NWL®

Lifetime Returns SOLUTIONS

Agent Reference Guide

A Flexible Premium Life Insurance
Policy with Equity Index Options
Policy Form 01-1143-07 and state variations

Funded by:

A Single Premium Immediate Life Annuity
Policy Form 01-1159-10 and state variations thereof.

"A Life Insurance Solution Offering Guaranteed Protection with the Flexibility to fit your own needs! More Choices - More Control!"

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NATIONAL WESTERN LIFE INSURANCE COMPANY®
850 EAST ANDERSON LANE | AUSTIN, TEXAS 78752

DM-1145.Rev.4.12

In today's environment many of your clients are looking for not only secure insurance protection, but a way to provide an income in the event of an unexpected need or to supplement their retirement years. In your role as agent, you play an important part in listening to your clients' needs, and then in providing a product that meets these needs. In the ***NWL® Lifetime Returns Solutions*** you will find features and a process that fit a variety of markets through a specifically designed life insurance policy and single premium immediate annuity (SPIA). If you have a client who wants a product that offers affordable permanent protection, spreads taxable income over 5 or 10 years, with strong cash value accumulation potential, and at the same time, offers the flexibility to use this accumulation for financial needs or cash flow at a later date, ***NWL® Lifetime Returns Solutions*** being funded by a Single Premium Temporary Life Immediate Annuity is the answer.

NWL® Lifetime Returns Solutions is a flexible premium universal life insurance policy that combines the features of traditional fixed interest universal life insurance with the potential to have credited interest linked in part to the S&P 500® Composite Stock Index, which excludes dividends. It is regulated as an insurance product, is not a security, and allows your clients the possibility to earn a better than average interest rate with the choice of three index interest options without the downside risks or a fixed interest option. It offers your clients the choice of selecting a 5 or 10 year payment schedules with the premium paid from a Single Premium Immediate Life annuity. ***NWL® Lifetime Returns Solutions*** was developed for your clients who are looking for strong cash value accumulation with affordable protection. In addition, this policy provides flexible liquidity features for unforeseen needs, an income stream to provide a comfortable retirement and, at the same time, provides the security of a tax-free death benefit for their family.

The Solutions process is designed for using non-qualified annuities with a low tax basis or qualified funds to purchase a 5 or 10 pay temporary life SPIA, and the payments from the SPIA will go directly to the ***NWL® Lifetime Returns Solutions*** policy. This process lets the client spread the taxable income in the funds used to purchase the SPIA over the 5 or 10 year payment period.

APPLICATIONS

Base Policy: 01-9063-10 and state variations

SPIA: 01-9062-10 and state variations

Supplemental Applications: Equity Index Universal Life App. Supplement – 01-S028-07. (Required upon submission with 01-9063-10 and state variations.)

PLAN SPECIFICATIONS

Premium Classes: Male / Female
Non-Tobacco / Tobacco

Issue Ages: 5 Pay 45 – 85 10 Pay 45 – 80

Minimum Face Amount at Issue: $25,000

Minimum Face Amount after Issue: $12,500

Maximum Face Amount: The maximum face amount is based on a maximum net amount at risk.

Maximum Net Amount at Risk (NAR): The NAR is the face amount less premium and varies by age.

Issue Age	Max NAR
45 – 75	$250,000
76 – 85	$150,000

Face Amount Changes: Face amount changes are not allowed after the policy is issued. The face amount may be reduced but only due to a Partial.

Policy Date: The date from which Policy Anniversaries, Policy Years, Policy Months, and Monthly Anniversaries are determined.

Effective Date: The Effective Date of Coverage is when:

1. The application is approved at our office in Austin, Texas; and
2. The Applicant accepts and receives the policy
3. The Initial Premium has been paid; and
4. Each of the prior three conditions is satisfied while the proposed insured is alive and their health and insurability are as described in the application.

Premium Payment Period: 5 Pay or 10 Pay must be indicated on application and may not be changed after the policy is issued.

Minimum Annual Premium: The Minimum Annual Premium is equal to the Target Premium.

Interest Rate Guarantee: There is a 1% minimum, cumulative, annual guaranteed interest rate. The interest rate guarantee is stated as:

(1) The annual guaranteed interest rate is never less than 1% for the non-indexed account balance; and

(2) The Minimum Guaranteed Account Balance is based on a minimum annual guaranteed interest rate of 1%.

The Company may set the current interest rate greater than the guaranteed annual interest rate.

Expense Charges:

	Yrs	Current	Maximum
Percent of Premium:	All	8.00%	8.00%
Monthly Expense	All	$5.00	$7.00
Monthly Administration Charge per $1,000 of Face Amount:	Policy Years 1 – 5 (Varies by issue age, sex, and premium class)		

Monthly Cost of Insurance: The Monthly Cost of Insurance is equal to (1) minus (2) and then multiplying this result by (3), where:

(1) Is the Death Benefit at the beginning of the Policy Month divided by the sum of one plus the minimum Monthly Interest Rate (1.00083).

(2) Is the Account Balance at the beginning of the Policy Month.

(3) Is the Monthly Cost of Insurance Rate.

Monthly Cost of Insurance Rate: The Monthly Cost of Insurance Rate is based on the Insured's rating class and sex on the Policy Date and attained age at the last Policy Anniversary, but will never exceed the maximum cost of insurance rates in the policy. The Monthly Cost of Insurance Rate applies to all policy months through attained age 120.

Monthly Deduction: The Monthly Deduction is equal to (1), plus (2), plus (3), plus (4), where:

(1) Is the Monthly Cost of Insurance and the cost of any additional benefits provided by rider for each Policy Month.

(2) Is the monthly administration charge which cannot exceed the Maximum Monthly Administration Charge shown on Page 3 of the policy.

(3) Is the monthly expense charge which cannot exceed the Maximum Monthly Expense Charge shown on Page 3 of the policy.

(4) Is any State, Federal, or Municipal taxes, fees, or assessments that have not otherwise been deducted.

Death Benefit: The Death Benefit will be equal to the greater of:

(1) The Face Amount; or
(2) The Account Balance on the date of death multiplied by the Death Benefit percent for the Insured's age as of the last Policy Anniversary.

The Death Benefit Proceeds will be:

(1) The Death Benefit described above; less
(2) Any Loans and unpaid Loan interest on the policy, as of the date of death of the Insured.

Death Benefit Extension: On the Policy Anniversary after the Insured attains age 121, the Death Benefit provision of the policy will apply, subject to the following conditions:

(1) The policy must be in force.
(2) No further premium payments will be accepted.
(3) Interest will continue to be credited at the declared rate.
(4) Interest on Loans will continue to accrue.
(5) There will be no further Monthly Deductions.
(6) This provision will have no effect on the termination of any riders attached to this policy. All riders will terminate as provided in the rider.

At this time the policy may not qualify as life insurance and may be subject to tax consequences. A tax advisor should be consulted.

Account Balance: The Account Balance on the Policy Date will be zero. The Account Balance on each Monthly Anniversary is equal to:

(a) The Account Balance on the preceding Monthly Anniversary minus any partial surrenders and partial surrender charges since the last Monthly Anniversary minus the Monthly Deduction; plus
(b) any Net Premiums applied since the last Monthly Anniversary;
plus (c) the Fixed Interest, if any; plus (d) the Index Interest, if any, on the Index Amount.

On any day that is not a Monthly Anniversary; the Account Balance is equal to (a) plus (b).

Minimum Guaranteed Account Balance (MGAB): This is the accumulation of (a) and (b) above using a monthly interest rate of .083% (1% annually).

Surrender: The policy may be surrendered on any Monthly Anniversary during the lifetime of the Insured upon written request to the Company.

The amount payable upon surrender is the Cash Value. The Cash Value will be paid in a single sum or under a settlement option elected by the Owner.

Cash Value: The Cash Value is equal to:

(1) The greater of the Account Balance or the Minimum Guaranteed Account Balance on the date of surrender; minus

(2) any Loans and Loan interest; minus

(3) the surrender charge, if any.

If surrender is made within 30 days after a Policy Anniversary, the Cash Value will not be less than the Cash Value on that Policy Anniversary plus any Net Premiums received since the prior Policy Anniversary minus any partial surrenders and partial surrender charges or Loans made on or after that Policy Anniversary.

Surrender Charge: The surrender charge is stated in the policy. Surrender charges will be reduced when a partial surrender is made. The reduction in surrender charge will be deducted from the partial surrender. In the case of Free Partial Surrender, the surrender charge will not be reduced and there will not be a deduction from the partial surrender.

Surrender charges per $1,000 of Face Amount for all plans.

Partial Surrender:
A partial surrender may be made at any time during the lifetime of the Insured upon written request. The maximum partial surrender that may be made is the Cash Value minus an amount equal to the sum of Monthly Deductions to the next Policy Anniversary.
The partial surrender will be deducted from the Account Balance. The Face Amount will be reduced proportionally by the ratio of the partial surrender over the Account Balance.

The minimum partial surrender is $200 and will be limited to one per Policy Year as long as the Face Amount does not fall below the minimum amount.

If the amount of the partial surrender exceeds:

(a) the Account Balance on the prior Monthly Anniversary; plus

(b) the Net Premium Applied since the last Monthly Anniversary; plus

(c) the Index Interest credited on the Index Date, if any, since the last Monthly Anniversary; minus

(d) the Yearly Charges; minus

(e) the Total Index Amount and the Fixed Interest Amount,

an amount equal to the excess will be deducted first from the Fixed Interest Amount starting with the most recently created Fixed Interest Amount, and then from the Index Amounts, starting with the most recently created Index Amount.

The surrender charge is reduced proportionally by the ratio of the partial surrender over the Account Balance. The reduced surrender charge is called the partial surrender charge and is deducted from each partial surrender.
Free Partial Surrender Option: A Free Partial Surrender, processed without a surrender charge, may be made each Policy Year after the first. The maximum amount of the Free Partial Surrender is the lesser of:

(a) 10% of the Account Balance minus any Loans and Loan Interest;

(b) the Cash Value minus an amount equal to the sum of Monthly Deductions to the next Policy Anniversary.

Upon payment of a Free Partial Surrender, the Face Amount and Account Balance are reduced, but the surrender charge remains unchanged. The Account Balance

is reduced by the amount of the Free Partial Surrender. The Face Amount will be reduced proportionally by the ratio of the Free Partial Surrender over the Account Balance.

Any full surrender or partial surrender amount in excess of the Free Partial Surrender amount will be subject to a surrender charge as described in the Surrender and Partial Surrender provisions. Free Partial Surrenders will not be accumulated.

Grace Period/No Lapse Guarantee Period: If the outstanding loan exceeds the Cash Value or if premiums paid are insufficient for the No Lapse Payment Period, the policy will remain in force during the 61 day Grace Period. If the required premium is not paid by the end of the Grace Period, all coverages under this policy will terminate. Any cash value of the policy will be sent to you.

If the policy is in the No Lapse Payment Period, the policy will not terminate if on each Monthly Anniversary the sum of premiums paid is equal to or exceeds the sum of the Minimum Monthly Continuation Premium starting with the Policy Date and ending with the last Monthly Anniversary during the No Lapse Payment Period. The No Lapse Payment Period will be based on the premium payment period selected.

The Minimum Monthly Continuation Premium is stated in the policy.

Policy Loans: A Loan may be obtained using the Cash Value as the only Loan security. The Loan must be requested in writing. It will have the following conditions:

(1) The Loan may not exceed the Cash Value, minus the sum of the Monthly Deductions to the next Policy Anniversary.

(2) The Loan Interest Rate for the first Policy Year is shown in the policy. Loan interest is payable in advance on the amount borrowed to the next Policy Anniversary. On each Policy Anniversary, Loan interest is payable in advance for the next Policy Year. Interest not paid when due will be added to the Loan and bear interest at the same rate.

(3) All or part of the Loan may be repaid at any time the policy is in force during the lifetime of the Insured. Each payment must be at least $50.

(4) Upon surrender of the policy for the Cash Value, any Loan and Loan interest will be deducted in the calculation of the Cash Value.

(5) Upon the death of the Insured, any Loan and Loan interest will be deducted in the calculation of the Death Benefit Proceeds.

(6) The policy must be in force when the Loan request is made.

Loan Interest Rate: The Loan Interest Rate is the effective annual rate that is the greater of:

(1) The Moody's Corporate Bond Yield Average or substantially similar average rate; or
(2) the guaranteed annual interest rate plus 1%.

The Loan Interest Rate is subject to the following conditions:

(1) It will not be greater than the maximum adjustable rate permitted by the laws of the state where the policy is issued.

(2) It will be established on the Policy Date and on every Policy Anniversary thereafter. The Loan Interest Rate for Loans made in the first Policy Year is shown in the policy. The Loan Interest Rate will be changed, subject to (3) and (4) below, only on Policy Anniversaries.

(3) If the Loan Interest Rate for a Policy Year is at least 1/2% higher than the Loan Interest Rate in

effect for the previous Policy Year, the rate will be changed to the higher rate.

(4) If the Loan Interest Rate for a Policy Year is at least 1/2% lower than the Loan Interest Rate in effect for the previous Policy Year, the rate will be changed to the lower rate.

(5) It will be expressed in terms of the equivalent rate payable in advance.

The Loan Interest Rate for all new and existing Loans is determined on each Policy Anniversary each Policy Year. The Loan Interest Rate is determined on January first and July first of each calendar year. If using the Moody's Corporate Bond Yield Average rate, the January rate equals the average for the previous October and applies to Policy Years in which the Policy Date is in January through June, and the July rate equals the average for the previous April and applies to Policy Years in which the Policy Date is in July through December.

INTEREST CREDITING

NWL® Lifetime Returns Solutions currently offers the choice of four interest options for Account Balance fund allocation: three index interest options, Index Interest Credit Option A, Index Interest Credit Option D; Index Interest Credit Option J and Fixed Interest. And as a unique feature, the four interest options are available simultaneously.

Application Supplement: Equity Index Universal Life Application Supplement Form 01-S028-07 is a required form that must be submitted with the application.
Allocation Percentage: The Allocation Percentage is the percentage that is selected on the application supplement for each Index Interest Credit Option and for the Fixed Interest Amount. The Allocation Percentages must be in whole numbers and must add to no more than 100%.

The Allocation Percentages may be changed as described in the **Changes and Transfers*** section.

Index Interest Options

Index: The Index is the Standard & Poor's 500® Composite Stock Price Index, which excludes dividends. If publication of the Index is discontinued, or the calculation is substantially changed or is not available to us, we may substitute an alternative index and provide notification of this in writing.

Index Date: There are four (4) Index Dates each calendar year. The four Index Dates are January 10th, April 10th, July 10th, and October 10th of each calendar year. The first Index Date of the policy is the Index Date immediately following the date the first Net Premium is applied.

Index Value: On an Index Date, the Index Value is the closing value of the Index. Index Values on any date that is not an Index Date are as described in the Index Interest Credit Option or Options attached to the policy. If the closing value of the Index is not available, we will use the closing value of the Index on the first preceding day for which the closing value of the Index is available.

Index Amount: The Index Amount(s) is the portion of the Account Balance allocated on an Index Date according to the Index Interest Credit Option or Options and the Allocation Percentages that are selected, either on the application supplement or by written request. The Index Amount is the Allocation Percentage for the Index Interest Credit Option times the result of (a) minus (b) minus (c) where:

(a) is the Account Balance on the prior Monthly Anniversary plus any Net Premium applied since the prior Monthly Anniversary minus any partial surrenders and partial surrender charges since the prior Monthly Anniversary plus any Index Interest credited on the Index Date minus the Yearly Charges;

(b) is the Total Index Amount;

(c) is any previously allocated amounts to the Fixed Interest Amount.

An Index Amount will remain allocated to the Index Interest Credit Option until the next Index Anniversary. Twelve (12) months from each Index Date is a corresponding Index Anniversary. On each Index Anniversary, Index Interest, which is determined using the formula for the Index Interest Credit Option selected, is calculated on the Index Amount. The Index Interest is credited to the Account Balance.

On any Index Date, an Index Amount may be increased due to transfers from the Fixed Interest Amount or may be decreased due to partial surrenders and partial surrender charges.

Yearly Charges: The Yearly Charges are twelve times the Monthly Deduction for the month in which the Index Date occurs. It is used in the calculation of the Index Amount.

Total Index Amount: On a date that is not an Index Date, the Total Index Amount is the sum of the Index Amounts allocated to the Index Interest Credit Option or Options that were selected for the prior four (4) Index Dates. On an Index Date, the Total Index Amount is the sum of the Index Amounts allocated to the Index Interest Credit Option or Options that were selected for the prior three (3) Index Dates.

Index Interest Credit Option A (Monthly Average Index)Participation Rate: The Option A Participation Rate is used in the calculation of the Index Interest under Option A. The Option A Participation Rate for the first twelve month period beginning with the first Index Date is shown in the policy. The Option A Participation Rate is declared by us for each Index Amount for a twelve month period beginning on an Index Date and ending on the corresponding Index Anniversary. The Option A Participation Rate will never be less than 25%.

Option A Index Average: An Index Value is determined each month on the same date of the month as the Index Date. Such Index Values are determined each month, beginning with the Index Date and ending on the corresponding Index Anniversary. The Option A Index Average is the average of the monthly Index Values for the 12 month period, beginning with the Index Value one month after the Index Date and each month thereafter, ending on the corresponding Index Anniversary.

Hypothetical example: Assume the Index Date is January 10. The Index Values that are averaged for the 12 months are as follows:

Date	Index Value	Date	Index Value
10-Feb	850	10-Aug	980
10-Mar	840	10-Sep	1000
10-Apr	860	10-Oct	1020
10-May	920	10-Nov	1050
10-Jun	960	10-Dec	1070
10-Jul	980	10-Jan	1110

The sum of the Index Values equals 11,640.
The Option A Index Average equals 970 (11,640 divided by 12)

Index Interest: Index Interest under Index Interest Credit Option A is determined as follows:

On each Index Anniversary for Index Amounts allocated to Index Interest Credit Option A, the Index Interest equals (a) divided by (b), the result multiplied by (c), the result multiplied by (d), where:

(a) is the Option A Index Average, minus the Index Value on the Index Date.

(b) is the Index Value on the Index Date.

(c) is the Option A Participation Rate for the twelve month period starting on the Index Date and ending twelve months later on the corresponding Index Anniversary.

(d) is the Index Amount for Option A on the Index Anniversary.

That is: [(a/b) x c] x d

The Index Interest under Option A may be zero (0) but will never be less than zero (0).
In the event Interest Credit Option A is no longer available, written notification will be provided.

Index Interest Credit Option D (Monthly Point to Point Index)

Monthly Index Change Rate: An Index Value is determined each month on the same day of the month as the Index Date. Such Index Values are determined each month, beginning with the Index Date and ending on the corresponding Index Anniversary. The Option D Monthly Index Change Rate for each month equals (a) divided by (b), the result not greater than (c), where:

(a) is the Index Value for each month less the Index Value for the immediately preceding month;
(b) is the Index Value for the immediately preceding month; and
(c) is the Option D Monthly Index Cap Rate for the twelve month period beginning on the Index Date and ending on the corresponding Index Anniversary.

Annual Index Change Rate: The Option D Annual Index Change Rate for any Index Interest Credit Option D beginning on an Index Date and ending on the corresponding Index Anniversary is the sum of the Option D Monthly Index Change Rates for the 12 month period. The Option D Annual Index Change Rate may be zero (0), but will never be less than zero (0).

Hypothetical Example:

Assume the Index Date is January 10 and the Index Values for 12 months are as listed below. Also assume that the Index Value on the Index Date is 880. If the Option D Monthly Index Cap Rate for the twelve month period beginning on the Index Date and ending on the corresponding Index Anniversary is 2.00%, then the Option D Monthly Index Change Rates for each month during the twelve month period and the Option D Annual Index Change Rate for the 12 month period are as follows:

Date	Index Value	Option D Monthly Index Change Value
10-Feb	850	-3.41%
10-Mar	840	-1.18%
10-Apr	860	2.00%
10-May	920	2.00%
10-Jun	960	2.00%
10-Jul	980	2.00%
10-Aug	980	0.00%
10-Sep	1000	2.00%
10-Oct	1020	2.00%
10-Nov	1050	2.00%
10-Dec	1070	1.90%
10-Jan	1110	2.00%

The Option D Annual Index Change Rate is: 13.31%

Monthly Index Cap Rate: The Option D Monthly Index Cap Rate is used in the calculation of Index Interest under Option D. The Option D Monthly Index Cap Rate for the 12 month period beginning on the first Index Date is shown in the policy. The Option D Monthly Index Cap Rate for each twelve month period after the first Index Date is declared by us on each Index Date. The Option D Monthly Index Cap Rate declared by us on each Index Date is guaranteed for the twelve month period ending on the corresponding Index Anniversary. The Option D Annual Cap Rate will never be less than 1.00%.

Index Interest: Index Interest under Index Interest Credit D is determined as follows:

On each Index Anniversary the Index Interest under Option D equals (a) times (b) where:

(a) is the Option D Annual Index Change Rate for the twelve month period beginning on an Index Date and ending on the corresponding Index Anniversary.
(b) is the Index Amount for Option D on the Index Anniversary.

The Index Interest under Option D may be zero (0) but will never be less than zero (0).
In the event Interest Credit Option D is no longer available, written notification will be provided.

Index Interest Credit Option J (Annual Point to Point Index)

Annual Index Change Rate: Index Values are determined each year, beginning with the Index Date and ending on the corresponding Index Anniversary. The Option J Annual Index Change Rate for each year equals (a) divided by (b), the result not greater than (c), where:

(a) is the Index Value on the Index Anniversary less the Index Value for the Index Date;
(b) is the Index Value on the Index Date; and
(c) is the Option J Annual Index Cap Rate for the twelve month period beginning on an Index Date and ending on the corresponding Index Anniversary.

Annual Index Cap Rate: The Option J Annual Index Cap Rate is used in the calculation of Index Interest under Option J. The Option J Annual Index Cap Rate for the 12 month period beginning on the first Index Date is shown in the policy. The Option J Annual Index Cap Rate for each twelve month period after the first Index Date is declared by us on each Index Date. The Option J Annual Index Cap Rate declared by us on each Index Date is guaranteed for the twelve month period ending on the corresponding Index Anniversary. The Option J Annual Cap Rate will never be less than 4.00%.

Index Interest: Index Interest under Index Interest Credit Option J is determined as follows:

On each Index Anniversary the Index Interest under Option J equals (a) times (b) where:

(a) is the Option J Annual Index Change Rate for the twelve month period beginning on an Index Date and ending on the corresponding Index Anniversary.
(b) is the Index Amount for Option J on the Index Anniversary.

The Index Interest under Option J may be zero (0) but will never be less than (0).
In the event Interest Credit Option J is no longer available, written notification will be provided.

Fixed Interest Option

Fixed Interest: The Fixed Interest is equal to (1) plus (2) plus (3) minus (4), where:

(1) is the Monthly Interest Rate multiplied by the difference between (a), as stated in the Account Balance, and the Total Index Amount, the result of which is not less than zero;

(2) is the partial Monthly Interest Rate multiplied by the Net Premiums applied since the last Monthly Anniversary; the partial Monthly Interest Rate is based on the time period from the date the Net Premiums are applied to the Monthly Anniversary;

(3) The partial Monthly Interest Rate multiplied by the sum of any Index Amount with an Index Anniversary during the month and the Index Interest, if any, on the Index Amount; the partial Monthly Interest Rate is based on the time period from the Index Date to the Monthly Anniversary;

(4) The partial Monthly Interest Rate multiplied be any newly allocated Index Amount; the partial Monthly Interest Rate is based on the time period from the Index Date to the Monthly Anniversary.

Fixed Interest for (3) and (4) only occurs in policy months that include an Index Date.

Fixed Interest Amount: The Fixed Interest Amount is the Allocation Percentage for the Fixed Interest Amount multiplied by the result of:

(1) The Account Balance on the prior Monthly Anniversary plus any Net Premium applied since the prior Monthly Anniversary minus any partial surrenders and partial surrender charges since the prior Monthly Anniversary plus any Index Interest credited on the Index Date minus the Yearly Charges; minus

(2) the Total Index Amount; minus

(3) any previously allocated amounts to the Fixed Interest Amount.

The amount allocated to the Fixed Interest Amount will remain allocated to the Fixed Interest Amount for twelve months. A request to transfer all or part of the Fixed Interest Amount to an Index Amount may be made in writing.

The interest is credited to the Fixed Interest Amount on each Monthly Anniversary, using the Monthly Interest Rate. The Fixed Interest Amount may be decreased due to transfers to an Index Amount or due to partial surrenders and partial surrender charges.

Monthly Interest Rate: The Monthly Interest Rate used in calculating the Fixed Interest is not less than .083% per month, compounded monthly. This is the equivalent to a guaranteed annual interest rate of 1.0% compounded annually. Interest rates greater than the guaranteed annual interest rate of 1.0% compounded annually may be used.

***Changes and Transfers:** For any Index Date you may request a change of the Fixed Interest Amount or the Index Interest Credit Option or Options and the Allocation Percentages for the Fixed Interest Amount and the Index Interest Credit Option or Options.

For any Index Date after the first, you may request a transfer of all or a portion of the Fixed Interest Amount to an Index Amount. This request must be made in writing, as described below.

The written request to change the Fixed Interest Amount, to change the Index Interest Credit Option or Options, to change the Allocation Percentages; or to transfer all or a portion of the Fixed Interest Amount to an Index Amount; must be received at our office in Austin, Texas at least 20 calendar days prior to the next Index Date. A written request to change or transfer that is received after the 20th day notification period may not be processed by the Index Date. If the request to change or transfer is received after the 20 day notification period and is not processed prior to the Index Date, the request to change or transfer will apply to the following Index Date.

LIMITATIONS AND EXCLUSIONS – SUBJECT TO STATE VARIATIONS

Suicide: Within two years after the Policy Date, if the death of the Insured is a result of suicide, while sane or insane, nothing will be paid under the policy except to return premiums that have been paid, less all partial surrenders and partial surrender charges and outstanding Loans and Loan Interest.

Within two years from the Effective Date of any increase in Face Amount, if the death of the Insured is the result of suicide, while sane or insane, we will pay nothing with respect to the increase(s) except to return all Monthly Deductions deducted for such increases.

Incontestability: After this policy has been in force during the lifetime of the Insured for two years from the Policy Date, we will not contest it with respect to statements made in the initial application, any subsequent applications, and amendments except for rider provisions relating to disability benefits or additional benefits in the event of accidental death. Any increase in the Face Amount will be incontestable after the increase has been in force during the lifetime of the Insured for two years after the Effective Date of the increase, except for rider provisions relating to disability benefits or additional benefits in the event of accidental death. Any policy reinstatement will be incontestable after it has been in force during the lifetime of the Insured for two years after the effective date of reinstatement, except for fraud.

Delayed Payment of Cash Surrender or Policy Loan: The Company has the right to delay the payment of any cash surrender or the granting of a Loan for up to six months after a request in writing, unless the Loan will be used to pay premiums.

Misstatement of Age or Sex: The policy is issued at the Insured's age and sex shown in the policy, according to the information given in the application. If the age or sex of the Insured has been misstated, the Death Benefit shall be that which would have been purchased using the cost of insurance rates at the correct age and sex.

RIDERS AND ENDORSEMENTS

- **Riders may not be available in all states.**
- **Riders may vary by state.**
- **Check with the Company for state approvals, and specific Rider and Endorsement forms for details; certain limitations and exclusions may apply.**

Living Benefit Rider (Form 01-3071-96 and state variations)

The Living Benefit Rider will automatically be added to the NWL Lifetime Returns Solutions® policy if approved in the state of solicitation. There is no additional cost of insurance charge for the Living Benefit Rider.

Benefit: Upon written request this rider is designed to give a Benefit Advance if the insured is diagnosed as terminally ill. The maximum Benefit Advance will be the lesser of $250,000, or 75% of the Death Benefit of the policy minus any outstanding policy loans and unpaid loan interest. A one-time claims processing fee of $300 may apply. Interest will be charged on the amount of the Benefit Advance as defined in the rider. The Death Benefit will be reduced by the amount of the Benefit Advance plus accrued interest.

Terminal Illness: A Terminal Illness is an illness from which the Insured is not expected to recover and from which the Insured is expected to die within twelve months after written request. Certification of the Terminal Illness by a licensed physician is required before payment is made.

Termination of Rider: This rider will terminate on the earliest of:

(1) The date the policy terminates; or

(2) the date we receive written request of terminate this rider; or

(3) the date the Benefit Advances plus accrued interest equals the policy Death Benefit less any outstanding loans and loan interest.

Paid Up Rider (Form 01-3119-05)

The Paid Up Rider will automatically be added to the ***NWL® Lifetime Returns Solutions*** policy if approved in the state of solicitation. There is no additional cost of insurance charge for the Paid Up Rider.

Benefit: If, on any Monthly Anniversary, before the Monthly Deduction is deducted from the Account Balance, a loan percentage equals or exceeds 91.5%, the policy will automatically become paid-up and the Face Amount becomes the Paid-Up Face Amount subject to the following conditions:

(1) The Insured's attained age must be equal to or greater than 75;

(2) The policy must have been in force for at least 15 years.

The loan percentage on any Monthly Anniversary is equal to (1) the outstanding Loan and Loan interest, divided by (2) the Account Balance less the surrender charge.

Rider Cost: When this rider is exercised, there will be a One Time Charge equal to the One Time Charge percentage of 8.00% multiplied by the Account Balance. The One Time Charge will be deducted from the Account Balance before calculating the Paid-Up Face Amount.

Paid-Up Policy: When this rider is exercised, the following changes will occur in the policy:

(1) All Index Amounts and the Fixed Interest Amount will be terminated.

(2) No additional policy Loans may be made; however, Loan interest will continue to accrue as described in the policy.

(3) No premium payments may be made.

(4) No further Monthly Deductions will be made.

(5) No partial surrenders may be made.

(6) All other riders and benefits attached to the policy will terminate.

The Paid-Up Face Amount will equal the Account Balance at the time this rider is exercised less the One Time Charge, multiplied by the applicable percentage of Account Balance as shown in the Table of Death Benefit Percent in the policy.

Death Benefit: The death benefit of the paid up policy will be equal to the greater of the Paid Up Face Amount; or the greater of the Account Balance multiplied by the applicable percentage of Account Balance as shown in the Table of Death Benefit Percent in the policy, or the outstanding Loan plus Loan interest multiplied by 104%.

Termination of Rider: This rider will terminate on the earliest of:

(1) The date of the Insured's death; or

(2) The date the policy terminates; or

(3) The date we receive written request to cancel this rider.

NWL® Lifetime Returns Solutions is underwritten by National Western Life Insurance Company®, Austin Texas and issued under Policy Form 01-1143-07 and state variations thereof.

The Single Premium Immediate Life Annuity is underwritten by National Western Life Insurance Company®, Austin, Texas and is issued under policy Form 01-1159-10 and state variations thereof.

NWL® Lifetime Returns Solutions is not available in all states. Certain other limitations and exclusions may apply.

The Single Premium Immediate Life Annuity is not available in all states. Certain other limitations and exclusions may apply.

Agent Guidelines for NWL® Lifetime Returns Solutions Rules Based Program:

1. Agent and Applicant agree that applicant will apply for insurance with NWL®
2. Agent completes the application
    - The Proposed Insured must be a U.S. citizen or Permanent U.S. Resident with a green card.
    - If the Proposed Insured is not a U.S. Citizen, please forward with the application a copy of the Proposed Insured's Green Card.
    - Print clearly using black ink
    - Any corrections should be initialed and dated by the Proposed Insured/Owner
    - Complete the Medical/HIPAA authorization and send to Home office with the application
    - Complete the Medical Information Bureau (MIB) Pre-Notice, Privacy Notice, Fair Credit Reporting Act Notice and leave it with the Proposed Insured.
    - Explain and review the appropriate state fraud warning, since it will be reviewed in the phone interview.
    - If the owner is other than the Proposed Insured, make sure to provide the full name, date of birth, SS#, phone number, address and relationship to the Proposed Insured. There must be an Insurable Interest between the Owner and the Proposed Insured and a purpose or reason for the insurance.
    - If the Owner is a trust, complete and submit the Trust Information Form number DM-1094.
3. Agent calls Elite Sales Processing, Inc. (ESP) 1-888-367-9008. ESP is a professional insurance services Company that provides outsourced rules based telephone verification and decision.
4. The ESP interviewer talks with the NWL® agent first and obtains agent information, applicant information and asks the agent for permission to record the inter view information.
5. The Interviewer then asks the agent to place the applicant on the telephone.
6. The Interviewer greets applicant and thanks them for placing their trust with National Western Life and asks for the applicants permission to record the conversation and authorization for MIB (Medical Information Bureau) and IntelliScript (Prescription History). If "No" the interviewer will ask to speak with the agent. Interviewer informs agent that if we can not obtain authorization, applicant will not qualify for the rules based program.
7. The Interviewer will ask applicant identifying data for the recording and re-ask the permission question so that it is on the recording. The Medical/MIB/ IntelliScript authorization is read to applicant and when finished applicant is asked if they agree with authorization. If "Yes", MIB/IntelliScript search is initiated so that the interviewer will have the result back during the interview. If "No", application can not be processed.
8. The Interviewer will ask the applicant if they have read or been informed of the fraud statement that pertains to their state of residence? If "No", Fraud Statement will be read to applicant.
9. The interviewer will then ask all of the medical questions and additional information on the application. If any medical question is a "Yes", MIB, IntelliScript or Height and Weight is not within the NWL® guidelines, interview with the applicant will stop and the interviewer will thank the applicant and inform them that is all of the questions and ask to speak with the agent. Interviewer informs agent that the application does not qualify based on a Yes answer to the question or due to confidential information.

The Interviewer can not tell the agent what was discussed with the applicant or confidential information from MIB and IntelliScript based on privacy laws. The agent is told to submit the application to NWL® and a letter will be sent to the applicant explaining the declination.

10. If all questions are "No" in the medical history section, MIB, IntelliScript and Height and Weight are within NWL® guidelines, the application is accepted. The interviewer will inform the applicant that is all of the questions and will ask to speak to the agent. The Interviewer will inform the agent that the applicant has qualified on a tobacco or non-tobacco basis.

11. If accepted, the Interviewer completes agent check list with the agent.

12. Applicant completes application for Single Premium Immediate Annuity (SPIA) ICC10 01-9062-10 and state variations.

13. The Agent is informed to send the application to NWL® if accepted or declined to complete the processing.

    - The Agent needs to review the application for completeness
    - Make sure beneficiaries are complete along with relationship and if multiple beneficiaries, indicate the percentage share of each
    - If this is a replacement, surrender or partial surrender of another life or annuity policy, complete and submit the appropriate state replacement forms. These must be submitted with the application.
    - If this is a life 1035 exchange, also complete and submit a Transfer Form (SA-8600).
    - If accepting payment with the application, explain the Temporary Insurance Agreement and leave the receipt with the Owner.
    - We do not accept cash or agent/agency checks. All checks should be made payable to National Western Life Insurance Company.

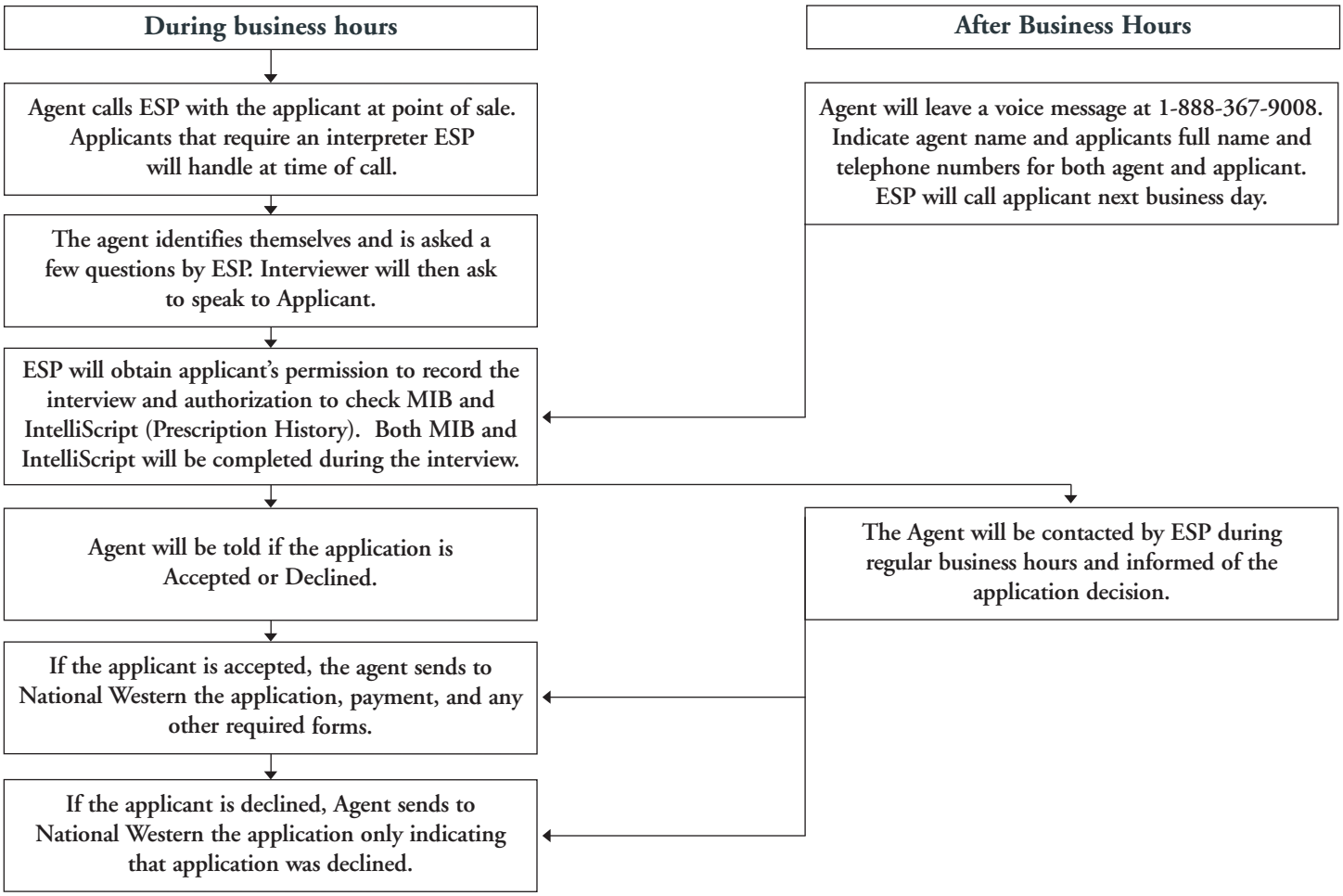
14. ESP notifies NWL® Home Office of the decision and forwards interview for processing.

NWL LIFETIME RETURNS® SOLUTIONS QUICK GUIDE TO RULES BASED PROGRAM

National Western Life Insurance Company® has contracted with Elite Sales Processing, Inc. (ESP), a national consumer- reporting agency with extensive life insurance experience, to provide point-of-sale interviews. ESP interviewers are trained to accurately and confidentially verify application information.

Elite Sales Processing 1-888-367-9008
Monday –Thursday 8:00 a.m. – 9:30 p.m. (CST)
Friday – 8:00 a.m. – 5:00 p.m. (CST)

After the sale is made and the application is completed – Agent and Applicant call ESP



Helpful Hints When Reviewing Medical Questions

1. **COPD/COLD:** Chronic obstructive pulmonary or lung disease: This health condition includes chronic bronchitis, emphysema, pulmonary fibrosis, pulmonary granulomatosis, pulmonary edema, active tuberculosis, pneumoconiosis (black lung, farmer's lung, asbestosis, silicosis), bronchiectasis, pulmonary sarcoidosis, histoplasmosis and cryptococcosis.

2. **Asthma** by itself is not considered COPD/COLD.

3. **Question 10b:** Heart Disease: The following are considered diseases or disorders of the heart occurring/discovered with in the last 2 years. Heart attack, heart blocks, PVD (Peripheral vascular disease), valvular surgery, pacemaker, pacemaker replacement, abdominal aortic aneurysm, cerebral vascular disease, arrhythmias, carditis, abnormal resting and exercise EKG's, cardiac ischemia, enlarged heart, angina, coronary artery aneurysm, coronary artery bypass grafting, heart replacement, uncontrolled high blood pressure, heart or circulatory surgery, angioplasty, cardiac or vascular stent placement coronary artery disease of any type and any procedure to improve the circulation to the heart or brain or extremities.

4. **Question 10b:** Prescription drug use for maintenance of health conditions originally diagnosed over 2 years ago, does not apply to question 10b.

5. **Question 10a:** Taking medication (prescription drug use) is considered treatment and if taking medication currently or within the last 2 years for listed medical conditions, applicant should answer the question Yes.

6. **Uncontrolled high Blood Pressure:** If the applicant feels their blood pressure is uncontrolled, they should answer the question Yes. If they are confident their blood pressure is controlled and their physician has assured them that it is controlled they should answer the question No. Controlled blood pressure is defined as - if they are taking their medication and if the average blood pressure reading does not exceed 140/90 they can consider their blood pressure under control.

7. **Treatment/Treated:** Treatment is defined as receipt of medical services, surgery, or therapeutic care due to disease or injury; this does not include routine check ups.

STANDARD AND POOR'S®

The S&P 500® Composite Stock Price Index (S&P 500® Index) is a market valued-weighted index of 500 common stocks traded on every major U.S. Stock Exchange. These 500 companies tend to be leading companies from leading industries. Often used as a benchmark for economic growth, the S&P 500® is compiled daily by Standard & Poor's, a division of the McGraw-Hill Companies. "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 National Western Life Insurance Company®.

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ABOUT THE COMPANY

National Western Life Insurance Company® is a Colorado corporation with executive offices in Austin, Texas. The Company offers a full line of life insurance and annuity products (both on an individual and group basis), through general agency offices in 49 states and the District of Columbia, and accepts applications from residents of several foreign countries. Visit our website www.nationalwesternlife.com for all current financial information.

Since its start in 1956, National Western has emphasized financial strength for the protection of its policyholders. As a legal reserve insurance company, National Western must set aside a portion of its assets equal to reserves required by law. Annually, a financial statement is filed with each state's insurance department. These departments have authority to verify that the appropriate reserves are maintained.

This reference guide is intended exclusively for the use of agents and brokers and may not be presented to or left with a consumer, or distributed to the public.

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