

SecurePlus Indexed Annuities

The SecurePlus Annuity Series are deferred annuities issued by Life Insurance Company of the Southwest. SecurePlus annuities:

- are not mutual funds, variable annuities or any type of instrument that participate directly in stock or equity investments,
- offer important features such as tax deferral, death benefit and annuitization options
- are guaranteed never to lose a penny due to a downturn in the stock market¹

All interest credited to your SecurePlus annuity will grow faster than taxable programs with the same credited rates because you pay no taxes on interest credited until you decide to take a withdrawal, annuitize, pledge or use your annuity in a taxable transaction. No administrative fees for the Base policy are ever deducted.²

With our SecurePlus Annuity Series, you receive several valuable benefits including:

- tax-deferred growth
- premium allocated among multiple types of Interest Accounts
- multiple payments accepted into flexible premium policies
- no investment in the stock market
- no administrative policy fees
- partial withdrawal provision that allows for penalty-free access to your account

- Nursing Care Rider and/or Terminal Illness Rider (in states where approved) at no additional cost
- optional Guaranteed³ Lifetime Income Rider (in states where approved) at an additional cost to provide a non-annuitized lifetime income

Offering Flexibility

Many of the SecurePlus Annuities accept both single premiums and scheduled payments. You can purchase an annuity with a single premium. Thereafter, you can make additional payments of as little as \$100 into your SecurePlus Annuity. Scheduled payments can be made for as little as \$100 per month with no required initial single premium, if made on a salary reduction/deduction basis or by bank draft/PACP. Your representative can tell you if your policy accepts additional premiums.

Interest Crediting Options

An important feature of SecurePlus Annuities is that you may choose among multiple methods to determine the interest credited to each of your Interest Accounts. The types of Interest Accounts available to you include a Declared Interest Account and select Indexed Interest Accounts: Ending Index Indexed Interest Accounts (Ending Index Accounts) and Average Index Indexed Interest Accounts (Average Index Accounts).

The Declared Interest Account is an Interest Account for which interest is credited daily at a declared effective annual interest rate. We set the rate in advance each Account Year. In the Declared Interest Accounts the annual effective rate is guaranteed to be at least 1%.

¹ Assumes no withdrawals that would be subject to an MVA.

² A few states require the payment of premium taxes on annuities either at the time the company receives the money, upon annuitization or withdrawal. If we must pay such taxes, we will deduct them from your Policy benefits at that time.

³ Guarantees are based on the claims paying ability of the issuing Company.

SecurePlus Indexed Annuities

Ending Index Accounts are Interest Accounts for which interest is credited according to a formula which is based in part on the Annual Percentage Change in the S&P 500® or Russell 2000® from the Index Value at the beginning of the Account Year to the Index Value at the end of the Account Year.

Average Index Accounts are Interest Accounts for which interest is credited according to a formula which is based in part on the Annual Percentage Change in the S&P 500 from the Index Value at the beginning of the Account Year to the daily average of the Index values during the Account Year.

Indexed Interest Accounts

Indexed Interest is credited annually based, in part, on the change in the S&P 500® Index⁴ or the Russell 2000® over the Account Year. All Index Values (Index Values) are determined at the close of trading for the day.

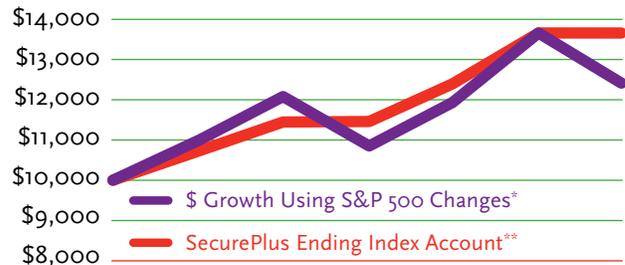
To determine Indexed Interest credited to an Indexed Interest Account, we calculate an Annual Percentage Change at the end of the Account Year. This calculation is defined differently for Ending Index and Average Index Accounts.

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

The Index Rate, Cap, and Floor for each Indexed Interest Account are set and guaranteed by us annually, in advance, at the beginning of each Interest Account Year. Each premium will create its own Indexed Interest Account with its own unique Index Rate, Cap, and Floor. All increases in your Indexed Interest Accounts are locked in every year; you can never lose interest previously credited⁵.

In the example below, the graph shows how the benefits of the ratchet method of crediting interest during a hypothetical six-year period.

Graph 1: Benefits of the Ratchet Method



Annual Assumed Average Percentage Changes	10%	10%	-10%	10%	15%	-10%
Policy Year	1	2	3	4	5	6

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

Premium Allocation/Transfers Among Interest Accounts

You indicate on your application how you wish to allocate your premium for the first Policy Year among the available Interest Accounts. For flexible premium annuities 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.

Transfers between and among Interest Accounts may be made without charge. Amounts can be transferred from any type of Interest Account to any other 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). Your written request must be received 15 days before the anniversary of the Interest Account for the transfer to be made.

4 The S&P 500 and Russell 2000 Index is a market-value weighted price index which reflects capital growth only and does not include dividends paid on stocks.

5 Withdrawals in the first Policy Year or withdrawals exceeding 10% of the Accumulation Value during the withdrawal charge period will incur a Withdrawal Charge. Annuities owned by trusts or corporate entities do not generally enjoy the tax deferral feature. There is no additional tax deferral benefit for contracts purchased in an IRA or other tax-qualified plan since these are already afforded tax-deferred status. Therefore, an annuity should only be purchased in an IRA or qualified plan if you value some of the other benefits of the annuity.

Accessing Your Annuity Value Through Withdrawals/Payment Options⁶

After the first Policy Year, you may withdraw up to 10% of your Accumulation Value once a year with no Withdrawal Charge. Amounts withdrawn in excess of this amount will incur a contractual Withdrawal Charge. There are no Withdrawal Charges after the end of the Withdrawal Charge period. Most withdrawals from annuities purchased with qualified monies are taxed as ordinary income (except withdrawals from Roth IRAs), subject to IRS limitations. Under current tax law, all withdrawals from an annuity purchased with non-qualified monies are taxable to the extent there is any interest in the policy. The IRS may impose a penalty tax on withdrawals made prior to age 59½.

In addition, you have a variety of guaranteed⁷ Payment Options from which you can elect to receive systematic income. Annuitization options range from a 5-year term certain payout to an income stream you cannot outlive. Once these payments begin they are guaranteed never to change.

You may also elect the Guaranteed Lifetime Income Rider (GLIR) at an additional cost. The GLIR gives you a guaranteed income stream for life without having to annuitize the policy. Payments can be stopped, restarted, or you may cash out your remaining cash value at any time.

SecurePlus Annuities Offers Estate and Probate Advantages

Proper estate planning could enable you to pass your estate to your loved ones privately, without undue delay or expense.⁸

Additional Features

Your Policy may contain additional features and benefits. Please refer to the Disclosure application for details.

⁶ Guarantees are based on the claims paying ability of the issuing Company.

⁷ Benefits at annuitization could be reduced if a misstatement of age or sex has occurred.

⁸ We believe this to be true in most states. The Iowa Insurance Division informed us that annuity contract values are includable in the probate estate in Iowa, and the attorney can charge a statutory fee against the value of the annuity contract. Consult a legal advisor in your state.

“Standard & Poor’s®”, “S&P®”, “S&P 500®”, “Standard & Poor’s 500” and “500” are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by LSW. The product is not sponsored, endorsed, sold or promoted by Standard & Poor’s and Standard & Poor’s makes no representation regarding the advisability of purchasing the product.

The Russell 2000 Index is a trademark of Russell Investment Group and has been licensed for use by Life Insurance Company of the Southwest. The Products are not sponsored, endorsed, sold or promoted by Russell Investment Group and Russell Investment Group makes no representation regarding the advisability of purchasing the Products.

Home Office: 15455 Dallas Parkway Ste. 800 / Addison, Texas 75001 / Telephone: 800-579-2878

Centralized Mailing Address: One National Life Drive / Montpelier, Vermont 05604-5555 / Telephone: 800-277-9929 / www.NationalLifeGroup.com

National Life Group® is a trade name of National Life Insurance Company, Montpelier, VT, Life Insurance Company of the Southwest (LSW), Addison, TX and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. LSW is not an authorized insurer in New York and does not conduct business in New York.