

*Protection That Offers Selection To Fit Your Lifestyle!
More Choices – More Control!*



NWL
Lifetime Returns
SELECT®

Consumer Brochure
A Flexible Premium Life
Insurance Policy with Equity Index Options

Policy Form 01-1143-07
and state variations thereof

National Western Life Insurance Company®
850 East Anderson Lane
Austin, Texas 78752

flexibility



Life insurance is the cornerstone when planning for your financial needs. If you are looking for affordable permanent protection with strong cash value accumulation potential, and at the same time, the choice to use this accumulation for financial needs or cash flow at a later date, you are not alone. In today's environment many consumers are looking for the safety of insurance protection with the comfort of knowing they can have liquidity in the event of an unexpected need or to supplement their retirement years. The *NWL Lifetime Returns Select*[®] offers protection with selection to meet the needs you may face in the future. You no longer have to be faced with the difficult choice of purchasing the security and protection of a fixed universal life product, which may offer low interest rates, or choosing the growth potential of a variable product but then having to live with the inherent volatility. Today, fixed universal life policies are combined with unique methods of crediting interest.

NWL Lifetime Returns Select[®] is a flexible premium universal life insurance policy that combines the features of traditional fixed life insurance with the potential to have credited interest linked in part to the S&P 500[®] Composite Stock Index, which excludes dividends. You have the choice of four interest options that give you the advantage of selecting one or any combination of all four interest options. Plus, the choice of Single Pay, 5 Pay, or 10 Pay Premium Payment Periods.

A life insurance policy that will provide protection and offers selection to fit your lifestyle!

No one knows what the future will bring, and *NWL Lifetime Returns Select*[®] will give you the protection to meet unexpected demands and the peace of mind of an opportunity of continued liquidity. You will have the opportunity to accumulate an Account Balance, where the credited interest is linked in part to the S&P 500[®] Index (which excludes dividends), and to experience what many of us are looking for as we plan for our financial future: the possibility of benefiting from some market increases, without being fully subjected to the risks of market decreases. You have only your lifetime to make this happen, and you should not have the worry of risking it all.

Sooner or later everyone reaches that time in life when working 24/7 is no longer an option.

What are Your Goals? Whether it is a cabin in the woods, a summer home, world travel, or just a worry-free comfortable life, you will need continued access to funds to fulfill your dreams. But, at the same time you must remember that you are not indestructible and will want to provide the security of a tax-free death benefit for your family if something should happen to **YOU**. If affordable protection with strong cash value accumulation potential, and the flexibility to accommodate changing financial circumstances is *What You Want*, then *NWL Lifetime Returns Select*[®] is *What You Need!*

Overview

Let's take a look at the unique features of the *NWL Lifetime Returns Select*[®] that can provide the liquidity you may need later and the protection you need now.

If you are age 45–85, (Single Pay and Five Pay) or 45–80 (Ten Pay), *NWL Lifetime Returns Select*[®] allows three premium payment options sufficient to pay for the amount of coverage (Face Amount) selected by you, with the minimum amount being \$25,000. Face Amount changes are not allowed after the policy is issued. The Face Amount may be reduced but only due to a Partial Surrender or payment of a Benefit Advance from the Accelerated Benefit Rider.

Your policy will provide a Death Benefit equal to the greater of the Face Amount, or the Account Balance with a percentage adjustment based on your age as of the last Policy Anniversary. The Death Benefit may be extended beyond age 121.

The Account Balance in your policy is the accumulation of premium paid less expense charges, partial surrenders and partial surrender charges, and the monthly cost of insurance, cost of any riders, plus credited interest. Interest is credited monthly on the portion of the Account Balance that is not indexed. Interest is credited annually on the portion of the Account Balance that is indexed. **Your Account Balance will never be reduced due to poor market performance alone.**

You have the option to select a **Premium Payment Period** of a Single Pay, 5 Pay, or 10 Pay at the time you apply for your policy. The Premium Payment Period selected may not be changed after the policy is issued.

In order to maintain the benefits of your policy, there is a percentage of premium charge on all premiums paid that is guaranteed to never be more than 8.0%. The Net Premium is the premium payment less the percentage of premium charge. There is a monthly administrative rate

per 1,000 of Face Amount that varies by sex, issue age, and underwriting class, and is a guaranteed rate applicable through the 5th Policy Year. And there is a monthly expense charge that is guaranteed to never be more than \$7.00. All applicable rates and charges are stated in the policy.

With a **No Lapse Guarantee Period**, your insurance coverage will not lapse during the indicated period if the total premiums paid are equal to or exceed the sum of Minimum Monthly Continuation Premium, which is stated in the policy. The No Lapse Payment Period will be based on the Premium Payment Period selected.

Once all premiums have been paid, the policy is guaranteed to remain in force to age 121 unless the policy loan amount exceeds the cash value. If your policy has the Paid Up Rider, the policy may remain in force even if the loan amount exceeds the cash value (see the description on page 5).

Interest Options

You currently have the choice of four interest options for Account Balance fund allocation: three index interest options and a fixed interest option. *As a unique feature, the four interest options are available simultaneously.* And, since no one knows for sure what tomorrow will bring, on four (4) specific dates during each calendar year, *NWL Lifetime Returns Select*[®] gives you the flexibility to adjust your interest strategy.

The four specific Index Dates per calendar year are January 10th, April 10th, July 10th and October 10th. At the time your policy is issued you have the choice of allocating a percentage of the available Account Balance to one or any combination of all four interest options. The available Account Balance is the prior month Account Balance plus any net premiums since the prior month plus currently payable index interest less any partial surrenders and surrender charges since the prior month less all allocated amounts for the prior 3 Index Dates and less



Yearly Charges. The Yearly Charges are the deductions for the next 12 months that may not be indexed and will earn fixed interest as part of the Account Balance. The Allocation Percentages must be in whole numbers and must total to 100%. The first Index Date of your policy is the Index Date immediately following the date the first Net Premium is applied to put the policy in force.

On each Index Date after that you will be able to specify the percentage of the available Account Balance to allocate to available index options and fixed interest. In addition, you will be able to request transfers from the fixed interest amount to the index amounts. The Index Anniversary is 12 months from each Index Date. The crediting of Index Interest to the Account Balance occurs on each corresponding Index Anniversary.

The annual interest rate on the portion of the Account Balance that is not indexed is guaranteed to be never less than 1.00% compounded annually. Even though there is no annual guaranteed interest rate on the portion of the Account Balance that is indexed, there is a Minimum Guaranteed Account Balance. The Minimum Guaranteed Account Balance is a calculation like the Account Balance calculation using an annual rate interest of 1%.

NOTES: Any portion of the Account Balance that is not indexed, including new premiums received prior to the next Index Date, will be credited the current fixed interest rate up to the Index Date. Index interest credit options may not be available for future index periods.

Terms You Should Know

Participation Rate – The participation rate determines how much of the gain, if any, experienced by the monthly average index formula will be credited.

Cap Rate – The cap rate is stated as a percentage and is the maximum positive change in the S&P 500® Index that will be used in the Monthly and Annual Point to Point formulas that calculate

the interest rate used at the end of the 1 year indexing period.

Fixed Interest Rate – The fixed interest rate is a declared rate set by the company, and is guaranteed to never be less than the guaranteed annual interest rate of 1.0% compounded annually.

Index Interest Earnings – Regardless of the index interest option, this is the earnings credited based on increases or decreases in value of a specific equity index.

Index Interest Credit Options

As mentioned previously, in addition to the option of the Account Balance earning a fixed interest rate, you will have an opportunity to choose an option to earn interest based on the indexes offered. The portion of the available Account Balance that is allocated to an index option (A, D, or J) will occur on each Index Date. Any crediting of interest from each index option will occur on the Index Anniversary. The crediting rates for each index option are described below. **The credited rate will never be less than zero.**

For Index Option A (the monthly average), the crediting rate on an Index Anniversary is the average of the 12 monthly index values, minus the Index Value at the start of the period, divided by the Index Value at the start of the period, and then multiplied by the Participation Rate.

For Index Option D (the monthly point to point), the crediting rate on an Index Anniversary is the sum of the 12 Monthly Index Change Rates. The Monthly Index Change Rates are based on the change in the index values from one month to the next, subject to the Monthly Cap Rate, for the 12 month index period.

For Index Option J (the annual point to point), the crediting rate on an Index Anniversary is the difference between Index Value on the Index Anniversary and the Index Value on the Index Date, divided by the Index Value on the Index Date, not to exceed the Annual Cap Rate for that Index Date.



Liquidity

Policy Surrender^{***} – Should you choose to surrender your *NWL Lifetime Returns Select*[®] policy, the Cash Value is available to you on any Monthly Anniversary upon written request. The Cash Value is the greater of the Account Balance or the Minimum Guaranteed Account Balance, less surrender charges and outstanding loans and loan interest, if any. The surrender charges vary by sex, smoking class, issue age, and policy year.

Surrender charges are per \$1,000 of Face Amount for all pay plans and apply for the number of policy years listed below depending on the issue age:

Issue Ages	Policy Years
45 – 70	1 – 14
71 – 80	1 – 12
81 – 85	1 – 11

Partial Surrender^{***} – Partial surrenders are also available; however, the Account Balance and Face Amount will be reduced, and it may be necessary to reduce a previously allocated Index Amount. A partial surrender charge (if applicable) will be deducted from the partial surrender.

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.

Free Partial Surrender Option^{***} – A 10% Free Partial Surrender, processed without a surrender charge, may be made each Policy Year after the first. The 10% Free Partial Surrender will not incur a partial surrender charge and the surrender charges will not be reduced. Any full surrender or partial surrender amount in excess of the Free Partial Surrender amount will be subject to a surrender charge. Free Partial Surrenders will not be accumulated.

Policy Loans^{**} – You may obtain a Loan using the Cash Value as the Loan security. The initial Loan Interest Rate for the first Policy Year will be specified in the policy. You are able to borrow from your *NWL Lifetime Returns Select*[®] policy using a variable loan rate tied to Moody's Corporate Bond Yield and calculated once each year. On traditional, fixed rate life insurance, there is a Net-Cost loan because the loan interest rate charged is usually greater than the crediting rate. With *NWL Lifetime Returns Select*[®], it is possible to have a Net-Gain loan if the crediting

The index interest options that are currently available in the *NWL Lifetime Returns Select*[®] are as follows:

Three Excellent Strategies Linked in Part to The S & P 500[®] Index

Monthly Average Option A

**Guaranteed Minimum Participation
Rate: 25%**

When the stock market is classified as less “volatile” the Monthly Average may be your most likely choice.

A period of time with “moderate ups and downs” or “steady increases” in the market are indications of a less “volatile” market.

Monthly Point to Point Option D

**Guaranteed Monthly
Minimum Cap: 1.00%**

When the Stock Market is classified as very “volatile” the Monthly Cap or Annual Cap strategy may be your most likely choice.

“Large ups and downs” or “wide swings” in increases and decreases in the market are indications of a very “volatile” market.

Annual Point to Point Option J

**Guaranteed Minimum
Annual Cap: 4.00%**

The index interest under Option A, Option D, and Option J will never be negative.

^{***}See the policy for complete information; certain limitations and exclusions may apply. Please consult with your tax advisor as these transactions may be taxable.

rate is greater than the Loan Interest Rate charged. Variable loans have a Net-Cost or Net-Gain that is ultimately based on the difference between the interest credited to the policy and the Loan Interest charged.

A Loan will not have an effect on the crediting rate (either fixed or indexed) applicable to the Account Balance. Note: Loans may be repaid in amounts of \$50 or more.

Optional Benefits and Riders

In addition to the basic protection provided by *NWL Lifetime Returns Select*[®], there are additional benefits and riders that may be added to enhance your life plan for an additional charge.

Living Benefit Rider (Accelerated Benefits Rider) Form 01-3071-96^{***}

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

This rider provides an advance of the Death Benefit to the policy owner if the Insured is terminally ill, subject to the terms of the rider. The maximum benefit will be the lesser of \$250,000 or 75% of the Death Benefit minus any outstanding policy loans and unpaid loan interest. A one-time claims processing fee of \$300 may apply.

Accelerated Benefit Rider Form 01-3113-04^{***}

Available if the Single Pay Premium Payment Period is selected, this rider provides an advance of the Face Amount to the policy owner when the Insured needs Qualified Care Services or is Terminally Ill, subject to the terms of the rider. This rider is not available after issue. If the Accelerated Benefit Rider is elected, the Living Benefit Rider will not be necessary.

Paid Up Rider Form 01-3129-07^{***}

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

Benefit Provision	Qualified Care Services	Terminal Illness
Type of Licensed Care	Nursing Home Facility Home Health Care Provider Assisted Living Facility	N/A
Life Expectancy	N/A	12 months after written request
Elimination Period	Minimum of 90 Consecutive Days of Qualified Care with continued care	N/A
Maximum Accelerated Benefit Amount	24% of the Face Amount annually paid monthly up to \$10,000 per month not to exceed \$500,000 or reduce the Face Amount to less than \$12,500.	Lesser of 75% of the Face Amount or \$250,000
Additional Premium/Charges	Yes	\$300 one-time charge and interest for lump sum payment

This rider will prevent the policy from lapsing due to the Loan Balance exceeding the Account Balance by providing a Paid Up Face Amount of life insurance if the (1) Loan Balance is at least 91.5% of the Account Balance; (2) the policy has been in force for a minimum of 15 years; and (3) the Insured's attained age is at least 75 when the first two criteria are met.

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.

Return of Premium Rider (Form 01-3141-10)

The Return of Premium Rider will automatically be added to the *NWL Lifetime Returns Select*[®] policy if the Single Premium Payment Period is selected and if the rider is approved in the state of solicitation. There is no additional cost of insurance charge for the Return of Premium Rider. This rider modifies the Cash Value definition of the policy, using a minimum value of the Return of Premium Value (the required single premium), subject to adjustments for disbursements from the policy as described below.

The Cash Value and Grace Period provisions of the policy are replaced with the following:

Cash Value: The Cash Value is the greater of (1) the Account Balance or the Minimum Guaranteed Account Balance on the date of Surrender, whichever is greater, minus the surrender charge, if any; less any outstanding Loans and Loan Interest; or (2) the Return of Premium Value shown on Page 3 of the policy, minus any partial surrenders and partial surrender charges, and minus any proportional Return of Premium reductions due to other rider benefit payments less any outstanding Loans and Loan Interest. If the 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.

Rider Cost: The monthly rider cost of \$0.00 is shown on Page 3 of the policy. The rider cost is included in the Monthly Deductions for the number of Policy Months shown on Page 3 of the policy.

Termination: This rider will terminate on the earlier of (1) the date of the Insured's death; or (2) the date the policy terminates; or (3) the date we receive written request from the policy owner to cancel the rider.

Tax Advantages – The cash value in your *NWL Lifetime Returns Select*[®] policy, accumulates income tax deferred. Subject to certain condi-

tions, withdrawals and loans may be taken on the policy without incurring income taxes as long as the policy remains in force and results in a life insurance death benefit if the Premium Payment Period is 10 Pay. Single and 5 Pay Premium Payment Period policies will be Modified Endowment Contracts.

NWL[®] and its agents do not provide legal or tax advice, so please consult your tax or legal advisor.

Annual Report – An Annual Report will be sent to you at least once a year without charge. This report will show the current amount of insurance, Account Balance, Cash Value, and Loan Balance of the policy. It will also show the premiums paid, partial surrenders, and the charges made on the policy since the last report.

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

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

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



***See endorsements or riders for complete information; certain limitations and exclusions may apply. These riders may vary by state and are not available in all states.

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.

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NWL Lifetime Returns Select® is not sponsored, endorsed, sold, or promoted by Standard & Poor's®, and Standard & Poor's® makes no representation regarding the advisability of purchasing this product.

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, less any loans, loan interest, and partial surrenders.

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 any reason except for rider provisions relating to disability benefits or additional benefits in the event of accidental death. With respect to statements made in any application, change or addition in coverage 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. With respect to statements made in the application for, 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 payment of a loan (unless the loan will be used to pay premiums), for a period of up to six months.

Misstatement of Age or Sex: If the age or sex of the Insured has been misstated, the benefit payable will be adjusted to that which would be purchased by the most recent monthly deductions at the correct age or sex.

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.

ASK YOUR AGENT FOR A POLICY ILLUSTRATION