

RetireMax FPDA 3+

RetireMax FPDA 3+ is a flexible premium deferred annuity designed for ongoing 457 contributions and transfers.

Trying to Educate Yourself About Retirement?

- Are you overwhelmed with planning and preparing for retirement?
- Are the choices and options confusing?
- **LSW's professional agents have the answers to these questions and will work with you one-on-one to create a retirement plan that meets your individual needs.**

The Benefits of Tax-Deferral . . .

- Pre-tax savings are tax-deferred and accumulate tax-deferred until withdrawn.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 the untaxed values than you are today.
- Many people don't save because they believe they can't afford a reduction in their take home pay. Because your contributions to a 457 annuity reduce your taxable income, your after-tax take home pay may not change significantly.
- **Ask an LSW agent about conducting a paycheck analysis using LSW's 457 toolkit. The paycheck analysis can help you determine the best solution for you.**

Bonus Accumulation Value (BAV)

- LSW includes a Bonus Accumulation Value (BAV) as an incentive for you to continue to keep your *RetireMax FPDA 3+* annuity.
- The BAV equals 3% of the Accumulation Value during the first 12 years.
- On the 12th anniversary date of your annuity, LSW will determine eligibility of the BAV for subsequent transfer to the Accumulation Value. The BAV will be eligible for subsequent transfer if total premium payments (net of withdrawals) exceed the lesser of twice the first year's premiums paid or \$20,000. This is referred to as the Premium Test.

- If your annuity meets the Premium Test and is in force on each of the transfer dates, the BAV will be transferred to the Accumulation Value as follows:

At the end of Policy Year:		
13	14	15
% of remaining BAV transferred		
33 ¹ / ₃ %	50%	100%

During years 13-15, any withdrawals will reduce the remaining BAV proportionately. For example, if during year 14 you withdraw one-half of your Accumulation Value, the remaining BAV will also be reduced by one-half.

- If you elect a formal annuitization option after 5 years, you may still receive a benefit from the BAV. The annuity must still be in force and the Premium Test met at the time of annuitization. If these requirements are met, a portion of the BAV will be used in the annuitization calculation. The pro-rata portion of the BAV included in the annuitization calculation is the result of the number of completed Policy Years divided by 15. For example, if you annuitize in the middle of year 7, you will have $\frac{6}{15}$ ^{ths} of the BAV included in the calculation.
- Remember, you have no right to or interest in the BAV until it is transferred to the Accumulation Value.

Minimum Guarantees and Interest Credited

- Interest credited to your annuity is guaranteed never to be less than 1%.
- Each time you make a salary reduction payment or transfer money into your annuity, the interest rate credited will be LSW's then current credited interest rate. The current credited rate at the time the new premium is received may be higher than the rate you received on previous premium payments. It could also be less, dependent upon LSW's current credited rate at the time of receipt, but it is guaranteed never to be below the minimum guarantee of 1%.

Access to Your Money†

- 10% Free Withdrawals[‡] after the first Policy Year.
- 457 loans available.
- Annuitization^{††} and payout options, including an income stream you can't outlive.

Highlights:

- 457 loan feature
- Terminal Illness Benefit Rider where approved at no additional cost to you
- Quarterly statements on active accounts
- 3.00% Bonus Accumulation Value (conditions apply)
- Minimum premium – \$50/month salary reduction or \$3,000 single sum transfer
- Issued up to age 75
- For 457 contributions only
- This annuity is not contestable unless due to fraud
- Additional premiums accepted at any time
- Withdrawal Charges waived upon death
- Customized annuitization^{††} options are available. All annuitizations after the 5th year, with at least a ten-year payout, are calculated without application of withdrawal charges.

Policy Year:	Withdrawal Charge [‡] :
1	12%
2	11%
3	10%
4	9%
5	8%
6	7%
7	6%
8	5%
9	4%
10	3%
11	2%
12	1%
13+	0%

‡ Withdrawal charges apply on amounts withdrawn in excess of free amount.

RetireMax FPDA 3+ is Policy Form No. 7935: Issued by Life Insurance Company of the Southwest, Dallas, Texas.

457 Loans

- Loans of up to 50% of your Cash Value subject to a minimum of \$500 and a maximum of \$50,000.
- Variable loan interest rate.
- Net loan cost of 2.50%.
- Personal loans must be repaid within 5 years; loans to acquire a home may be repaid over a longer period.
- Failure to repay timely will result in a deemed distribution. A deemed distribution means the loaned amount is shown as distributed to you instead of borrowed. You will be liable for any taxes and penalties that may result from the deemed distribution.
- All 457 loans and withdrawals are subject to strict IRS rules and are administered by LSW according to current law.

Death Benefit – Full Accumulation Value

- Withdrawal Charges are waived upon death.
- Your Beneficiary will receive the full Accumulation Value upon your death.

Getting Started

Will your present financial plan provide you with ample savings for retirement? Do you want to start or increase your monthly pre-tax reduction but you're unsure of the right amount? **These and other questions can be answered by your LSW agent. Call and get started today.**

† Withdrawal charges apply on amounts withdrawn in excess of free amount.

†† Benefits at annuitization could be reduced if a misstatement of age or sex has occurred.



Application for Annuity

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

Section I - Owner/ Annuitant

Owner's Name (Plan) Name				Plan or Taxpayer ID		
Address		City		State	Zip Code	
Phone Number	Fax Number	E-mail Address				
Third Party Administrator (TPA) Name			Phone	Fax	E-mail Address	
Address		City		State	Zip Code	
Annuitant's Name		Social Security Number		DOB (m/d/yy)	Age	Sex
Home Address		City		State	Zip Code	
Home Phone Number	Home Fax Number	Home E-mail Address				
Employer (Required)		Work E-mail Address				
Work Address		City	County	State	Zip Code	
Work Phone Number	Work Fax Number	Occupation or Job Title		Hire Date (m/d/yy)	Annual Salary	

S0106

SECTION II - Beneficiary

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

S0201

SECTION III - Premium

Rollover/Transfer (Approximate)	Payable How? <input type="checkbox"/> Salary Reduction <input type="checkbox"/> Transfer <input type="checkbox"/> Rollover	Planned Periodic Premium per pay	Anticipated Annual Premium

Payable How Often?

Monthly (12 payments) Semi-Monthly (24 payments) Bi-Weekly (26 payments) Single Premium Other _____

Special Instructions for Future Billing Change _____

Salary Reduction Only:

First Salary Reduction To Be Made (m/d/yyyy)	Circle Months to Skip Payments:
	Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

S0304

SECTION IV - Plan Selected

S0403

**SECTION V - Plan Qualification**

S0502

**SECTION VI - Existing Insurance**Does the applicant have any existing policies and/or annuities? Yes No (Applicant to check box)If yes, will the annuity applied for replace any of the existing insurance or annuity? Yes No (Applicant to check box)

If yes, provide _____ and complete appropriate replacement and exchange forms.

S0602

(Name of Company)

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:

Florida - 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. **Kentucky/Maine/Ohio** - 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. **Louisiana** - 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. **New Jersey - Notice:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties. **Arkansas/New Mexico/Pennsylvania** - 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. **Virginia** - 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 Arizona:** 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.

S0901

SECTION X - Acknowledgments

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. I authorize my employer, if applicable, to withhold the premium to purchase the annuity for which I have applied. I authorize Life Insurance Company of the Southwest to accept contributions on my behalf. I further agree to furnish the Company with proof of age before annuity payments begin.
4. The annuity applied for shall take effect on the date the first 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).
6. The undersigned Annuitant hereby adopts, subscribes and agrees to the terms of his/her Employers 457 plan, as now in effect or hereafter modified, and further agrees to be bound by all actions taken by the representatives thereof pursuant to and in accordance with said 457 plan.

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.*

S1004 457

SECTION XI - Signature and Agent Information

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

Signature of Annuitant _____

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 _____

S1101 457

A Summary of Your FPDA 3+ Annuity

My signature below represents that I have read and the agent has explained the following features of my *RetireMax FPDA 3+* annuity described in brochure Form No. 9263: Benefits of Tax-Deferral; Bonus Accumulation Value; Minimum Guarantees and Interest Credited; Access to My Money; Loans; Death Benefit; Withdrawal Charges. My agent will send this original to LSW. LSW will send me a copy of this original with my annuity.

Print Owner Name _____ SSN _____

Owner Signature _____ Date _____

Print Agent Name _____ Agent No. _____

Agent Signature _____ Date _____

This form must be submitted with your application.



**LIFE INSURANCE COMPANY
OF THE SOUTHWEST**

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Protecting Retirement Savings

1300 WEST MOCKINGBIRD LANE, DALLAS, TEXAS 75247-4921, 800-906-3310, www.lifeofsouthwest.com

*Form No. 9263-Insert (0205)
Cat. No. 100620*