-month period into one of LSW's flexible premium annuity products.

SureRate 2 offers a 10 percent free partial withdrawal after the first year. After five years, the policyholder must either annuitize, withdraw, or exchange the *SureRate 2* policy to another LSW annuity product. (The policyholder can also take a lump sum. Both the annuitization or the lump sum options may have federal income tax consequences.)

An Example...

When a person pays a \$100,000 single premium for *SureRate 2*, he or she will receive a 4.35* percent interest rate guaranteed for two years (4.20* percent for single premiums of \$25,000 to \$99,999). The policy will mature in five years. Here is how the systematic liquidation works. After six months of owning the policy, the owner wants to transfer the Accumulation Value (Accumulation Value = premium paid plus any credited interest) over the next nine months into a *SecurePlus Platinum*, an equity-indexed annuity from LSW. LSW will transfer payments each month to the new annuity without a withdrawal charge.

**Subject to change without notice.*

The systematic liquidation must extend beyond the first policy anniversary, and LSW will waive all withdrawal charges. The policyholder may choose to liquidate the *SureRate 2* at any time as long as the liquidation meets the policy requirements.

Systematic Liquidation Choices

LSW will allow three systematic liquidation choices:

1. Transfers in substantially equal payments over several periods (monthly or quarterly);
2. Transfers of level payments until account is exhausted;
3. Transfers of a level amount for several periods knowing the balance must be transferred by end of fifth year or earlier.

Note: Last transfer must occur no sooner than 13th month and not later than 60 months.

Guaranteed Interest Rate for First Two Policy Years

LSW guarantees the initial annual effective interest rate for the first two policy years. There is no withdrawal charge after the initial rate guarantee period. After the third policy year, the interest rate will be declared yearly in advance and credited daily. LSW guarantees the policyholder's money will never accumulate at less than 1% after the initial two-year guarantee period.

Your Money is Available When You Need It

The policyholder may withdraw 10 percent of the Accumulation Value each year after the first without incurring a withdrawal charge. The minimum partial withdrawal is \$500. You may not make a withdrawal that would reduce your Accumulation Value below \$5,000 (except for systematic liquidation). The Internal Revenue Service may impose a penalty tax on withdrawals made before age 59½.

Death Benefit

If you die and you are the Annuitant, the Death Benefit will be the Accumulation Value. If you die and you are the Owner but not the Annuitant, the Death Benefit will equal the Cash Value.



With *SureRate 2*,
you can select
the retirement option
to fit your needs.

Estate and Probate Advantages

With the *SureRate 2* annuity, your named beneficiaries can avoid the expense, delay and publicity of probate.

SureRate 2 Product Summary

- Initial Rate Guarantees:
2 Years (rates banded at \$100,000)
- Minimum single premium: \$25,000
- Maximum Single Premium:
Ages 0-75 – \$1 million; Ages 76-80
– \$500,000; Ages 81+ – \$250,000
- Interest rate guaranteed for two years

- Maturity: 5 Years
- Issue ages: 0-90
- Plan Options: Qualified and Nonqualified
- No Withdrawal Charges on death of Annuitant
- This Policy is not contestable
- Minimum Interest Rate: 1.00%
- Free Withdrawals: 10% after year one

Policy Exchange Provision: Full and Systematic Transfers available

- Withdrawal Charge %: 2, 1, 0, 0, 0
- Loans: Not Available

SureRate 2 is Policy Form No. 7852.