

Freedom Flex I

A Flexible 403(b)
Retirement Savings Plan for Educators

"In the truest sense, freedom cannot be bestowed;
it must be achieved."
Franklin D. Roosevelt



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PENSION SERVICES



INDUSTRIAL ALLIANCE *PACIFIC*
INSURANCE AND FINANCIAL SERVICES™



Building a Stable Future on a Solid Foundation

Why the Freedom Flex I?

A comfortable retirement doesn't just happen. It takes commitment, careful planning and saving. State or Federal Retirement Systems alone will not maintain the lifestyle you've worked so hard to achieve. You need to establish your own foundation for a future of income security.

Tax Deferred Annuities are widely popular because they offer significant wealth building and retirement income benefits. In fact, the purpose of an annuity is to help insure against the risk that you will outlive your savings.

Surveys show that the greatest financial worry of people at or near retirement is the fear of outliving their income. The Freedom Flex I has been specifically designed to meet these needs.

Freedom Flex I is a flexible premium deferred annuity designed for continuous 403(b), 457, IRA (Traditional and Roth) and Non-Qualified contributions and transfers. Contributions to 403(b) and 457 Plans are made on a pre-tax basis. That means you do not pay income tax on your contributions or your interest earnings until you take withdrawals at retirement or other qualifying events. This condition can help you reach your retirement goals faster. You may also be in a lower tax bracket after retirement when you begin to receive distributions.



Highlights

Individual Contract

The provisions within this contract will not change unless changes are required for the purpose of complying with legislative and/or Internal Revenue Service changes.

Waiver of Early Withdrawal Charges

Having options to access the Policy Value without incurring Early Withdrawal Charges is an important part of any retirement plan. The Freedom Flex I was designed with this in mind. The ERB, 5 X 5 Provision, Guaranteed Free Withdrawals, and Loan Provision are all specially designed avenues created just for this purpose.

ERB (Enhanced Retirement Benefit)

If you retire 5 years or more after purchasing the Freedom Flex I and are age 55 or older, the Early Withdrawal Charges will be waived.

5 X 5 Provision

On amounts annuitized or systematically withdrawn with the Company after the 5th contract anniversary for a period of at least 5 years, Early Withdrawal Charges will be waived.

Guaranteed Free Withdrawals

After the first contract year, Early Withdrawal Charges will be waived for partial withdrawals of up to 10% of the Policy Value.

Loan Provision

For 403(b) and 457 Plans, Loans are permissible after the first contract month. Up to 95% of the Early Withdrawal Value may be borrowed, subject to IRS rules and regulations. The loan balance will earn 3.00% while the remaining Policy Value continues to earn interest at the current rate. This means that with a guaranteed loan interest rate of 5.5%, the net cost of a loan is only 2.5%.

Systematic Withdrawal Option

In addition to other settlement options, you can also choose to receive the Policy Value in payments made monthly or annually according to a fixed time period or a fixed amount. You may also stop these payments and restart them at a later date, creating the ability to maintain control of the Policy Value to strategically maneuver through retirement while continuing to earn a current interest rate.

Bonus Provision

Under certain conditions, you may qualify for a 3% persistency premium bonus. No annuitization required. Ask for qualifying details.

Tax Advantages

Because of eligibility for certain taxation rules and requirements, the Freedom Flex I Policy Value grows and compounds tax-deferred until it is withdrawn from the policy.

No Market Value Adjustment

Once interest is credited to the policy, it becomes part of the Policy Value and is not affected by changing interest rate environments.

Early Withdrawal Schedule

End of Year	1	2	3	4	5	6	7	8	9	10	11
Early Withdrawal %	10	9	8	7	6	5	4	3	2	1	0

No Rolling Surrender Charges

The Freedom Flex I Early Withdrawal Schedule starts on the issue date and declines to 0% after the tenth year on the entire Policy Value. This makes the Freedom Flex I an attractive option for increasing flexible contributions as well as transferring lump sums into the Policy Value throughout the life of the policy.



Death Benefit

The Policy Value, less any outstanding loan balance, will be paid upon the death of the owner or any joint owners. A spouse who is surviving joint owner or the sole surviving beneficiary may elect to become the successor owner.

Settlement Options

The Policy Value, less premium or other taxes which have not been previously deducted, becomes the Annuity Value and is used to calculate the periodic annuity payments, if payments are to be made over five or more years.

The following standard settlement options are available:

- Life Annuity
- Life Annuity with Minimum Guarantee
- Joint and One-half Survivor Annuity
- Term Certain Annuity
- Interest Income
- Systematic Withdrawal

Financial Strength Ratings

A.M. Best – A (Excellent)

No Administrative Fees

There are no annual administrative fees or up-front sales charges or loads.

Freedom Flex I

At 1st American, our motto is *"Prepare for tomorrow by performing today"*.

These words are relevant in business, education and saving for retirement. We strive to combine innovative, personalized solutions with experienced professionals to provide the best local assistance available to you.

Our corporate mission is to serve you and your family by demonstrating professional standards, providing impeccable service and offering only the highest quality products.



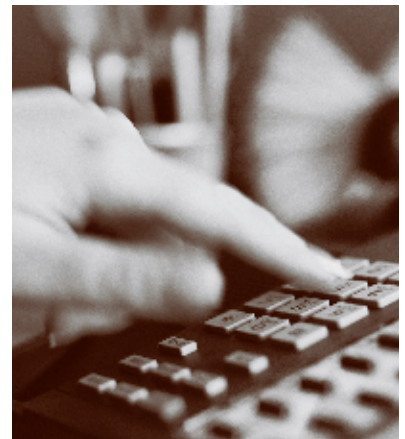
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The group's strength provides Industrial Alliance *Pacific* with exceptional financial stability. Independent rating analysts, the A.M. Best Company, have placed IAP in the "secure" category with an A (Excellent) rating. AM Best describes this rating as "Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing obligations to policyholders."



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FORM 9695 (MAY/2007)

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