

SERFF Tracking Number: NALF-125653584 State: Arkansas
Filing Company: National Life Insurance Company State Tracking Number: 39504
Company Tracking Number: 8566AR(1008)
TOI: L06I Individual Life - Variable Sub-TOI: L06I.002 Single Life - Flexible Premium
Product Name: Investor Select
Project Name/Number: Investor Select/8566AR(1008)

Filing at a Glance

Company: National Life Insurance Company

Product Name: Investor Select

TOI: L06I Individual Life - Variable

Sub-TOI: L06I.002 Single Life - Flexible
Premium

Filing Type: Form

SERFF Tr Num: NALF-125653584

SERFF Status: Closed

Co Tr Num: 8566AR(1008)

Co Status:

Authors: Susan Carey, Laurie

Trombly, Michelle Goodwin

Date Submitted: 07/02/2008

State: ArkansasLH

State Tr Num: 39504

State Status: Approved-Closed

Reviewer(s): Linda Bird

Disposition Date: 07/08/2008

Disposition Status: Approved

Implementation Date:

Implementation Date Requested: 10/01/2008

State Filing Description:

General Information

Project Name: Investor Select

Project Number: 8566AR(1008)

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 07/08/2008

State Status Changed: 07/08/2008

Corresponding Filing Tracking Number:

Filing Description:

Today we submit for your consideration our new Flexible Premium Adjustable Benefit Variable Life Insurance policies and a revised Life Insurance Application.

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Deemer Date:

Company and Contact

Filing Contact Information

SERFF Tracking Number: NALF-125653584 State: Arkansas
Filing Company: National Life Insurance Company State Tracking Number: 39504
Company Tracking Number: 8566AR(1008)
TOI: L061 Individual Life - Variable Sub-TOI: L061.002 Single Life - Flexible Premium
Product Name: Investor Select
Project Name/Number: Investor Select/8566AR(1008)

Laurie Trombly, Senior Policy Forms Analyst LTrombly@nationallife.com
One National Life Drive (802) 229-3614 [Phone]
Montpelier, VT 05604 (802) 229-3743[FAX]

Filing Company Information

National Life Insurance Company CoCode: 66680 State of Domicile: Vermont
One National Life Drive Group Code: -99 Company Type:
Montpelier, VT 05604 Group Name: State ID Number:
(802) 229-3333 ext. [Phone] FEIN Number: 03-0144090

SERFF Tracking Number: NALF-125653584 State: Arkansas
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Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? Yes
Fee Explanation: Vermont charges \$100 for this same filing.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
National Life Insurance Company	\$100.00	07/02/2008	21210352

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	07/08/2008	07/08/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Linda Bird	07/08/2008	07/08/2008	Laurie Trombly	07/08/2008	07/08/2008
Industry Response						

SERFF Tracking Number: NALF-125653584 *State:* Arkansas
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Disposition

Disposition Date: 07/08/2008

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: NALF-125653584 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Cover Letter		Yes
Supporting Document	Prospectus		Yes
Supporting Document	Statement of Variability		Yes
Supporting Document	John Doe Annual Statement		Yes
Supporting Document	John Doe Illustration		Yes
Supporting Document	Actuarial Memorandum - BSB Rider		No
Supporting Document	Actuarial Memorandum - Overloan Protection Rider		No
Supporting Document	Certification of Compliance with Regulation 33		Yes
Form	Flexible Premium Adjustable Benefit Variable Life Insurance		Yes
Form	Flexible Premium Adjustable Benefit Variable Life Insurance. Unisex Version.		Yes
Form	Life Insurance Application		Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 07/08/2008

Submitted Date 07/08/2008

Respond By Date

Dear Laurie Trombly,

This will acknowledge receipt of the captioned filing.

Objection 1

- Certification/Notice (Supporting Document)

Comment: Filings of variable life insurance contracts should be accompanied by an assurance that Regulation 33, in particular Articles VI, VII, IX, and XI, has been reviewed and that the company is in compliance. In order that we may validate our database, would you please furnish the date the company was approved to issue variable contracts in Arkansas.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

Response Letter

Response Letter Status Submitted to State

Response Letter Date 07/08/2008

Submitted Date 07/08/2008

Dear Linda Bird,

Comments:

Response 1

Comments: Thank you for your Objection Letter dated today. I have included a certification which assures our compliance with Regulation 33, Articles VI, VII, IX and XI.

I can also confirm that our Certificate of Authority for Variable Life products was approved by your Department on May 1, 1960 and was then reaffirmed in 1994.

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If you have any additional questions concerning this filing, please do not hesitate to contact me.

Thank you.

Laurie Trombly

Related Objection 1

Applies To:

- Certification/Notice (Supporting Document)

Comment:

Filings of variable life insurance contracts should be accompanied by an assurance that Regulation 33, in particular Articles VI, VII, IX, and XI, has been reviewed and that the company is in compliance. In order that we may validate our database, would you please furnish the date the company was approved to issue variable contracts in Arkansas.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Certification of Compliance with Regulation 33

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Laurie Trombly, Michelle Goodwin, Susan Carey

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Form Schedule

Lead Form Number: 8566AR(1008)

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	8566AR(1008)	Policy/Cont	Flexible Premium ract/Fratern Adjustable Benefit al Variable Life Certificate Insurance	Initial		67	8566-AR Sex Distinct Policy.pdf
	8567AR(1008)	Policy/Cont	Flexible Premium ract/Fratern Adjustable Benefit al Variable Life Certificate Insurance. Unisex Version.	Initial		67	8567-AR Unisex Policy.pdf
	9212AR(1008)	Application/	Life Insurance Enrollment Application Form	Revised	Replaced Form #: 9212AR(0707) Previous Filing #:	78	9212AR.pdf

**LIMITATIONS AND EXCLUSIONS UNDER THE
ARKANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association. ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract holders will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policyowners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions and require continued residency in the state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

**The Arkansas Life and Health Insurance Guaranty Association
c/o the Liquidation Division
1023 West Capital
Little Rock, Arkansas 72201**

**Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904**

The state law that provides for this safety-net is called the Arkansas Life and Health Insurance Guaranty Association Act. ("Act"). On the next page is a brief summary of this Act's coverages, exclusions and limits. This summary does not cover all provisions of the act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are **NOT** protected by the Guaranty Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does **NOT** provide coverage for:

- any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends and voting rights and experience rating credits;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which these benefits could be provided out of the assets of the impaired or insolvent insurer.

We, National Life Insurance Company, agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Home Office due proof that the Insured died while this policy was in force.

Flexible Premium Adjustable Benefit Variable Life Insurance. Flexible premiums are payable through the end of the Premium Payment Period or until the death of the Insured. The adjustable Death Benefit is payable upon the death of the Insured. This policy is non-participating.

The amount and duration of the Death Benefit may increase or decrease daily, as described in the DEATH BENEFIT AND POLICY CHANGES section of this policy. The dollar amount of the Death Benefit is not guaranteed.

The Cash Surrender Value of this policy is dependent on the Accumulated Value in the Separate Account, which fluctuates according to the investment experience of the Sub-Accounts of the Separate Account chosen by the Owner. The Cash Surrender Value may increase or decrease daily, and is not guaranteed as to dollar amount.

Right to Review Policy. This policy may be returned to us at any time prior to the end of the tenth day following its receipt by the Owner. The policy may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, we will refund the greater of any premiums paid or the Accumulated Value as of the date we receive the returned policy at our Home Office, and the policy will be deemed void as of its Date of Issue.

Effective Date:	06/01/2008
Policy Number:	NL1234567
Face Amount:	\$100,000
Insured:	Ethan Allen
Issue Age:	35
Owner:	Ethan Allen
Beneficiary:	As stated in the application unless later changed.

The data and the terms on this and all following pages are part of this policy.

This policy is a legal contract between the policy Owner and National Life Insurance Company. READ YOUR POLICY CAREFULLY.

Signed for National Life Insurance Company at Montpelier, Vermont, as of the Effective Date, by



Chairman, President & CEO



Secretary

Registrar

NATIONAL LIFE INSURANCE COMPANY

(who code/agency #)

DATA SECTION

POLICY NUMBER: [NL1234567]

DATE OF ISSUE: [JUNE 01, 2008]

INSURED: [ETHAN ALLEN]

ISSUE AGE: [35]

FACE AMOUNT: [\$100,000.00]

OWNER: AS STATED IN THE APPLICATION UNLESS LATER CHANGED

BENEFICIARY: AS STATED IN THE APPLICATION UNLESS LATER CHANGED

DEATH BENEFIT OPTION: [OPTION A]

MONTHLY POLICY DATE: [01]

MINIMUM MONTHLY PREMIUM: [\$52.34]

POLICY PROTECTION PERIOD: [JUNE 01, 2008 – MAY 31, 2013]

PLANNED PERIODIC PREMIUM: [\$951.00] PAYABLE [ANNUALLY]
FOR PREMIUM PAYMENT PERIOD: [JUNE 01, 2008 TO JUNE 01, 2093]

THIS POLICY MAY TERMINATE PRIOR TO THE END OF THE PREMIUM PAYMENT PERIOD IF PREMIUMS PAID ARE INSUFFICIENT TO CONTINUE COVERAGE. PREMIUMS IN ADDITION TO THE PLANNED PERIODIC PREMIUM MAY BE NECESSARY TO KEEP THIS COVERAGE IN FORCE.

POLICY LOANS AND WITHDRAWALS WILL REDUCE THE CASH SURRENDER VALUE OF THIS POLICY AND MAY RESULT IN TERMINATION OF THIS POLICY PRIOR TO THE DEATH OF THE INSURED.

MINIMUM FACE AMOUNT: [\$50,000]

MINIMUM INCREASE AMOUNT: \$25,000

MINIMUM WITHDRAWAL AMOUNT: \$500.00

LOAN INTEREST RATE: 5.00%

DATA SECTION

INVS NL1234567

FIRST COVER PAGE OF THREE

DATA SECTION

INITIAL PREMIUM ALLOCATION:

[SENTINEL:	
COMMON STOCK	50%
MID CAP GROWTH	0%
SMALL COMPANY	0%
BALANCED	0%
BOND	0%
MONEY MARKET	0%
ALGER AMERICAN:	
LEVERAGED ALLCAP	50%
GROWTH	0%
SMALL CAPITALIZATION	0%
ALLIANCEBERNSTEIN:	
VALUE	0%
SMALL/MID CAP VALUE	0%
INTERNATIONAL VALUE	0%
INTERNATIONAL GROWTH	0%
AMERICAN CENTURY:	
VALUE	0%
VISTA	0%
INTERNATIONAL	0%
INFLATION PROTECTION	0%
DWS:	
SMALL MID CAP VALUE VIP	0%
SMALL CAP INDEX VIP	0%
FIDELITY:	
EQUITY-INCOME	0%
INDEX 500	0%
GROWTH	0%
CONTRAFUND	0%
VALUE STRATEGIES	0%
MID CAP	0%
OVERSEAS	0%
INVESTMENT GRADE BOND	0%
HIGH INCOME	0%
FRANKLIN TEMPLETON:	
MUTUAL SHARES	0%
SMALL CAP VALUE	0%
SMALL-MID CAP GROWTH	0%
FOREIGN SECURITIES	0%
MUTUAL DISCOVERY	0%
US GOVERNMENT	0%]

DATA SECTION

DATA SECTION

INITIAL PREMIUM ALLOCATION (CONTINUED)

[JANUS ASPEN:	
FORTY	0%
MID CAP VALUE	0%
INTERNATIONAL GROWTH	0%
GLOBAL TECHNOLOGY	0%
MFS:	
VALUE	0%
RESEARCH BOND	0%
UTILITIES	0%
NEUBERGER BERMAN:	
PARTNERS	0%
SOCIAL RESPONSIVE	0%
MID-CAP GROWTH	0%
SHORT DURATION	0%
OPPENHEIMER:	
SMALL CAP	0%
BALANCED	0%
STRATEGIC	0%
T. ROWE PRICE:	
EQUITY INCOME	0%
BLUE CHIP GROWTH	0%
CAPITAL APPRECIATION	0%
HEALTH SCIENCES	0%
VAN ECK:	
EMERGING MARKETS	0%
BOND	0%
REAL ESTATE	0%
HARD ASSETS	0%]
NATIONAL LIFE INSURANCE COMPANY:	
GENERAL ACCOUNT	0%

INITIAL ALLOCATION OF MONTHLY DEDUCTIONS: [IN A PRO-RATA DISTRIBUTION]
MAXIMUM TRANSFER CHARGE (APPLICABLE TO CHARGEABLE TRANSFERS FOLLOWING
THE TWELFTH CHARGEABLE TRANSFER MADE IN ANY POLICY YEAR): \$25.00

DATA SECTION

GUARANTEED BASIS OF CALCULATIONS

FACE AMOUNT: [\$100,000]
EFFECTIVE DATE: [JUN 01, 2008]

MINIMUM GENERAL ACCOUNT INTEREST RATE: 3.00%
ACCUMULATED VALUE INTEREST RATE: 3.00%

MORTALITY TABLE: COMMISSIONERS 2001 CSO ULTIMATE, MALE NON-SMOKER AGE
NEAREST BIRTHDAY

THE INSURED HAS BEEN CLASSIFIED A [NON-SMOKER].

TABLE OF GUARANTEED MAXIMUM COST OF INSURANCE RATES
(PER \$1,000 PER MONTH)

<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>	<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>	<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>
35	0.09	64	1.16	93	19.70
36	0.10	65	1.29	94	21.19
37	0.10	66	1.42	95	22.77
38	0.11	67	1.55	96	24.22
39	0.11	68	1.69	97	25.77
40	0.12	69	1.84	98	27.43
41	0.13	70	2.01	99	29.21
42	0.14	71	2.21	100	31.11
43	0.16	72	2.47	101	32.63
44	0.18	73	2.74	102	34.25
45	0.19	74	3.03	103	35.99
46	0.21	75	3.35	104	37.84
47	0.23	76	3.69	105	39.78
48	0.24	77	4.09	106	41.86
49	0.26	78	4.56	107	44.08
50	0.28	79	5.10	108	46.45
51	0.30	80	5.69	109	48.97
52	0.33	81	6.36	110	51.67
53	0.36	82	7.06	111	54.55
54	0.41	83	7.82	112	57.62
55	0.46	84	8.66	113	60.91
56	0.51	85	9.60	114	64.41
57	0.57	86	10.64	115	68.15
58	0.62	87	11.78	116	72.16
59	0.68	88	13.01	117	76.43
60	0.74	89	14.31	118	81.01
61	0.83	90	15.66	119	85.90
62	0.93	91	16.94	120	90.91
63	1.04	92	18.28	121+	0.00

DATA SECTION

FACE AMOUNT: [\$100,000]
EFFECTIVE DATE: [JUN 01, 2008]

DEFINITION OF LIFE INSURANCE TEST: [GUIDELINE PREMIUM TEST]

[GUIDELINE SINGLE PREMIUM: \$ 14,567.50
GUIDELINE LEVEL PREMIUM: \$ 1,237.01]

TABLE OF DEATH BENEFIT STANDARD FACTORS

ATTAINED AGE	DEATH BENEFIT FACTOR	ATTAINED AGE	DEATH BENEFIT FACTOR	ATTAINED AGE	DEATH BENEFIT FACTOR
0 - 40	2.50	54	1.57	68	1.17
41	2.43	55	1.5	69	1.16
42	2.36	56	1.46	70	1.15
43	2.29	57	1.42	71	1.13
44	2.22	58	1.38	72	1.11
45	2.15	59	1.34	73	1.09
46	2.09	60	1.30	74	1.07
47	2.03	61	1.28	75 - 90	1.05
48	1.97	62	1.26	91	1.04
49	1.91	63	1.24	92	1.03
50	1.85	64	1.22	93	1.02
51	1.78	65	1.20	94+	1.01
52	1.71	66	1.19		
53	1.64	67	1.18		

DATA SECTION

FACE AMOUNT: [\$100,000]
EFFECTIVE DATE: [JUN 01, 2008]

PERCENT OF PREMIUM EXPENSE CHARGE: 6.00%

MONTHLY EXPENSE CHARGE:

POLICY YEARS 1 – 10: [\$19.71]
POLICY YEARS 11 + : \$0.00

MONTHLY POLICY FEE: \$7.50

MONTHLY ACCOUNT VALUE CHARGE: 0.04%

SURRENDER CHARGES

TWELVE MONTH PERIOD BEGINNING	SURRENDER CHARGE
[JUNE 1, 2008	\$ 2,359.00
JUNE 1, 2009	\$ 2,123.00
JUNE 1, 2010	\$ 1,887.00
JUNE 1, 2011	\$ 1,651.00
JUNE 1, 2012	\$ 1,415.00
JUNE 1, 2013	\$ 1,179.00
JUNE 1, 2014	\$ 943.00
JUNE 1, 2015	\$ 707.00
JUNE 1, 2016	\$ 471.00
JUNE 1, 2017	\$ 235.00
JUNE 1, 2018 AND LATER	\$ 0.00]

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Any riders and Endorsements and a copy of the application, follow page 33

We, National Life Insurance Company, agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Home Office due proof that the Insured died while this policy was in force.

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of the first premium. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

On the Effective Date the entire contract between the parties is this policy and a copy of the application and all riders and endorsements which are attached at issue. Any change of this contract must be written and may be made only by one of our authorized officers or registrars. We will send the Owner a copy of any application for a change which we approve. It and any additional Data Section shall become part of this contract on the effective date of such change.

REPRESENTATIONS

Any statement made by or for the Insured shall be deemed a representation and not a warranty. Unless such statement is in the attached application or in any subsequent application, it shall not be used to:

1. make this policy void; or
2. make any increase in Face Amount void; or
3. make any Reinstatement void; or
4. defend any claim.

INCONTESTABILITY

After this policy has been in force during the life of the Insured for two years from the Effective Date of the policy, we will not contest it; however,

1. we may contest any increase in Face Amount for which an application is required until such increase has been in force during the life of the Insured for two years from its Effective Date; and
2. we may contest any Reinstatement until such Reinstatement has been in force during the life of the Insured for two years from its Effective Date.

POLICY EFFECTIVE
DATES

The insurance coverage goes into effect on the Effective Date shown in the Data Section.

Any increase in Face Amount for which an application is required shall become effective on the Monthly Policy Date on or next following the date we approve the application for such increase in Face Amount.

Any increase in Face Amount for which an application is not required shall become effective on the Monthly Policy Date on or next following the date we receive the request for such increase unless otherwise provided by the policy.

Any decrease in Face Amount requested shall become effective on the Monthly Policy Date on or next following the date we receive the request for such decrease.

Any Reinstatement of this policy shall become effective on the Monthly Policy Date on or next following the date we approve the application for Reinstatement.

Any change of Death Benefit Option shall become effective on the Monthly Policy Date on or next following the date we receive the request for such change.

POLICY MONTHS,
YEARS AND
ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Effective Date. The Monthly Policy Date shown in the Data Section occurs on the same day each month or on the last day of any month having no such date. The Effective Date is the first Monthly Policy Date.

MISSTATEMENT OF
AGE OR SEX

The Issue Age shown in the Data Section is the age of the Insured on his or her birthday nearest to the Effective Date. It is based on the date of birth shown in the application.

If the age or sex of the Insured has been misstated, we will adjust the Face Amount based on the Monthly Deduction for the most recent Monthly Policy Date prior to the date we receive proof to our satisfaction of such misstatement. If the age or sex of the Insured has been misstated, the Accumulated Value will not be adjusted and any future Monthly Deductions made will be based on the correct age or sex of the Insured. If the Insured has died, we will adjust the Face Amount as of the last Monthly Policy Date prior to the Insured's death.

VALUATION DATE
AND VALUATION
PERIOD

A Valuation Date is each day that the New York Stock Exchange is customarily open for regular trading, except for any day on which trading is restricted by directive, order or emergency as declared by the Securities and Exchange Commission.

A Valuation Period is the period between two successive Valuation Dates.

INTEREST RATES

All interest rates stated in this policy are effective annual rates.

ATTAINED AGE

The Attained Age of the Insured on any date is the Issue Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Effective Date.

PAYMENT OF
BENEFITS

We will pay all benefits under this policy at our Home Office. Before payment of any Death Benefit we may investigate the death.

POSTPONEMENT OF
BENEFITS

We will pay any amounts which are payable as a result of Cash Surrender, Withdrawals, or Policy Loans and which are allocated to the Separate Account within seven days after we receive written request in a form satisfactory to us. However, determination and payment of any amount payable from the Separate Account may be postponed whenever:

1. the New York Stock Exchange is closed, or trading on the New York Stock Exchange is restricted by directive of the Securities and Exchange Commission; or
2. the Securities and Exchange Commission by order permits postponement for the protection of policyowners; or
3. an emergency exists, as determined by the Securities and Exchange Commission, as a result of which it is not reasonably practicable to dispose of securities or to determine the value of the net assets of the Separate Account.

Transfers to or from the Sub-Accounts of the Separate Account, though normally occurring on the same day we receive the request for transfer, may also be postponed upon any of the above events.

We may delay payment of any amounts which are payable as a result of Cash Surrender or Withdrawals and which are allocated to the General Account for up to six months after we receive written request in a form satisfactory to us. If we defer such payment for more than 30 days, we will pay interest at a rate not less than the Minimum General Account Interest Rate stated in the Data Section, or as mandated by state law, from the date we receive such request to the date of payment.

We may also delay payment of any amounts which are payable as a result of a Policy Loan and which are allocated to the General Account for up to six months after we receive written request in a form satisfactory to us.

We will pay the Death Benefit within seven days after we receive due proof satisfactory to us of the Insured's death while this policy is in force. We may postpone determination and payment of any Death Benefit in excess of the Face Amount, net of any debt to us on this policy, upon any of the events enumerated above.

We have the right to postpone payment which is derived from any amount recently paid to us by check or draft, until we are satisfied the check or draft has been paid by the bank or other financial institution on which it is drawn.

BASIS OF VALUES

The guaranteed values for this policy are equal to or greater than those required by the law of the state where this policy is delivered. The guaranteed values are based on the Accumulated Value Interest Rate and Mortality Table shown in the Data Section. A detailed statement of the method of computing values has been filed in the state in which this policy is delivered.

The Paid Up Annuity Values, and all tabled values in Payment Options, are based on the 2000 Table for Individual Annuitant Mortality (IAM) and compound interest at a rate of 1.50% per year.

NOTICES

Unless this policy provides otherwise, any requests for changes or notices:

1. from us to the Owner shall be sent to the last address known to us of the Owner; and
2. from us to an assignee shall be sent to the last address known to us of such assignee; and
3. from the Owner or an assignee to us must be in writing and received by us at our Home Office in Montpelier, Vermont.

ANNUAL REPORT

At least once each Policy Year we will send a report to the Owner. The report will show, as of its date:

1. the Accumulated Value; and
2. the Cash Surrender Value; and
3. any debt to us on this policy; and
4. the Death Benefit.

The report will also show a summary of transactions of the previous year and any information required by law.

PROJECTION REPORT

The Owner may request, in writing, a report which projects future values and future Death Benefits for this policy. The report will also show any information required by law. We may charge a fee for the report. The Projection Report will be based on:

1. data the Owner gives us as to Face Amount and premiums; and
2. such assumptions as either the Owner or we specify.

ROLES IN THIS POLICY

OWNER

The Owner may:

1. exercise the rights under this policy; and
2. assign the policy; and
3. release or discharge the policy; and
4. change the policy if we agree to such change; and
5. enjoy the benefits under this policy.

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner cannot change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while the Insured is alive.

INSURED

The Death Benefit becomes payable upon the death of the Insured. The Insured, in his or her role as the Insured, has no rights and receives no benefits under this policy.

BENEFICIARY

The Owner has the right to change the Beneficiary. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary who dies before the Insured shall vest in the Owner unless otherwise stated.

If used, the term "children" of any person shall include only lawful children born to or legally adopted by that person.

We may rely on an affidavit by any person who in our judgment knows the facts to identify any Beneficiary or payee not specified by name. All our liability shall cease when we pay on the basis of such affidavit.

TRUST BENEFICIARY

Unless an authorized officer or registrar of the Company explicitly agrees in writing, the following provision shall apply when a trust is named as Beneficiary.

In no event is the Company responsible for the application or disposition of any proceeds it pays to a Trust Beneficiary. Payment to a Trust Beneficiary is a full discharge of the liability of the Company. If a designated trust provides for successor trustees, the designation in this policy includes successor trustees. Likewise, if the trust allows amendments, the trust, if so amended, remains as a designated Beneficiary.

A Trust Beneficiary is considered to be a Beneficiary who did not survive the Insured if:

1. the trust has been terminated; or
2. the specified testamentary trust does not qualify as such; or
3. for any other reason a Trust Beneficiary is not entitled to any proceeds.

CHANGE OF BENEFICIARY

If the Owner has the right, a new Beneficiary may be named from time to time during the life of the Insured by filing at our Home Office written notice in such form as we may require. When notice is received at our Home Office, the change shall take effect on the date the notice is signed whether or not the Insured is living at the time of receipt. We will not be liable for any payment we make before receipt of the written notice at our Home Office.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Home Office. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

SPENDTHRIFT PROVISION

If we receive at our Home Office written request by the Owner for this Spendthrift Provision, then, to the extent allowed by law:

1. only the Owner may transfer, anticipate, commute, or encumber the proceeds of this policy; and
2. only legal process against the Owner may affect the proceeds of this policy.

Any proceeds payable after this request is withdrawn by the Owner shall not be affected by this provision.

PREMIUMS

POLICY PROTECTION PERIOD

The first 60 months following the Date of Issue during which this policy remains continuously in force is referred to as the Policy Protection Period. An increase in coverage does not initiate a new Policy Protection Period.

PAYMENT OF PREMIUMS

The first premium is due on the Date of Issue. This first premium cannot be less than the Minimum Monthly Premium shown in the Data Section.

During the first sixty months of the policy the payment of cumulative premiums, in excess of withdrawals and loans, at least equal to the Minimum Monthly Premiums payable since the Effective Date of the policy will keep the policy in force to the next Monthly Policy Date, as long as the Accumulated Value net of any debt is sufficient to provide for Monthly Deductions. Otherwise, this policy will remain in force as long as the Cash Surrender Value is sufficient to provide for Monthly Deductions.

The Planned Periodic Premiums are the premiums the Applicant has requested be billed. Planned Periodic Premiums may be paid on an annual, semi-annual, quarterly, or monthly basis. The Owner may change the amount or frequency of such premiums at any time by sending a written notice to us at our Home Office. However, we may limit any increase in either amount or frequency.

Premiums in addition to the Planned Periodic Premiums may be necessary to keep this policy and the coverages provided by this policy and any additional benefit riders in force.

We will accept Unscheduled Premiums, which are premiums in addition to the Planned Periodic Premiums.

All premiums are limited by a minimum and a maximum. The minimum is \$50 per premium. The maximum is the limit imposed by the Internal Revenue Code for qualifying the policy as "Life Insurance" for Federal Income Tax purposes, or any amount which may increase the Death Benefit by more than the amount of the premium paid. We will not accept any premium in excess of the maximum. We will return any premiums not accepted and any interest credited to such premiums to the Owner within 60 days after the end of the Policy Year in which the premiums were received.

The first premium may be paid to us either through our duly authorized agent in exchange for a receipt signed by that agent or at our Home Office. All later premiums must be paid to us at our Home Office. No premiums will be accepted following the Policy Anniversary upon which the Insured reaches Attained Age 121.

NET PREMIUM

A Net Premium is determined by multiplying a premium received times 1 minus the Percent of Premium Expense Charge stated in the Data Section.

PREMIUM ALLOCATION

The Owner has the right to designate the allocation of net premiums among the General Account and the Sub-Accounts of the Separate Account. The initial allocation is shown in the Data Section. That portion of the premium paid on the Date of Issue which is allocated to the General Account will be transferred to the General Account upon receipt. However, any portion of the premium paid on the Date of Issue which is allocated to a Sub-Account of the Separate Account will be held in the Money Market Fund Sub-Account until the end of the 20th day following the Date of Issue.

It will then be transferred to any other accounts as designated by the Owner.

The allocation must be made in percentages. Each percentage must be a whole number. No allocation need be made to the General Account or to any particular Sub-Account. Each allocation made must be at least one percent.

The Owner may change the allocation of future premiums by notifying us in writing at our Home Office. Any allocation made will remain in effect until changed.

GRACE PERIOD

If on any Monthly Policy Date the Cash Surrender Value is less than the Monthly Deduction on such date, a Grace Period shall start, unless:

1. the policy is within the Policy Protection Period; and
2. the Accumulated Value less any debt to us on this policy is greater than the Monthly Deduction on that date; and
3. the cumulative premiums paid since the policy's Effective Date, less any withdrawals and less any debt to us on this policy, are greater than or equal to the cumulative Minimum Monthly Premiums due since the policy's Effective Date.

A Grace Period shall be 61 days. During a Grace Period this policy shall remain in force.

The premium needed to keep the policy in force beyond a Grace Period which ends during the Policy Protection Period shall equal the greater of (a) or (b) where:

- a) equals the sum of the Minimum Monthly Premiums in effect on the policy over all of the months from the Effective Date of the policy to the start of the Grace Period, plus all withdrawals, plus three times the Minimum Monthly Premium in effect at the beginning of the Grace Period, plus any debt to us on this policy, less all premiums paid; and where
- b) equals the premium which will be sufficient to produce an Accumulated Value, net of policy debt, equal to two times the Monthly Deduction due on the date the Grace Period began.

Such sum not to exceed the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due on the date the Grace Period began.

The premium needed to keep the policy in force beyond a Grace Period which ends after the Policy Protection Period shall be the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due on the date the Grace Period began.

We will mail notice of the premium needed to the Owner. If such premium is unpaid on the later of:

1. the last day of the Grace Period; or
2. the 61st day after such notice is sent;

then this policy shall terminate without value.

A Grace Period will not begin solely because payments of Planned Periodic Premiums are discontinued. Whether or not premiums are paid, Monthly Deductions will be made from the Accumulated Value. The terms of this Grace Period provision will determine if and when a Grace Period starts.

REINSTATEMENT

If this policy terminates after the end of a Grace Period, it may be reinstated. It must be reinstated on a Monthly Policy Date within five years from the start of such Grace Period.

For Reinstatement we will require:

1. an application for Reinstatement; and
2. proof to our satisfaction that the Insured is insurable; and
3. payment of an amount determined as follows:
 - a) If Reinstatement occurs during a Policy Protection Period, the required payment shall be an amount equal to the premium which will be sufficient to produce an Accumulated Value, net of policy debt, four times the Monthly Deduction due on the date the Grace Period began, or, if greater:
 - i. the sum of the Minimum Monthly Premiums in effect on the policy over all months from the Effective Date of this policy to the start of the Grace Period; plus
 - ii. all withdrawals; plus
 - iii. three times the Minimum Monthly Premium in effect at the beginning of the Grace Period; plus
 - iv. any debt to us on this policy; less
 - v. all premiums paid.

The above amount not to exceed the premium required to make the Cash Surrender Value sufficient to provide:

1. two times the Monthly Deduction due on the date the Grace Period began; plus
 2. three times the Monthly Deduction due on the date of Reinstatement.
- b) If Reinstatement occurs after the Policy Protection Period, the required payment shall be a premium which will make the Cash Surrender Value sufficient to provide:
 - i. two times the Monthly Deduction due on the date the Grace Period began; plus
 - ii. three times the Monthly Deduction due on the date of Reinstatement.

We will send the Owner notice of the required payment upon request.

In the event of Reinstatement:

1. the Accumulated Value of the policy at the time of final lapse will be restored along with the Cash Value available for deductions at the time that the Grace Period began; and
2. the schedule of Surrender Charges for the policy months following the date the Grace Period began shall become the schedule of Surrender Charges for the policy months following the date of Reinstatement; and
3. the schedule of Monthly Expense Charges for the policy months following the date the Grace Period began shall become the schedule of Monthly Expense Charges for the policy months following the date of Reinstatement.
4. The months remaining in the Policy Protection Period at the time of final lapse will be restored.

DEATH BENEFIT AND POLICY CHANGES

DEATH BENEFIT

We will pay the Death Benefit to the Beneficiary when we receive at our Home Office due proof that the Insured died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of the Insured's death to the date of payment. We will set the rate of interest at not less than the Accumulated Value Interest Rate shown in the Data Section or as mandated by state law. If the Death Benefit is not paid within 30 days after we receive at our Home Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8.00% per year.

DEATH BENEFIT OPTIONS

The Owner may elect either of two Death Benefit Options, Option A or Option B. The Death Benefit Option is stated in the Data Section.

Option A. Under Option A, the Death Benefit is equal to the greater of:

1. the Face Amount of the policy on the date of the Insured's death; or
2. the Death Benefit Factor shown in the Data Section multiplied by the Accumulated Value on the date of the Insured's death;

less the amount of any Monthly Deductions then due and any debt to us on this policy.

Option B. Under Option B, the Death Benefit is equal to the greater of:

1. the Face Amount plus the Accumulated Value of the policy on the date of the Insured's death; or
2. the Death Benefit Factor shown in the Data Section multiplied by the Accumulated Value on the date of the Insured's death;

less the amount of any Monthly Deductions then due and any debt to us on this policy.

CHANGES IN FACE
AMOUNT AND
DEATH BENEFIT
OPTION

The Owner may request any of the following changes. We will make a change subject to the conditions stated. These changes may be made only while the Insured is living and after the first Policy Anniversary. We will send the Owner a revised or additional Data Section if any of these changes is made.

Face Amount Increases. We will require an application from the Owner and proof to our satisfaction that the Insured is then insurable. An increase in Face Amount must satisfy the Minimum Face Amount requirements of the policy and shall be effective upon the Monthly Policy Date on or next following our approval. The Minimum Monthly Premium will be recomputed to reflect an increase in Face Amount. Face Amount Increases may only be made prior to the Insured's Attained Age 86.

Face Amount Decreases. We will require a written request from the Owner. A decrease in Face Amount shall be effective upon the Monthly Policy Date on or next following our receipt of the request. The Minimum Monthly Premium will be recomputed to reflect a decrease in Face Amount. Face Amount Decreases may only be made prior to the Insured's Attained Age 121.

Decreases shall not be permitted which would reduce the sum of the Face Amount to less than any of the following:

1. the minimum insurance amount for which the policy would qualify as "Life Insurance" for Federal Income Tax purposes under the Internal Revenue Code; or
2. the Minimum Face Amount shown in the Data Section; or
3. 75% of the largest total Face Amount in force at any time in the twelve policy months prior to our receipt of the request. This restriction applies only during the first ten Policy Years.

A decrease in Face Amount will affect units of Face Amount in the reverse order in which they were created.

Death Benefit Option Changes. The Death Benefit Option may be changed once each Policy Year after the first Policy Anniversary. We will require a written request from the Owner. A change will be effective on any Monthly Policy Date requested. The change may be made only if after such change the policy would qualify as "Life Insurance" for Federal Income Tax purposes under the Internal Revenue Code. A change in Death Benefit Option may only be made prior to the Insured's Attained Age 121.

1. Upon a change from Option A to Option B, the Face Amount shall decrease by an amount equal to the Accumulated Value of the policy just prior to the Effective Date of the change. However, the change may be made only if after such change the Face Amount would not be less than the Minimum Face Amount shown in the Data Section.
2. Upon a change from Option B to Option A, the Face Amount shall increase by an amount equal to the Accumulated Value of the policy just prior to the Effective Date of the change. No additional Surrender Charges or Monthly Expense Charges shall be imposed solely because of this change.
3. The Minimum Monthly Premium will be recomputed to reflect a change in Death Benefit Option.

SUICIDE LIMITATION

If the Insured dies within two years of the Effective Date as the result of suicide, while sane or insane, we will pay only a sum equal to:

1. the premiums paid; less
2. any withdrawals made; less
3. any debt to us on this policy.

A similar two-year period shall apply to any increase in Face Amount for which an application is required. Such period shall begin on the Effective Date of any such increase. During such period if the Insured dies as the result of suicide, while sane or insane, we will pay, in lieu of any such increase in Face Amount, only a sum equal to the Cost of Insurance that we have deducted from the Accumulated Value for such increase.

Payment will be made to the Beneficiary.

INVESTMENT

Investment of the Accumulated Value of the policy may be made in the General Account and/or in one or more of the Sub-Accounts of the National Variable Life Insurance Account (herein called the "Separate Account"). The Accumulated Value in the Separate Account is based on the investment experience of the chosen Sub-Account(s) of the Separate Account, and may increase or decrease daily. It is not guaranteed as to dollar amount.

*National Life Insurance Company
One National Life Drive * Montpelier, Vermont 05604 * (802) 229-3333*

GENERAL ACCOUNT

The General Account is composed of the admitted assets of National Life Insurance Company other than those in the Separate Account or any other separate account.

INTEREST RATES CREDITED TO THE ACCUMULATED VALUE IN THE GENERAL ACCOUNT

The rate of interest credited on any portion of the Accumulated Value in the General Account shall never be less than the Minimum General Account Interest Rate shown in the Data Section. We may credit interest at a higher interest rate.

Interest at different rates may be credited to:

1. that portion which is equal to any debt to us on this policy; and
2. any portion in excess of any such debt.

SEPARATE ACCOUNT

The Separate Account is composed of assets owned by National Life Insurance Company. These assets are held separate and apart from General Account assets. The Separate Account is devoted exclusively to the investment of assets of variable life insurance policies. Income, gains, and losses from assets allocated to the Separate Account, whether or not realized, are credited to or charged against such account without regard to our other income, gains, or losses. The portion of the assets of the Separate Account equal to the reserves and other liabilities for these policies shall not be chargeable with liabilities arising out of any other business which we may conduct.

We may transfer assets which exceed the reserves and other liabilities of the Separate Account to our General Account.

The Separate Account is registered with the Securities and Exchange Commission as a unit investment trust under the Investment Company Act of 1940 ("the 1940 Act"). It is also governed by applicable state law. We may make certain changes if, in our sole judgment, they would best serve the interests of the owners of policies such as this one or would be appropriate in carrying out the purposes of such policies. Any changes will be made only if permitted by applicable laws and regulations. Also, when required by law, we will obtain the approval of policyowners of the changes and the approval of any appropriate regulatory authority.

For example, we may:

1. operate the Separate Account as a management company under the 1940 Act; and
2. deregister the Separate Account under the 1940 Act if registration is no longer required; and
3. combine or substitute separate accounts; and
4. transfer all or part of the assets of the Separate Account to another separate account or to the General Account; and
5. make any changes necessary to comply with, or obtain and continue any exemptions from the 1940 Act; and
6. make any other necessary technical changes in this policy to conform with any action this provision permits us to take.

SUB-ACCOUNTS

The Separate Account has several Sub-Accounts. Each Sub-Account will buy shares of an investment fund. Each investment fund represents a separate investment portfolio.

If, in our judgment, an investment fund no longer suits the investment goals of the policy, or tax or marketing conditions so warrant, we may substitute shares of another investment fund or shares of another investment company. If the Owner has an interest in the Sub-Account affected, we will notify the Owner before doing so and, to the extent required by law, we will get prior approval from the Securities and Exchange Commission. We also will secure any other required approvals. If this policy has Accumulated Value in a Sub-Account affected by any such change, and if the Owner wishes, we will transfer that value at the Owner's written direction from that Sub-Account, without charge, to the General Account or another Sub-Account.

We may also eliminate, combine, or substitute Sub-Accounts and establish new Sub-Accounts if in our judgment marketing needs, tax considerations, or investment conditions warrant. Any new Sub-Accounts may be made available to existing policies on a basis to be determined by us. We also may transfer assets from a Sub-Account to another Sub-Account or separate account if the transfer in our judgment would best serve the interests of the owners of policies such as this one or would be appropriate in carrying out the purposes of such policies, but only if permitted by applicable laws or regulations. If any of these changes is made, we may by appropriate endorsement change the policy to reflect the change.

If the Owner has Accumulated Value in a Sub-Account that will be eliminated, we will notify the Owner at least 30 days before the elimination, and will request that the Owner designate the account(s) to which the Accumulated Value in the Sub-Account to be eliminated should be transferred. Upon the elimination of such a Sub-Account, the Accumulated Value in that Sub-Account will be transferred to the General Account and/or Sub-Account(s) in accordance with the designation received by us from the Owner or, if such a designation is not received prior to the liquidation date, to the Money Market Fund Sub-Account. A Transfer Charge will not be imposed for transfers made upon elimination of a Sub-Account.

Income and realized and unrealized gains or losses from the assets of each Sub-Account of the Separate Account are credited to or charged against that Sub-Account without regard to income, gains, or losses in the other Sub-Accounts of the Separate Account, the General Account, or any other Separate Accounts. We reserve the right to credit or charge a Sub-Account in a different manner if required, or made appropriate, by reason of a change in the law. We maintain records of all purchases and redemptions of investment fund shares by each of the Sub-Accounts.

VALUATION

We will value the assets of each Sub-Account of the Separate Account on each Valuation Date.

TRANSFERS

Subject to any applicable Transfer Charges, the Owner may transfer Accumulated Value among the Sub-Accounts or to the General Account without limitation, except that we may:

1. reject any transfer instruction if we or an affected Sub-Account's investment manager reasonably believe that the Owner's transfer activity has been or may become disruptive to the management of the investment fund in which a Sub-Account is invested;
2. limit transfers to one per month;
3. require a minimum period between transfers;
4. establish a maximum transfer amount; or
5. reject a transfer request from a person acting on behalf of multiple policyholders.

However, only one transfer from the General Account to the Separate Account may be made during any Policy Year. The Accumulated Value transferred from the General Account in any Policy Year may not exceed the greater of:

1. 25% of the unloaned portion of the Accumulated Value in the General Account immediately prior to the transfer; and
2. \$5,000.

POLICY VALUES

ACCUMULATED VALUE OF THE POLICY

The Accumulated Value of the policy is equal to the sum of the Accumulated Value in the General Account and the Accumulated Value in the Separate Account.

ACCUMULATED VALUE IN THE GENERAL ACCOUNT

The Accumulated Value in the General Account on any day is:

1. the Accumulated Value in the General Account on the just prior Monthly Policy Date, if any; plus
2. interest on the Accumulated Value in the General Account on the just prior Monthly Policy Date from the just prior Monthly Policy Date to such day; plus
3. the amount of all Net Premiums accepted since the just prior Monthly Policy Date which are allocated to the General Account; plus
4. interest on item (3) from the date of Net Premium allocation to the General Account to such day; plus
5. the amount of all Accumulated Values transferred to the General Account from a Sub-Account of the Separate Account since the just prior Monthly Policy Date; plus
6. interest on item (5) from the date of the transfer to such day; less
7. the amount of all Accumulated Values transferred from the General Account to a Sub-Account of the Separate Account since the just prior Monthly Policy Date; less
8. interest on item (7) from the date of transfer to such day; less
9. the amount of all Accumulated Values withdrawn from the General Account since the just prior Monthly Policy Date; less
10. interest on item (9) from the date of withdrawal to such day; less
11. any Monthly Deduction allocated to the General Account which is due on such day.

ACCUMULATED VALUE IN THE SEPARATE ACCOUNT

The Accumulated Value in the Separate Account is the sum of the Accumulated Values in each Sub-Account of the Separate Account.

ACCUMULATED
VALUE IN A
SUB-ACCOUNT

On the later of the Date of Issue of the policy or the date the first premium is received by us, that portion of the Net Premium allocated to any Sub-Account of the Separate Account will be credited to the Money Market Fund Sub-Account. The Accumulated Value in the Money Market Fund Sub-Account on that date is that portion of the Net Premium less the Monthly Deductions allocated to the Separate Account.

On any later day which is a Valuation Date, the policy's Accumulated Value in each Sub-Account is the number of units in the Sub-Account multiplied by the Unit Value on that date.

REDEMPTION FEE

An investment fund may assess a Redemption Fee of up to 2% on Sub-Account assets that are redeemed of the investment fund in connection with a withdrawal or transfer. Each investment fund determines the amount of the Redemption Fee and when the fee is imposed. The Redemption Fee will reduce the Accumulated Value.

UNITS IN A
SUB-ACCOUNT

Amounts allocated, transferred, or added to a Sub-Account are used to purchase units in that Sub-Account. Units are redeemed when amounts are deducted, transferred, or withdrawn. The number of units in any given Sub-Account attributable to this policy on any given date equals the number of units purchased by funds attributable to this policy minus the number of units redeemed under this policy up to such date. For each Sub-Account, the number of units purchased or redeemed in connection with a particular transaction is determined by dividing the dollar amount of the transaction by the Unit Value on the day the transaction is performed.

UNIT VALUE

The Unit Value in a Sub-Account on any Valuation Date is equal to that Unit Value on the immediately preceding Valuation Date multiplied by the Net Investment Factor for that Sub-Account on that Valuation Date.

NET INVESTMENT
FACTOR

Each Sub-Account of the Separate Account has its own Net Investment Factor. The Net Investment Factor measures the performance of the Sub-Account for individual Valuation Periods. The Net Investment Factor is calculated as follows:

1. Take the net asset value per share of the corresponding investment fund on the current Valuation Date.
2. Add the per share capital gain or loss and dividend distribution of the investment fund during the current Valuation Period.
3. Divide the result of item (2) by the net asset value per share of the corresponding investment fund on the just prior Valuation Date.
4. Subtract from the result of item (3) any Tax Charge during the current Valuation Period.

The result of item (4) is the Net Investment Factor on the current Valuation Date.

On any date after the Date of Issue other than a Valuation Date, the Accumulated Value in a Sub-Account is the Accumulated Value of such Sub-Account on the next following Valuation Date.

CASH SURRENDER
VALUE

The Owner may, by written request to us, surrender this policy while the Insured is living for its Cash Surrender Value. We may require that the policy be returned to us. When this policy has been surrendered, it shall be null and void and all rights shall cease.

The Cash Surrender Value on any day shall be equal to:

1. the Accumulated Value on such day; less
2. any debt to us on this policy; less
3. any Surrender Charges which apply on such day.

SURRENDER
CHARGES

Surrender Charges apply to the initial Face Amount of the policy during the first 120 Policy Months from the Date of Issue as well as to each increase in Face Amount during the first 120 Policy Months following the date of each increase. The Surrender Charges are shown in the Data Section.

CHARGES AGAINST THE ACCUMULATED VALUE

TAX CHARGE

We reserve the right to deduct any charge for taxes or amounts set aside as a reserve for taxes in determining the value of a Unit Value for each of the Sub-Accounts in the event that such a tax is levied on that Sub-Account in the future.

MONTHLY DEDUCTION

The Monthly Deduction due on a Monthly Policy Date shall be the Monthly Cost of Insurance Charge, plus the Monthly Policy Fee, plus the Monthly Expense Charge, plus the Monthly Account Value Charge, plus the monthly cost of any additional benefit riders in force on this policy.

The Monthly Expense Charge is a charge per thousand of insurance which is determined based on the initial Face Amount of the base policy and the initial Face Amount of any increase made to the policy. The Monthly Expense Charge will not be reduced if the Face Amount is decreased.

The Monthly Deduction shall be deducted from the Accumulated Value of the policy on the Monthly Policy Date.

1. The Owner may elect to allocate the Monthly Deduction entirely to the Money Market Fund Sub-Account, by notifying us in writing. If the Accumulated Value in the Money Market Fund Sub-Account is not sufficient to provide for the entire Monthly Deduction on a Monthly Policy Date, the Monthly Deduction will be taken from the Money Market Fund Sub-Account until that account is exhausted, and any additional amount necessary to fund the full Monthly Deduction shall be allocated among and deducted from the General Account and the other Sub-Accounts in proportion to the respective Accumulated Values held in those accounts on the Monthly Policy Date.
2. If the Owner does not elect 1, above, the Monthly Deduction shall be allocated among and deducted from the General Account and the Sub-Accounts in proportion to the respective Accumulated Values held in those accounts on the Monthly Policy Date.

COST OF
INSURANCE
CHARGE

The Cost of Insurance rate on any day shall be based on the Issue Age and duration of this policy, the Insured's sex, the rate class of the Face Amount on the Date of Issue, and the rate class of each increase in Face Amount.

On any Monthly Policy Date, the Cost of Insurance Charge of the policy shall be the Cost of Insurance rate on such date multiplied by the excess of:

1. the Death Benefit of the policy plus any debt to us on the policy divided by the sum 1 plus the monthly Accumulated Value Interest Rate shown in the Data Section; over
2. the Accumulated Value of the policy on such date before the Cost of Insurance Charge is deducted.

We may change the Cost of Insurance rates from time to time based on our expectations of future experience. Any change in the Cost of Insurance rates shall apply to all policies of the same duration, insuring persons of the same sex, Issue Age, and rate class as the Insured.

The Cost of Insurance rates shall not be greater than the rates set forth in the Table of Guaranteed Maximum Cost of Insurance Rates shown in the Data Section. These rates are based on the Mortality Table named in the Data Section.

TRANSFER CHARGE

We may charge a Transfer Charge for the thirteenth and each subsequent requested transfer of Accumulated Value between and among the General Account and the Sub-Accounts occurring during any Policy Year. Transfers to or from more than one account at the same time shall be treated as one transfer. The Transfer Charge may not exceed the Maximum Transfer Charge stated in the Data Section. Transfer Charges shall be allocated among and deducted from the General Account and the Sub-Accounts in proportion to the Accumulated Values to be transferred from such accounts.

No Transfer Charge will be imposed for the following transactions, nor will any of the following transactions be counted against the twelve free transfers allowed each Policy Year:

1. the transfer of all Accumulated Value to the General Account if during the first two Policy Years and in one transaction; and
2. the transfer of Accumulated Value from a Sub-Account of the Separate Account to another Sub-Account or to the General Account, if there has been a material change in the investment policy of the fund in which the funds of that Sub-Account are invested; and
3. the initial allocation of the premium due on the Date of Issue from the Money Market Fund Sub-Account; and
4. transfers of Accumulated Value from the Separate Account into the Loan Collateral Account pursuant to the taking of a Policy Loan; and
5. allocation of the payment of any debt to us on this policy.

We reserve the right to deduct an additional Transfer Charge from a Sub-Account of the Separate Account if such a charge was assessed by the fund manager of the Sub-Account with respect to transfer frequency.

DOLLAR COST AVERAGING

If this feature is available, the Owner may elect in writing to have Accumulated Value automatically transferred from the Money Market Fund Sub-Account of the Separate Account to any other Sub-Accounts of the Separate Account on a monthly basis.

The Owner must specify the amount to be transferred each month from the Money Market Fund Sub-Account as well as the amount to be transferred into each of the designated Sub-Accounts of the Separate Account.

The amount transferred each month may not be less than \$100, except on any Monthly Policy Date on which the Accumulated Value in the Money Market Fund Sub-Account is less than \$100. If the Accumulated Value of the Money Market Fund Sub-Account is less than requested transfer amount, the remaining value of the Money Market Fund Sub-Account will be transferred on a pro-rata basis according to the allocation schedule specified by the Owner.

If you elected Dollar Cost Averaging at the time of application for the policy, Dollar Cost Averaging will begin on the Monthly Policy Date after the date that is 20 days after issue. If you elect Dollar Cost Averaging after the Right to Review Policy period is over, Dollar Cost Averaging will begin on the next Monthly Policy Date.

Transfers from the Money Market Fund Sub-Account to any other Sub-Accounts of the Separate Account will occur on each successive Monthly Policy Date until:

1. the Accumulated Value in the Money Market Fund Sub-Account is depleted; or
2. a written request for termination of this feature by the Owner is received at our Home Office.

If a Monthly Policy Date is not a market date, Dollar Cost Averaging will occur on the first market day following the Monthly Policy Date.

The Company may at any time discontinue the Dollar Cost Averaging feature upon 60 days prior written notice to all policyholders then utilizing this feature. The Owner may not elect Dollar Cost Averaging if Portfolio Rebalancing has been elected.

PORTFOLIO REBALANCING

If this feature is available, the Owner may elect in writing to have the Accumulated Value in the Sub-Accounts of the Separate Account automatically redistributed on a semi-annual basis according to the Premium Allocation percentages in effect at the time of the rebalancing.

If Portfolio Rebalancing is elected prior to the Date of Issue, the first rebalancing will occur on the sixth Monthly Policy Date following the Date of Issue of the policy. Subsequent rebalancing will occur in six month intervals on the Monthly Policy Date.

If Portfolio Rebalancing is elected after the Date of Issue, the first rebalancing will occur on the date the request is received. Subsequent rebalancing will occur in six month intervals measured from the date of the first rebalancing.

If a scheduled rebalancing date is not a market date, Portfolio Rebalancing will occur on the first market day following the scheduled rebalancing date.

Portfolio Rebalancing will be discontinued:

1. when the premium allocation percentages are changed; or
2. upon written request by the Owner received at our Home Office.

The Company may at any time discontinue the Portfolio Rebalancing feature upon 60 days prior written notice to all policyholders then utilizing this feature. The Owner may not elect Portfolio Rebalancing if Dollar Cost Averaging has been elected.

WITHDRAWALS

After the first Policy Anniversary and prior to the last day of the Premium Payment Period, the Owner may make withdrawals by written request to us. Withdrawals shall be subject to all of the following terms.

1. The amount withdrawn may not be less than the Minimum Withdrawal Amount stated in the Data Section.
2. The amount withdrawn may not exceed the Cash Surrender Value on the date of withdrawal less three times the Monthly Deduction due on the most recent Monthly Policy Date.
3. The Accumulated Value will be decreased by the amount of the withdrawal.
4. If Death Benefit Option A is in effect on the date of the withdrawal, the Face Amount of the policy will be reduced by an amount equal to the amount of the withdrawal.
5. A withdrawal will not be permitted if it will reduce the Face Amount of the policy below the Minimum Face Amount stated in the Data Section or if it would cause the policy to no longer qualify as Life Insurance for Federal Income Tax purposes under the Internal Revenue Code.

WITHDRAWAL CHARGE

We may assess a Withdrawal Charge not to exceed \$25.00. The Withdrawal Charge will be deducted from the amount withdrawn.

ALLOCATION OF WITHDRAWALS

The amount withdrawn shall be allocated among and deducted from the Accumulated Values held in each account according to the following prioritization:

1. from the Accumulated Value held in specific Sub-Accounts as specified by the Owner, if the Owner so specifies; and
2. from the Accumulated Value in proportion to the Accumulated Values held in the Sub-Accounts on the day the withdrawal is made; and
3. from the non-loaned Accumulated Value held in the General Account.

If the Accumulated Value in any Sub-Account from which the Owner has requested that withdrawals be allocated and deducted is insufficient to cover the amount of the withdrawal, the withdrawal will not be processed until further instructions are received by us from the Owner.

POLICY LOANS

POLICY LOANS

We will loan an amount up to the Loan Value of the policy less the amount of any outstanding debt, at any time after the first Policy Year. At the time of the loan the policy must be in force. The policy shall be the sole security for the loan and must be duly assigned to us.

LOAN VALUE

The Loan Value on any day is equal to:

1. the Accumulated Value on such day; less
2. the Surrender Charge on such day, if applicable; less
3. three times the Monthly Deductions due on the most recent prior Monthly Policy Date.

LOAN INTEREST RATE

Any loan shall bear interest from the date the loan is made. The Loan Interest Rate is shown in the Data Section.

GENERAL LOAN TERMS

After the loan is made, loan interest shall be due on the next and all later Policy Anniversaries. If any interest is not paid when due, it shall be added to the loan and bear interest on the same terms.

The debt secured by this policy includes loans, unpaid loan interest and accrued loan interest not otherwise due.

All or any part of the debt may be paid to us at any time prior to:

1. the death of the Insured; and
2. surrender of the policy.

However, during a Grace Period the debt may not be repaid. Unless the Owner specifies, any payment to us shall be deemed a premium payment and not payment of the debt. At the death of the Insured or upon the surrender of the policy, all debt shall become due at once. It shall be paid from the policy values.

ALLOCATION OF POLICY LOANS

Policy Loans shall be allocated among and transferred from the Accumulated Values held in each account to a Loan Collateral Account according to the following prioritization:

1. first, from the Accumulated Value held in specific Sub-Accounts as specified by the Owner, if the Owner so specifies; and
2. second, from the Accumulated Value in proportion to the Accumulated Values held in the Sub-Accounts on the day the loan is made; and
3. finally, from the non-loaned Accumulated Value held in the General Account.

If the Accumulated Value in any Sub-Account from which the Owner has requested the loan amount be transferred is insufficient to comply with the Owner's instructions, the loan will not be processed until further instructions are received by us from the Owner.

Loan Collateral Account Value will be held in the General Account. The Accumulated Value held in the Loan Collateral Account may be credited with interest at a different rate than that of other Accumulated Value in the policy.

An amount equal to any loan repayment will be transferred from the Loan Collateral Account to the Sub-Accounts of the Separate Account according to the premium allocation percentages in effect at the time of repayment.

Any loan interest due and unpaid shall be allocated among and transferred, on the date the interest is due, from the Accumulated Values:

1. first, in proportion to the Accumulated Values held in the Sub-Accounts of the Separate Account until these accounts are exhausted; and
2. then from the non-loaned Accumulated Value held in the General Account.

These amounts shall be transferred to the Loan Collateral Account.

PAYMENT OPTIONS

In lieu of a lump sum settlement, all or part of the proceeds of this policy may be applied under a Payment Option. When proceeds are applied under a Payment Option, all other rights and benefits under this policy shall cease.

In addition to the following options, other payment options may be available.

OPTION EFFECTIVE
DATE

The Option Effective Date is the date the proceeds become payable.

GENERAL PAYMENT
OPTION TERMS

If the proceeds to be placed under a Payment Option are less than \$5,000, we may pay them in one sum to the payee who otherwise would receive the first payment under the option. If any payments would be less than \$100, we will change the frequency to provide payments of at least \$100.

If the proceeds are assigned on the Option Effective Date, we will pay the assignee's share in one sum and place only the balance under the option. After the Option Effective Date neither the payments nor the remaining value may be assigned or encumbered. To the extent the law permits, they are not subject to any claims against the payee.

We may require proof to our satisfaction that any payee is alive on the date any payment is due.

CHOICE OF
OPTION

Choice of an option may be made:

1. by the Owner if the Insured is living; or
2. by the Beneficiary if the Insured is not living and if no option is in effect.

Equivalent payments for 12-, 6-, 3-, or 1-month intervals may be chosen. The options are described in terms of monthly payments. We will quote the amount of other payments on request.

We may issue a document stating the terms of the option.

CHANGE OF
PAYMENT OPTION

The right to change Payment Options exists under Options 1, 2, and 4. At the time of change the remaining value under the old option shall become the proceeds to be placed under the new option.

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

Lump sum payments may be taken from the remaining proceeds placed under Payment Options 1, 2, and 4.

Under Options 1 and 4 all or any part of the remaining value may be taken at any time, though no more than four transactions may be made during any calendar year.

Under Option 2 the entire remaining value may be taken at any time.

No lump sum removal of proceeds may be made under Options 3, 5, 6, or 7.

OPTION 1
-PAYMENT OF
INTEREST ONLY

Interest at a rate of 1.50% per year shall be paid either for:

1. the life of a chosen human being; or
2. a chosen period.

We may pay more interest in any given year. Upon the earlier of the death of the chosen human being or the end of the chosen period, any remaining value will be paid. The first payment shall be made one month after the Option Effective Date. If the payee is not a human being, payments may not continue for more than 30 years.

OPTION 2
-PAYMENTS FOR A
STATED TIME

Equal monthly payments shall be made for a stated number of years. The first payment shall be made on the Option Effective Date. The amount of each monthly payment is shown in the table. The monthly payments are based on an interest rate of 1.50% per year. We may pay more interest in any year.

Option 2 Table
 Monthly Payments for Each \$1,000 of Proceeds

Stated Number of Years	Monthly Payments
5	17.28
6	14.51
7	12.53
8	11.04
9	9.89
10	8.96
11	8.21
12	7.58
13	7.05
14	6.59
15	6.20
16	5.85
17	5.55
18	5.27
19	5.03
20	4.81
21	4.62
22	4.44
23	4.28
24	4.13
25	3.99
26	3.86
27	3.75
28	3.64
29	3.54
30	3.44

OPTION 3
 -PAYMENTS FOR
 LIFE

Equal monthly payments shall be made for any guaranteed period chosen and thereafter during the life of a chosen human being. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the age and sex of the chosen human being on the Option Effective Date and on any guaranteed period chosen. We may require proof to our satisfaction of such age. We may require like proof that such human being is alive on the date any payment is due. The guaranteed period may be five or ten years or a Refund period. A Refund period extends until the sum of the payments is equal to the proceeds placed under the option. The monthly payments are based on an interest rate of 1.50% per year. We may pay more interest in any year during the guaranteed period. We will quote the amount of monthly payments for lower ages and guaranteed periods not shown in the Option 3 Table on request.

Option 3 Table
Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Guaranteed Period

Age	Male			Female		
	None	10 Years	Refund	None	10 Years	Refund
50	\$3.24	\$3.22	\$3.02	\$3.00	\$2.99	\$2.86
51	3.31	3.29	3.08	3.06	3.05	2.91
52	3.39	3.36	3.13	3.13	3.11	2.96
53	3.47	3.44	3.19	3.19	3.18	3.02
54	3.55	3.51	3.25	3.26	3.25	3.07
55	3.63	3.60	3.31	3.34	3.32	3.13
56	3.73	3.68	3.38	3.41	3.39	3.19
57	3.82	3.77	3.45	3.50	3.47	3.26
58	3.92	3.87	3.52	3.58	3.56	3.32
59	4.03	3.97	3.60	3.68	3.64	3.39
60	4.15	4.07	3.67	3.78	3.74	3.46
61	4.27	4.19	3.76	3.88	3.83	3.54
62	4.40	4.30	3.84	3.99	3.94	3.62
63	4.54	4.42	3.93	4.11	4.05	3.70
64	4.69	4.55	4.02	4.23	4.16	3.79
65	4.85	4.69	4.12	4.37	4.28	3.88
66	5.02	4.83	4.23	4.51	4.41	3.98
67	5.20	4.98	4.33	4.66	4.55	4.08
68	5.39	5.13	4.45	4.83	4.69	4.19
69	5.60	5.29	4.57	5.00	4.84	4.30
70	5.82	5.45	4.70	5.19	5.00	4.43
71	6.05	5.62	4.82	5.39	5.17	4.55
72	6.30	5.79	4.96	5.61	5.34	4.68
73	6.57	5.96	5.11	5.85	5.52	4.82
74	6.85	6.14	5.25	6.11	5.71	4.98
75	7.15	6.32	5.41	6.39	5.91	5.13
76	7.47	6.51	5.59	6.69	6.11	5.30
77	7.82	6.69	5.75	7.01	6.31	5.47
78	8.19	6.87	5.93	7.36	6.52	5.66
79	8.59	7.05	6.14	7.74	6.73	5.85
80	9.01	7.22	6.34	8.16	6.93	6.04
81	9.47	7.39	6.55	8.60	7.13	6.29
82	9.95	7.56	6.77	9.09	7.33	6.50
83	10.47	7.71	7.00	9.61	7.52	6.76
84	11.02	7.86	7.25	10.18	7.69	7.00
85+	11.61	8.00	7.52	10.79	7.86	7.26

+ Higher ages the same

OPTION 4
-PAYMENTS OF A
STATED AMOUNT

Equal monthly payments of a stated amount shall be made until the proceeds, with interest at 1.50% per year on the unpaid balance, are used up. The first payment shall be made on the Option Effective Date. The amount chosen must be at least \$10 per month for each \$1,000 of proceeds placed under this option. We may add more interest to the unpaid balance in any year, which will extend the number of payments. The last payment will be for the balance only.

OPTION 5 - LIFE
ANNUITY

Equal monthly payments shall be made in the same manner as Option 3 except:

1. the amount of each payment shall be based on our current settlement rates on the Option Effective Date; and
2. no additional interest shall be paid.

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

Equal monthly payments shall be made while two chosen human beings are both living. Upon the death of either, two-thirds of the amount of such payments shall continue during the life of the survivor. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the ages and sexes of the chosen human beings on the Option Effective Date. We may require proof to our satisfaction of their ages. We may require like proof that any chosen human being is alive on the date any payment conditioned on the life of such human being is due. The initial amount of each monthly payment is shown in the table. We will quote the amount of monthly payments for any other age combination on request. The monthly payments are based on an interest rate of 1.50% per year. No additional interest shall be paid.

Option 6 Table
 Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Ages of Both	One Male and One Female	Ages of Both	One Male and One Female
50	\$2.97	68	\$4.72
51	3.03	69	4.89
52	3.09	70	5.06
53	3.16	71	5.25
54	3.22	72	5.46
55	3.29	73	5.68
56	3.37	74	5.91
57	3.45	75	6.16
58	3.53	76	6.43
59	3.62	77	6.72
60	3.72	78	7.04
61	3.82	79	7.37
62	3.92	80	7.74
63	4.04	81	8.12
64	4.16	82	8.54
65	4.28	83	8.99
66	4.42	84	9.48
67	4.57	85+	9.99

+ Higher ages the same

OPTION 7 - 50%
 SURVIVOR
 ANNUITY

Equal monthly payments shall be made during the life of the chosen primary human being. Upon the death of the chosen primary human being, 50% of the amount of such payments shall continue during the life of the chosen secondary human being. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the ages and sexes of the chosen human beings on the Option Effective Date. We may require proof to our satisfaction of their ages. We may require like proof that any chosen human being is alive on the date any payment conditioned on the life of such human being is due. The initial amount of each monthly payment is shown in the table. We will quote the amount of monthly payments for any other age combination on request. The monthly payments are based on an interest rate of 1.50% per year. No additional interest shall be paid.

Option 7 Table
 Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Ages of Both	Male Primary Female Secondary	Female Primary Male Secondary	Ages of Both	Male Primary Female Secondary	Female Primary Male Secondary
50	\$2.96	\$2.85	68	\$4.67	\$4.44
51	3.01	2.90	69	4.83	4.60
52	3.07	2.96	70	5.00	4.76
53	3.14	3.02	71	5.19	4.93
54	3.20	3.08	72	5.38	5.12
55	3.27	3.15	73	5.59	5.32
56	3.35	3.22	74	5.82	5.53
57	3.43	3.29	75	6.06	5.77
58	3.51	3.37	76	6.31	6.01
59	3.60	3.45	77	6.59	6.28
60	3.69	3.53	78	6.88	6.57
61	3.79	3.62	79	7.20	6.89
62	3.89	3.72	80	7.54	7.22
63	4.00	3.82	81	7.90	7.59
64	4.12	3.93	82	8.29	7.98
65	4.24	4.05	83	8.71	8.40
66	4.38	4.17	84	9.16	8.86
67	4.52	4.30	85+	9.64	9.34

+ Higher ages the same

Life Insurance Application

Site Location and No.: 001 Montpelier Qualified Retirement Plan/Code No.:
Check one: [] Single Life [] Joint Life [X] Variable Universal Life [] Joint & Variable Universal Life
[] Exercising Additional Insurance Option From Base Policy No.: Policy No.:

Part A - First Proposed Insured Information
1. Name (print first, middle, last) Ethan Allen
2. Home Address (street, city, state and zip) 1 Main Street, Montpelier, VT 05604
3.a. Place of Birth Berlin, VT
3.b. Country in which you hold citizenship United States
4. D.O.B. 1-15-73
5. Issue at Age 35
6. Sex [X] M [] F
7. Soc. Sec. # 000-00-0000
8. Telephone #'s and best time to call Home (802) 333-4444 Work (802) 555-6666
9a. Occupation (w/specific duties) Biology Teacher
9b. Are you actively at work at the customary workplace, doing the usual duties and functions required by the position during the normal work hours and weekly period? [X] Yes [] No* Reason:
10. Employer Name & Address: (street, city, state and zip) Main Street School, 10 Main Street, Montpelier, VT 05604
11. Driver's License # and state: VT-012345

Part B - Policy Information
1. Base Plan Investor Select 2. Amount \$ 100,000
3. Term Rider Plan 4. Amount \$
5. Additional Benefits and Amounts:
a. Traditional
[] Accelerated Benefits (ABR)
[] Accidental Death Benefit (ADB) \$
[] Additional Insurance Option (AIO) \$
[] Additional Paid-Up Life
Annual Premium (APAR) \$
[] Payable on a Modal Basis
Single Premium (SPAR) \$
[] Beneficiary Insurance Option (BIO)
[] Waiver of Premiums (WP)
(N/A on Second to Die & Cornerstone Series)
[] Waiver of Premiums (WP) \$
(Cornerstone Series only) (Annual Premium Waived)
[] Policy Continuation Rider (PCR) (First to Die only)
[] Policy Split Option (PSO) (Second to Die only)
[] Other:
b. Universal Life
[] Accelerated Benefits (ABR)
[] Add'l Prot. Ben. (APB)
(N/A w/AssurePlus, NLG120, IUL or Investor Select) \$
[] Automatic Increase (AIR) (N/A for NLG120 or Investor Select)
[] 2% [] 4% [] 6% (N/A for Survivorship)
[] 5% [] 10% [] Stipulated (Survivorship only)
[] Balance Sheet Benefit (IUL & Investor Select only)
(Percent Waived) %
[] Children's Term (CTR) (AssurePlus & Investor Select) \$
[] Continuing Coverage Rider (CCR) (Survivorship only)
[] Enhanced Death Benefit (EDBR) (Surv. only) Target Age
[] Estate Preservation Rider (EPR) (Survivorship only) \$
[] Guaranteed Insurance Option (GIO) (N/A for Surv.) \$
[] Guaranteed Death Benefit (GDB) (Variable Survivorship only)
[] 80 Years [] Lifetime
[] Other Insured (OIR) (AssurePlus & Investor Select only)
[] Policy Split Option (PSO) (Survivorship only)
[] Term Rider on First Proposed Insured: (Survivorship only)
Level Amount
[] Increasing [] Decreasing Dur Yrs
[] Term Rider on Second Proposed Insured: (Survivorship only)
Level Amount
[] Increasing [] Decreasing Dur Yrs
[] Waiver of Monthly Deductions (WMD) (N/A for Survivorship)
[] Waiver of Specified Premium (WSP) (IUL, AssurePlus & Investor Select)
\$ (Annual Premium Waived)
[] Other:
6. a. Universal Life Death Benefit Option (N/A for NLG120)
[X] A - Level [] B - Increasing
b. Definition of Life Insurance Test: (Applies to IUL, AssurePlus & Investor Select only. GPT must be selected if policy is not a MEC.)
[X] Guideline Premium Test (GPT)
[] Cash Value Accumulation Test (CVAT)
7. Premium information
a. Cash with Application \$
b. Planned Periodic Premium \$951.00 (UL, VUL & Cornerstone Series)
c. Frequency
[X] Annual [] Semi-Annual [] Quarterly
[] Monthly (Group or Pension only, if Variable)
[] Single Premium [] COM (Complete #11)
8. Special Billing Type: (N/A for Qualified Pension Business)
[] Government Allotment Group No.:
[] Payroll Deduction No.:
9. Use of Dividends: (N/A for IUL) (Choose only one.)
[] Cash (All Products)
[] Additions (Whole Life & UL, N/A for NLG120)
[] Applied (Whole Life & Term only, N/A with COM)
[] Deposits (Whole Life & Term only)
[] DTO Balance to: (Whole Life only, except Cornerstone Series)
[] Flex Term Rider I - B Decreasing (Whole Life only)
One Yr. Term + Adds = \$
A premium will be charged for this rider.
[] Flex Term Rider II - A Level (Whole Life only)
One Yr. Term = \$, + Adds
A premium will be charged for this rider.
[] Internal Paid-Up Insurance (Cornerstone Series Only)
10. Automatic Payment of Premium
[] Requested [X] Not Requested
11. [] I authorize the Company to draft monthly payments from my account. (Attach a void check/deposit slip)
[] Checking Draft on the:
[] Savings [] 1st [] 15th
[] Money Market [] 8th [] 22nd
12. Send premium notices to: [] Owner
[X] First Proposed Insured [] Other: (street, city, state & zip)

Part C - Owner Information

1. (Check one if other than First Proposed Insured)

Individual

Provide additional information below:

Name: _____ Relationship _____ Date of Birth _____, while living thereafter

Name: _____ Relationship _____ Date of Birth _____, while living, thereafter the estate of the last survivor of the named owner(s).

Corporation, Limited Partnership, or Limited Liability Company

Full Legal Name: _____, a (State) _____

Corporation Limited Partnership Limited Liability Company, its successors or assigns.

Partnership: _____, a partnership of (City and State) _____, or any successor partnership doing business in said city under said name.

Trust: (Name of Trustee(s)) _____, trustee(s) under an instrument of trust between (Name of Trustor) _____ and said trustee(s) named (Name of Trust) _____ and dated _____, as heretofore or hereafter amended if trust is amendable, or the successors in said trust or assigns.

Qualified Pension or Profit Sharing Trust (Name of Trust Agreement) _____

As per Supplemental Request

Please provide the following information for the Owner.

2. Social Security Number or Tax Identification Number: _____

3. Address: (Street, City State, Zip) _____

4. Telephone Number: () _____

Part D - Beneficiary Information

1. (Check one or fill in the **First** and **Second** Beneficiary)

Note: If the policy is owned by a qualified pension or profit sharing plan, all payments are protected by the Spendthrift Provision. The right to change the beneficiary is reserved.

- Owner
- As per Supplemental Request
- Other: (Give full names, addresses, dates of birth and relationships to Proposed Insured.)

First **Mary Allen, Wife, DOB: 6-15-73, Same address as Insured**

Second

Single Life

Payment will be shared equally by all *first* beneficiaries who survive the Insured; if none, by all *second* beneficiaries who so survive; if none, payment will be made to the Owner or the Owner's estate.

First to Die

When death benefit is payable at the demise of the first Insured to die, payment will be shared equally by all *first* beneficiaries who survive the first to die of the Insureds; if none, by all *second* beneficiaries who so survive; if none, payment will be made to the Owner or the Owner's estate.

Last to Die

When death benefit is payable at the demise of the last Insured to die, payment will be shared equally by all *first* beneficiaries who survive the last to die of the Insureds; if none, by all *second* beneficiaries who so survive; if none, payment will be made to the Owner or the Owner's estate.

Part E - Qualified Retirement Business ONLY

1. Issue Date: _____ 2. (Check one.) Sex Neutral Sex Distinct

(Answer a & b only for Simplified Underwriting)

3. Full Underwriting Guaranteed Issue Automatic Issue

Simplified Underwriting (If either questions a or b are answered 'Yes', provide the following details in Remarks on Page 8. Nature of ailment, date, duration and names and addresses of attending physicians.)

a. Have you been admitted to, or been advised to be admitted to a hospital or medical facility in the past 90 days by a member of the medical profession? Yes No

b. In the past two years have you been treated for or advised by a member of the medical profession to seek treatment for heart problems (including angina), stroke, or cancer, or been treated for or diagnosed as having AIDS or AIDS Related Complex (ARC)? Yes No

Part F - Children's Term Rider Information (Complete only if CTR is requested)

1. Names and Dates of Birth of all Children to be covered

2. To the best of your knowledge: (If 'Yes', give details in Remarks on Page 8)

a. Is any Child's health impaired in any way? Yes No c. Does any Child not reside with you? Yes No

b. Has any Child shown any signs of abnormal physical or mental development? Yes No d. Does any Child take medication prescribed by a doctor? Yes No

Part G - General Information about the First Proposed Insured (If 'Yes', provide details in Remarks on page 8)

1. Have you used any type of product containing nicotine within the last 24 months? Yes No

Product Type: _____ Frequency: _____ Date Last Used: _____

2. Have you ever applied for life, health, or disability insurance or reinstatement of same, which was declined, postponed, rated or modified in any way? Yes No

3. Are you or do you have any intention of becoming a member of a military organization? Yes No

4. Have you ever been convicted of a felony or misdemeanor? Yes No

5. Have you had any moving vehicle violations in the last 3 years, or a suspended license or a DUI conviction in the last 5 years? Yes No

6. Have there been any bankruptcy proceedings against you within the last 7 years? Yes No

7. Within the past 6 months have you applied for or do you currently have any applications pending for life or disability insurance? Yes No

8. Have you been offered any cash incentive or other consideration (such as free insurance) as an inducement to apply for or become an insured under this life insurance policy, or have you been involved in any discussions about the possible sale or transfer of this policy to an unrelated third party, such as (but not limited to) a life settlement company or investor group? Yes No

9. Identify the source of funds for premium payment (e.g., redemption of financial product, income or savings, home equity loan, payment by third party). Income

(If 'Yes', to questions 10 -12 complete form 1480, Avocation, Aviation & Foreign Travel Supplemental Application)

10. Within the last 3 years, have you participated in or do you intend to participate in any motor powered racing, scuba, skin or sky diving, rodeos, hang gliding or any other avocation generally considered hazardous? Yes No

11. Do you participate in any aviation activity other than as a fare paying passenger? Yes No

12. Do you intend to travel or reside outside of the USA for more than 2 weeks in a year? Yes No

Part H - Replacement Information (If 'Yes', Replacement forms must be provided; list company name and policy numbers).

1. Has there been or will there be a lapse, surrender, replacement, reissue, conversion, or change to reduce amount, premium, or period of coverage of any existing life, disability or annuity contract if the applied for policy or rider is issued? Yes No

2. Will there be any substantial borrowing on any life insurance policy if the applied for policy or rider is issued? Yes No

List Company Name(s) and Policy Number(s) in Remarks on Page 8

Part I - Current Policy Information about the First Proposed Insured

None in force Type: **B=Business** **G=Group** **P=Personal**

Company Name	Type	Total in Force \$	Total with WP \$	Total ADB \$	Date of Issue	Paid to Date

Part J - Health History of the First Proposed Insured (Complete Part J unless (a) money does not accompany this application and (b) a further medical examination will be undertaken. Do **not** complete Part J if this application is being submitted for the Pension underwriting classes of Guaranteed Issue, Simplified Underwriting, or Automatic Issue.)

Provide details, dates, and results for any 'Yes' answer to questions 1-10 in Remarks on page 8.

1. Height **6'0"** Weight **185** lbs. Change in last year **0** lbs. Reason?
2. Are you taking any medication? Yes No
3. Is your health impaired in any way? Yes No
4. Have you ever applied for or received disability or worker's compensation from any source? Yes No
5. At any time during the last 10 years have you:
- a. made the decision or been advised to reduce alcohol or drug intake, or used drugs not prescribed by a physician? Yes No
- b. been a member of a support group, such as AA or NA? Yes No
6. At any time during the last 10 years have you been diagnosed, treated, or taken medication for:
- a. Chest Pain, Heart Murmur, Rheumatic Fever or Anemia Yes No
- b. Habitual Cough, Asthma, Emphysema or Pleurisy Yes No
- c. Ulcer, Jaundice or Chronic Indigestion Yes No
- d. Stroke, Dizzy Spells, Epilepsy, Convulsions, Paralysis or Unconsciousness Yes No
- e. Heart, Veins, Arteries, Blood or Blood Pressure Disorder Yes No
- f. Lung or Respiratory Tract Disorder Yes No
- g. Esophagus, Stomach, Intestinal, Rectum, Liver or Gall Bladder Disorder Yes No
- h. Kidney, Bladder, Prostate, Genito-Urinary Organs, Pelvic Organs, or Breast Disease Yes No
- i. Eyes, Ears, Nose, or Throat Disorder Yes No
- j. Brain, Nervous System Disorder or Headaches Yes No
- k. Spine, Bones, Muscles, Joints, Skin or Gland Disorder Yes No
- l. Cancer, Polyp, or Other Tumor Yes No
- m. Gout, Arthritis, Rheumatism or Back Pain Yes No
- n. High Blood Sugar or Diabetes Yes No
- o. Albumin, Sugar, Casts, Pus or Blood in the Urine Yes No
- p. Renal Colic or Kidney Stone Yes No
- q. Depression, Anxiety, or any other Psychological Condition Yes No
- r. Alzheimer's or Dementia Yes No
7. Within the past 10 years have you tested positive for exposure to the Human Immunodeficiency Virus (HIV), or has a physician or other medical professional diagnosed you as having Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or AIDS related conditions? Yes No
8. Within the past 5 years have you:
- a. had x-rays, electrocardiograms or other diagnostic tests? Yes No
- b. been admitted to a hospital, or have you planned or been advised to enter a hospital for observation, operation or treatment of any kind? Yes No
- c. consulted any medical professional other than your personal physician? Yes No
9. Do you have any pending appointments with any medical professional within the next 30 days? Yes No
10. To the best of your knowledge, has any member of your family had diabetes, cancer, heart disease, Huntington's Disease or polycystic kidney disease? Yes No

11. Name and Address of Personal Physician (If none, so state) None	Date last seen	Reason consulted & outcome

12. Family History	Age if alive	State of Health	Age at death	Cause of death
Father	75	Good		
Mother	73	Good		
Siblings				
Siblings				

Complete for Joint Life or Primary Other Insured Only (For additional Other Insureds, use form 8531)

Part K - Second Proposed Insured or Primary Other Insured Information

1. Name (print first, middle, last)		2. Home Address (street, city, state and zip)		
3.a. Place of Birth	3. b. Country in which you hold citizenship _____ c. If you are not a citizen of the U.S., do you have a permanent resident status in the U.S.? <input type="checkbox"/> Yes - Alien Registration #: _____ <input type="checkbox"/> No - Type of visa held: _____		4. D.O.B.	5. Issue at Age
6. Sex <input type="checkbox"/> M <input type="checkbox"/> F	7. Soc. Sec. #	8. Telephone #'s and best time to call Home () Work ()		9a. Occupation (w/specific duties)
9b. Are you actively at work at the customary workplace, doing the usual duties and functions required by the position during the normal work hours and weekly period? <input type="checkbox"/> Yes <input type="checkbox"/> No *Reason:				
10. Employer Name & Address: (street, city, state and zip)			11. Driver's License # and state:	
12. Face Amount (Primary Other Insured fill in Face Amount if different than Base Amount.) \$			13. First Proposed Insured, Relationship and S.S.# (for use with AssurePlus & Investor Select)	
14. Primary Beneficiary for Primary Other Insured, Relationship & S.S. # (for use with AssurePlus & Investor Select)				

Part L - General Information about the Second Proposed Insured or Primary Other Insured (If 'Yes', provide details in Remarks on page 8)

1. Have you used any type of product containing nicotine within the last 24 months? Yes No
Product Type: _____ Frequency: _____ Date Last Used: _____

2. Have you ever applied for life, health, or disability insurance or reinstatement of same, which was declined, postponed, rated or modified in any way? Yes No

3. Are you or do you have any intention of becoming a member of a military organization? Yes No

4. Have you ever been convicted of a felony or misdemeanor? Yes No

5. Have you had any moving vehicle violations in the last 3 years, or a suspended license or a DUI conviction in the last 5 years? Yes No

6. Have there been any bankruptcy proceedings against you within the last 7 years? Yes No

7. Within the past 6 months have you applied for or do you currently have any applications pending for life or disability insurance? Yes No

8. Have you been offered any cash incentive or other consideration (such as free insurance) as an inducement to apply for or become an insured under this life insurance policy, or have you been involved in any discussions about the possible sale or transfer of this policy to an unrelated third party, such as (but not limited to) a life settlement company or investor group? Yes No

9. Identify the source of funds for premium payment (e.g., redemption of financial product, income or savings, home equity loan, payment by third party). _____

(If 'Yes', to questions 10-12 complete form 1480, Avocation, Aviation & Foreign Travel Supplemental Application)

10. Within the last 3 years, have you participated in or do you intend to participate in any motor powered racing, scuba, skin or sky diving, rodeos, hang gliding or any other avocation generally considered hazardous? Yes No

11. Do you participate in any aviation activity other than as a fare paying passenger? Yes No

12. Do you intend to travel or reside outside of the USA for more than 2 weeks in a year? Yes No

13. Are you legally married to the First Proposed Insured? Yes No
(This question must be answered if either EPR or PSO is requested in the Additional Benefits and Amounts section)

Part M - Replacement Information (If 'Yes', Replacement forms must be provided; list company name and policy numbers)

1. Has there been or will there be a lapse, surrender, replacement, reissue, conversion, or change to reduce amount, premium, or period of coverage of any existing life, disability or annuity contract if the applied for policy or rider is issued? Yes No

2. Will there be any substantial borrowing on any life insurance policy if the applied for policy or rider is issued? Yes No
Company Name(s) and Policy Number(s)

Part N - Current Policy Information about the Second Proposed Insured or Primary Other Insured

<input type="checkbox"/> None in force							Type: B=Business		G=Group		P=Personal	
Company Name	Type	Total in Force \$	Total with WP \$	Total ADB \$	Date of Issue	Paid to Date						

Complete for Joint Life or Primary Other Insured Only

Part O - Health History of the Second Proposed Insured or Primary Other Insured (Complete Part O unless (a) money does not accompany this application and (b) a further medical examination will be undertaken.)

Provide details, dates, and results for any 'Yes' answer to questions 1-10 in Remarks on page 8.

1. Height	Weight	lbs.	Change in last year	lbs.	Reason?	
2. Are you taking any medication?						<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Is your health impaired in any way?						<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Have you ever applied for or received disability or worker's compensation from any source?						<input type="checkbox"/> Yes <input type="checkbox"/> No
5. At any time during the last 10 years have you:						
a. made the decision or been advised to reduce alcohol or drug intake, or used drugs not prescribed by a physician?						<input type="checkbox"/> Yes <input type="checkbox"/> No
b. been a member of a support group, such as AA or NA?						<input type="checkbox"/> Yes <input type="checkbox"/> No
6. At any time during the last 10 years have you been diagnosed, treated, or taken medication for:						
a. Chest Pain, Heart Murmur, Rheumatic Fever or Anemia						<input type="checkbox"/> Yes <input type="checkbox"/> No
b. Habitual Cough, Asthma, Emphysema or Pleurisy						<input type="checkbox"/> Yes <input type="checkbox"/> No
c. Ulcer, Jaundice or Chronic Indigestion						<input type="checkbox"/> Yes <input type="checkbox"/> No
d. Stroke, Dizzy Spells, Epilepsy, Convulsions, Paralysis or Unconsciousness						<input type="checkbox"/> Yes <input type="checkbox"/> No
e. Heart, Veins, Arteries, Blood or Blood Pressure Disorder						<input type="checkbox"/> Yes <input type="checkbox"/> No
f. Lung or Respiratory Tract Disorder						<input type="checkbox"/> Yes <input type="checkbox"/> No
g. Esophagus, Stomach, Intestinal, Rectum, Liver or Gall Bladder Disorder						<input type="checkbox"/> Yes <input type="checkbox"/> No
h. Kidney, Bladder, Prostate, Genito-Urinary Organs, Pelvic Organs, or Breast Disease						<input type="checkbox"/> Yes <input type="checkbox"/> No
i. Eyes, Ears, Nose, or Throat Disorder						<input type="checkbox"/> Yes <input type="checkbox"/> No
j. Brain, Nervous System Disorder or Headaches						<input type="checkbox"/> Yes <input type="checkbox"/> No
k. Spine, Bones, Muscles, Joints, Skin or Gland Disorder						<input type="checkbox"/> Yes <input type="checkbox"/> No
l. Cancer, Polyp, or Other Tumor						<input type="checkbox"/> Yes <input type="checkbox"/> No
m. Gout, Arthritis, Rheumatism or Back Pain						<input type="checkbox"/> Yes <input type="checkbox"/> No
n. High Blood Sugar or Diabetes						<input type="checkbox"/> Yes <input type="checkbox"/> No
o. Albumin, Sugar, Casts, Pus or Blood in the Urine						<input type="checkbox"/> Yes <input type="checkbox"/> No
p. Renal Colic or Kidney Stone						<input type="checkbox"/> Yes <input type="checkbox"/> No
q. Depression, Anxiety, or any other Psychological Condition						<input type="checkbox"/> Yes <input type="checkbox"/> No
r. Alzheimer's or Dementia						<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Within the past 10 years have you tested positive for exposure to the Human Immunodeficiency Virus (HIV), or has a physician or other medical professional diagnosed you as having Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or AIDS related conditions?						<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Within the past 5 years have you:						
a. had x-rays, electrocardiograms or other diagnostic tests?						<input type="checkbox"/> Yes <input type="checkbox"/> No
b. been admitted to a hospital, or have you planned or been advised to enter a hospital for observation, operation or treatment of any kind?						<input type="checkbox"/> Yes <input type="checkbox"/> No
c. consulted any medical professional other than your personal physician?						<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Do you have any pending appointments with any medical professional within the next 30 days?						<input type="checkbox"/> Yes <input type="checkbox"/> No
10. To the best of your knowledge, has any member of your family had diabetes, cancer, heart disease, Huntington's Disease or polycystic kidney disease?						<input type="checkbox"/> Yes <input type="checkbox"/> No

11. Name and Address of Personal Physician (If none, so state)	Date last seen	Reason consulted & outcome

12. Family History	Age if alive	State of Health	Age at death	Cause of death
Father	_____	_____	_____	_____
Mother	_____	_____	_____	_____
Siblings	_____	_____	_____	_____
Siblings	_____	_____	_____	_____

Complete for Variable Products Only

Part P - Variable Insurance Information

Following questions to be completed by the Applicant.

- 1. Have you received a current prospectus which describes the variable nature of this product and the utilization of a Separate Account or a Variable Account?
2. Do you believe that this Policy will meet your insurance needs and financial objectives?
3. Do you understand that the Cash Surrender Value and Death Benefit may increase or decrease based on the policy's investment return, even to the extent of being reduced to zero?

Part Q - Telephone Transaction Agreement

Unless waived below, I appoint the Company as my agent to act upon telephoned instructions reasonably believed to be authorized by me. I hereby ratify any telephoned instructions so given and consent to the tape recording of these instructions.

Representative(s):

I do not authorize the Company to accept telephone instructions.

Part R - Investment Information (Do NOT complete Part R if participating in Illuminations.)

- 1. Do you want monthly charges deducted from the Money Market sub-account?
(If 'No', charges will be deducted from the General Account or the Fixed Account and all sub-accounts on a pro rata basis.)

Note: Elect Portfolio Rebalancing (2.a.) or Dollar Cost Averaging, (2.b.) but not both. (See Investment Allocation, form 9201)

2.a. I elect the following for Portfolio Rebalancing:

- Semi-Annual (only option for VUL)
Annual
Quarterly

OR

2.b. I elect monthly Dollar Cost Averaging. Transfer funds from the Money Market sub-account using the allocation provided on the Investment Allocation, form 9201.

The amount and duration of the Death Benefit may increase or decrease daily as described in the DEATH BENEFIT AND POLICY CHANGES section of the policy at issue. The dollar amount of the Death Benefit is not guaranteed.

The investment in this policy could be lost entirely, depending on the performance of the Separate Account or Variable Account, and as a result the Death Benefit may terminate unless additional premium payments are made to keep this policy in force.

Part T - Agreement & Authorization (Continued)

I (we), the Proposed Insured(s), authorize any physician, medical practitioner, hospital, clinic, or other medically related facility, insurer or reinsurer, the Medical Information Bureau, Inc. (MIB), consumer reporting agency, or employer having information as to:

- diagnosis, treatment and prognosis of any physical or mental condition of me (us) or any of my (our) minor children on whose life I (we) have applied for insurance;
- any non-medical information of me (us) or such minor children;

to give National Life Insurance Company, herein called National Life, or its authorized representative, any and all such information.

I (we) authorize National Life to request a copy of my (our) driving record(s) from the state motor vehicle department.

I (we) authorize National Life Insurance Company to obtain an investigative consumer report. I (we) understand that I am (we are) entitled to be interviewed by the consumer reporting agency that prepares any such report, as long as I (we) can reasonably be contacted during normal business hours.

I (we) wish to be interviewed if an investigative consumer report is prepared.

This information may be used to determine eligibility for life or health insurance or claims for benefits, and I (we) authorize National Life to release any of this information to the MIB and/or Reinsurers and other life insurance companies in which I (we) have insurance or from which I (we) seek insurance or benefits.

I (we) authorize National Life to redisclose the information to:

- Any person performing a business or legal function for its benefit;
- An attending physician for diagnostic or treatment purposes;
- Government authorities to prevent insurance related illegal activities;
- Persons conducting medical or statistical studies for National Life;
- Persons having an authorization specifically permitting the redisclosure;

and when required by law. In making this authorization, I (we) waive any right to prohibit redisclosure to an affiliate of National Life where the redisclosure is related to the servicing of my (our) policy.

This authorization shall remain valid for 30 months from the date shown below.

I (we) understand I (we) have a right to receive a copy of this authorization. A copy of this authorization shall be as valid as the original. I (we) acknowledge receipt of copies of the prenotifications relating to investigative consumer reports and the MIB.

Part U - Owner's Taxpayer ID Number Certification

Under 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.

Part V - Signatures

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signed at (City & State) Montpelier, VT Date (mm/dd/yyyy) 05-15-2008

First Proposed Insured (Sign name in full) _____ **Applicant** (Sign name in full if other than Proposed Insured) _____

Second Proposed Insured (Sign name in full) _____

Primary Other Insured (Sign name in full) _____

Soliciting Agent/Representative (Sign name in full) _____ **Owner** (If other than Applicant or Proposed Insured) _____

For Check-O-Matic Only (If Depositor other than Applicant/Owner) _____ (Exercise of AIO Only)
Depositor (Exactly as it appears on bank records) _____ **Owner of Base Policy** _____

NATIONAL LIFE IS A DYNAMIC AND GROWING FAMILY OF INSURANCE AND FINANCIAL SERVICE COMPANIES OFFERING A COMPREHENSIVE RANGE OF LIFE INSURANCE, ASSET ACCUMULATION AND RETIREMENT PLANNING PRODUCTS. OUR FLAGSHIP, NATIONAL LIFE INSURANCE COMPANY, HAS BEEN SERVING CUSTOMERS WITH VALUE AND INTEGRITY SINCE 1850, AND IS LICENSED IN ALL 50 STATES AND THE DISTRICT OF COLUMBIA.

Flexible Premium Adjustable Benefit Variable Life Insurance. Flexible premiums are payable through the end of the Premium Payment Period or until the death of the Insured. The adjustable Death Benefit is payable upon the death of the Insured. This policy is non-participating.

The Owner is a member of National Life Holding Company while this contract is in force. The annual meetings of the Company are held at its Home Office in Montpelier, Vermont, on the second Friday in May in each year at 9 o'clock A.M.

NATIONAL LIFE INSURANCE COMPANY

HOME OFFICE: ONE NATIONAL LIFE DRIVE
MONTPELIER, VERMONT 05604 TELEPHONE: 802-229-3333
WWW.NATIONALLIFE.COM

**LIMITATIONS AND EXCLUSIONS UNDER THE
ARKANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association. ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract holders will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policyowners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions and require continued residency in the state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

**The Arkansas Life and Health Insurance Guaranty Association
c/o the Liquidation Division
1023 West Capital
Little Rock, Arkansas 72201**

**Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904**

The state law that provides for this safety-net is called the Arkansas Life and Health Insurance Guaranty Association Act. ("Act"). On the next page is a brief summary of this Act's coverages, exclusions and limits. This summary does not cover all provisions of the act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are **NOT** protected by the Guaranty Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does **NOT** provide coverage for:

- any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends and voting rights and experience rating credits;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which these benefits could be provided out of the assets of the impaired or insolvent insurer.

We, National Life Insurance Company, agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Home Office due proof that the Insured died while this policy was in force.

Flexible Premium Adjustable Benefit Variable Life Insurance. Unisex Version. Flexible premiums are payable through the end of the Premium Payment Period or until the death of the Insured. The adjustable Death Benefit is payable upon the death of the Insured. This policy is non-participating.

The amount and duration of the Death Benefit may increase or decrease daily, as described in the DEATH BENEFIT AND POLICY CHANGES section of this policy. The dollar amount of the Death Benefit is not guaranteed.

The Cash Surrender Value of this policy is dependent on the Accumulated Value in the Separate Account, which fluctuates according to the investment experience of the Sub-Accounts of the Separate Account chosen by the Owner. The Cash Surrender Value may increase or decrease daily, and is not guaranteed as to dollar amount.

Right to Review Policy. This policy may be returned to us at any time prior to the end of the tenth day following its receipt by the Owner. The policy may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, we will refund the greater of any premiums paid or the Accumulated Value as of the date we receive the returned policy at our Home Office, and the policy will be deemed void as of its Date of Issue.

Effective Date:	06/01/2008
Policy Number:	NL1234567
Face Amount:	\$100,000
Insured:	Ethan Allen
Issue Age:	35
Owner:	Ethan Allen
Beneficiary:	As stated in the application unless later changed.

The data and the terms on this and all following pages are part of this policy.

This policy is a legal contract between the policy Owner and National Life Insurance Company. READ YOUR POLICY CAREFULLY.

Signed for National Life Insurance Company at Montpelier, Vermont, as of the Effective Date, by



Chairman, President & CEO



Secretary

Registrar

NATIONAL LIFE INSURANCE COMPANY

(who code/agency #)

DATA SECTION
VARIABLE LIFE INSURANCE – UNISEX

POLICY NUMBER: [NL1234567] [DATE OF ISSUE: JUNE 01, 2008]

INSURED: [ETHAN ALLEN]

ISSUE AGE: [35] FACE AMOUNT: [\$100,000.00]

OWNER: AS STATED IN THE APPLICATION UNLESS LATER CHANGED

BENEFICIARY: AS STATED IN THE APPLICATION UNLESS LATER CHANGED

DEATH BENEFIT OPTION: [OPTION A]

MONTHLY POLICY DATE: [01]

MINIMUM MONTHLY PREMIUM: [\$51.10]

POLICY PROTECTION PERIOD: [JUNE 01, 2008 – MAY 31, 2013]

PLANNED PERIODIC PREMIUM: [\$908.00] PAYABLE [ANNUALLY]
[FOR PREMIUM PAYMENT PERIOD: JUNE 01, 2008 TO JUNE 01, 2093]

THIS POLICY MAY TERMINATE PRIOR TO THE END OF THE PREMIUM PAYMENT PERIOD IF PREMIUMS PAID ARE INSUFFICIENT TO CONTINUE COVERAGE. PREMIUMS IN ADDITION TO THE PLANNED PERIODIC PREMIUM MAY BE NECESSARY TO KEEP THIS COVERAGE IN FORCE.

POLICY LOANS AND WITHDRAWALS WILL REDUCE THE CASH SURRENDER VALUE OF THIS POLICY AND MAY RESULT IN TERMINATION OF THIS POLICY PRIOR TO THE DEATH OF THE INSURED.

MINIMUM FACE AMOUNT: [\$50,000]
MINIMUM INCREASE AMOUNT: \$25,000
MINIMUM WITHDRAWAL AMOUNT: \$500.00

LOAN INTEREST RATE: 5.00%

DATA SECTION
INVS/U NL1234567 FIRST COVER PAGE OF THREE

DATA SECTION

INITIAL PREMIUM ALLOCATION:

[SENTINEL:	
COMMON STOCK	50%
MID CAP GROWTH	0%
SMALL COMPANY	0%
BALANCED	0%
BOND	0%
MONEY MARKET	0%
ALGER AMERICAN:	
LEVERAGED ALLCAP	50%
GROWTH	0%
SMALL CAPITALIZATION	0%
ALLIANCEBERNSTEIN:	
VALUE	0%
SMALL/MID CAP VALUE	0%
INTERNATIONAL VALUE	0%
INTERNATIONAL GROWTH	0%
AMERICAN CENTURY:	
VALUE	0%
VISTA	0%
INTERNATIONAL	0%
INFLATION PROTECTION	0%
DWS:	
SMALL MID CAP VALUE VIP	0%
SMALL CAP INDEX VIP	0%
FIDELITY:	
EQUITY-INCOME	0%
INDEX 500	0%
GROWTH	0%
CONTRAFUND	0%
VALUE STRATEGIES	0%
MID CAP	0%
OVERSEAS	0%
INVESTMENT GRADE BOND	0%
HIGH INCOME	0%
FRANKLIN TEMPLETON:	
MUTUAL SHARES	0%
SMALL CAP VALUE	0%
SMALL-MID CAP GROWTH	0%
FOREIGN SECURITIES	0%
MUTUAL DISCOVERY	0%
US GOVERNMENT	0%]

DATA SECTION

DATA SECTION

INITIAL PREMIUM ALLOCATION (CONTINUED)

[JANUS ASPEN:	
FORTY	0%
MID CAP VALUE	0%
INTERNATIONAL GROWTH	0%
GLOBAL TECHNOLOGY	0%
MFS:	
VALUE	0%
RESEARCH BOND	0%
UTILITIES	0%
NEUBERGER BERMAN:	
PARTNERS	0%
SOCIAL RESPONSIVE	0%
MID-CAP GROWTH	0%
SHORT DURATION	0%
OPPENHEIMER:	
SMALL CAP	0%
BALANCED	0%
STRATEGIC	0%
T. ROWE PRICE:	
EQUITY INCOME	0%
BLUE CHIP GROWTH	0%
CAPITAL APPRECIATION	0%
HEALTH SCIENCES	0%
VAN ECK:	
EMERGING MARKETS	0%
BOND	0%
REAL ESTATE	0%
HARD ASSETS	0%]
NATIONAL LIFE INSURANCE COMPANY:	
GENERAL ACCOUNT	0%

INITIAL ALLOCATION OF MONTHLY DEDUCTIONS: [IN A PRO-RATA DISTRIBUTION]
MAXIMUM TRANSFER CHARGE (APPLICABLE TO CHARGEABLE TRANSFERS FOLLOWING
THE TWELFTH CHARGEABLE TRANSFER MADE IN ANY POLICY YEAR): \$25.00

DATA SECTION

GUARANTEED BASIS OF CALCULATIONS

FACE AMOUNT: [\$100,000]
EFFECTIVE DATE: [JUN 01, 2008]

MINIMUM GENERAL ACCOUNT INTEREST RATE: 3.00%
ACCUMULATED VALUE INTEREST RATE: 3.00%

MORTALITY TABLE: COMMISSIONERS 2001 CSO ULTIMATE, NON-SMOKER AGE NEAREST
BIRTHDAY

THE INSURED HAS BEEN CLASSIFIED A [NON-SMOKER].

TABLE OF GUARANTEED MAXIMUM COST OF INSURANCE RATES
(PER \$1,000 PER MONTH)

<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>	<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>	<u>ATTAINED</u> <u>AGE</u>	<u>RATE</u>
35	0.09	64	1.10	93	17.02
36	0.09	65	1.22	94	18.40
37	0.10	66	1.33	95	19.99
38	0.10	67	1.45	96	21.50
39	0.11	68	1.59	97	23.11
40	0.12	69	1.72	98	23.99
41	0.13	70	1.89	99	25.23
42	0.14	71	2.07	100	26.83
43	0.15	72	2.30	101	28.35
44	0.17	73	2.55	102	30.08
45	0.18	74	2.82	103	32.04
46	0.20	75	3.10	104	34.26
47	0.22	76	3.42	105	36.73
48	0.23	77	3.78	106	39.34
49	0.25	78	4.20	107	42.10
50	0.27	79	4.67	108	44.96
51	0.29	80	5.19	109	47.98
52	0.32	81	5.80	110	51.12
53	0.36	82	6.43	111	54.24
54	0.40	83	7.11	112	57.34
55	0.45	84	7.85	113	60.29
56	0.50	85	8.67	114	64.21
57	0.55	86	9.55	115	67.99
58	0.60	87	10.56	116	71.96
59	0.65	88	11.64	117	76.31
60	0.72	89	12.76	118	80.49
61	0.80	90	13.88	119	84.80
62	0.89	91	14.78	120	90.91
63	0.99	92	15.81	121+	0.00

DATA SECTION

FACE AMOUNT: \$100,000
EFFECTIVE DATE: JUN 01, 2008

DEFINITION OF LIFE INSURANCE TEST: [GUIDELINE PREMIUM TEST]

[GUIDELINE SINGLE PREMIUM: \$ 14,183.89
GUIDELINE LEVEL PREMIUM: \$ 1,204.59]

TABLE OF DEATH BENEFIT STANDARD FACTORS

ATTAINED AGE	DEATH BENEFIT FACTOR	ATTAINED AGE	DEATH BENEFIT FACTOR	ATTAINED AGE	DEATH BENEFIT FACTOR
0 - 40	2.50	54	1.57	68	1.17
41	2.43	55	1.5	69	1.16
42	2.36	56	1.46	70	1.15
43	2.29	57	1.42	71	1.13
44	2.22	58	1.38	72	1.11
45	2.15	59	1.34	73	1.09
46	2.09	60	1.30	74	1.07
47	2.03	61	1.28	75 - 90	1.05
48	1.97	62	1.26	91	1.04
49	1.91	63	1.24	92	1.03
50	1.85	64	1.22	93	1.02
51	1.78	65	1.20	94+	1.01
52	1.71	66	1.19		
53	1.64	67	1.18		

DATA SECTION

FACE AMOUNT: \$100,000
EFFECTIVE DATE: JUN 01, 2008

PERCENT OF PREMIUM EXPENSE CHARGE: 6.00%

MONTHLY EXPENSE CHARGE:

POLICY YEARS 1 – 10: [\$18.96
POLICY YEARS 11 + : \$0.00]

MONTHLY POLICY FEE: \$7.50

MONTHLY ACCOUNT VALUE CHARGE: 0.04%

SURRENDER CHARGES

TWELVE MONTH PERIOD BEGINNING	SURRENDER CHARGE
JUNE 1, 2008	[\$ 2,327.00
JUNE 1, 2009	\$ 2,094.00
JUNE 1, 2010	\$ 1,861.00
JUNE 1, 2011	\$ 1,629.00
JUNE 1, 2012	\$ 1,396.00
JUNE 1, 2013	\$ 1,163.00
JUNE 1, 2014	\$ 930.00
JUNE 1, 2015	\$ 698.00
JUNE 1, 2016	\$ 465.00
JUNE 1, 2017	\$ 232.00
JUNE 1, 2018 AND LATER	\$ 0.00]

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Any riders and Endorsements and a copy of the application, follow page 33

We, National Life Insurance Company, agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Home Office due proof that the Insured died while this policy was in force.

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of the first premium. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

On the Effective Date the entire contract between the parties is this policy and a copy of the application and all riders and endorsements which are attached at issue. Any change of this contract must be written and may be made only by one of our authorized officers or registrars. We will send the Owner a copy of any application for a change which we approve. It and any additional Data Section shall become part of this contract on the effective date of such change.

REPRESENTATIONS

Any statement made by or for the Insured shall be deemed a representation and not a warranty. Unless such statement is in the attached application or in any subsequent application, it shall not be used to:

1. make this policy void; or
2. make any increase in Face Amount void; or
3. make any Reinstatement void; or
4. defend any claim.

INCONTESTABILITY

After this policy has been in force during the life of the Insured for two years from the Effective Date of the policy, we will not contest it; however,

1. we may contest any increase in Face Amount for which an application is required until such increase has been in force during the life of the Insured for two years from its Effective Date; and
2. we may contest any Reinstatement until such Reinstatement has been in force during the life of the Insured for two years from its Effective Date.

POLICY EFFECTIVE
DATES

The insurance coverage goes into effect on the Effective Date shown in the Data Section.

Any increase in Face Amount for which an application is required shall become effective on the Monthly Policy Date on or next following the date we approve the application for such increase in Face Amount.

Any increase in Face Amount for which an application is not required shall become effective on the Monthly Policy Date on or next following the date we receive the request for such increase unless otherwise provided by the policy.

Any decrease in Face Amount requested shall become effective on the Monthly Policy Date on or next following the date we receive the request for such decrease.

Any Reinstatement of this policy shall become effective on the Monthly Policy Date on or next following the date we approve the application for Reinstatement.

Any change of Death Benefit Option shall become effective on the Monthly Policy Date on or next following the date we receive the request for such change.

POLICY MONTHS,
YEARS AND
ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Effective Date. The Monthly Policy Date shown in the Data Section occurs on the same day each month or on the last day of any month having no such date. The Effective Date is the first Monthly Policy Date.

MISSTATEMENT OF
AGE

The Issue Age shown in the Data Section is the age of the Insured on his or her birthday nearest to the Effective Date. It is based on the date of birth shown in the application.

If the age of the Insured has been misstated, we will adjust the Face Amount based on the Monthly Deduction for the most recent Monthly Policy Date prior to the date we receive proof to our satisfaction of such misstatement. If the age of the Insured has been misstated, the Accumulated Value will not be adjusted and any future Monthly Deductions made will be based on the correct age of the Insured. If the Insured has died, we will adjust the Face Amount as of the last Monthly Policy Date prior to the Insured's death.

VALUATION DATE
AND VALUATION
PERIOD

A Valuation Date is each day that the New York Stock Exchange is customarily open for regular trading, except for any day on which trading is restricted by directive, order or emergency as declared by the Securities and Exchange Commission.

A Valuation Period is the period between two successive Valuation Dates.

INTEREST RATES

All interest rates stated in this policy are effective annual rates.

ATTAINED AGE

The Attained Age of the Insured on any date is the Issue Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Effective Date.

PAYMENT OF
BENEFITS

We will pay all benefits under this policy at our Home Office. Before payment of any Death Benefit we may investigate the death.

POSTPONEMENT OF
BENEFITS

We will pay any amounts which are payable as a result of Cash Surrender, Withdrawals, or Policy Loans and which are allocated to the Separate Account within seven days after we receive written request in a form satisfactory to us. However, determination and payment of any amount payable from the Separate Account may be postponed whenever:

1. the New York Stock Exchange is closed, or trading on the New York Stock Exchange is restricted by directive of the Securities and Exchange Commission; or
2. the Securities and Exchange Commission by order permits postponement for the protection of policyowners; or
3. an emergency exists, as determined by the Securities and Exchange Commission, as a result of which it is not reasonably practicable to dispose of securities or to determine the value of the net assets of the Separate Account.

Transfers to or from the Sub-Accounts of the Separate Account, though normally occurring on the same day we receive the request for transfer, may also be postponed upon any of the above events.

We may delay payment of any amounts which are payable as a result of Cash Surrender or Withdrawals and which are allocated to the General Account for up to six months after we receive written request in a form satisfactory to us. If we defer such payment for more than 30 days, we will pay interest at a rate not less than the Minimum General Account Interest Rate stated in the Data Section, or as mandated by state law, from the date we receive such request to the date of payment.

We may also delay payment of any amounts which are payable as a result of a Policy Loan and which are allocated to the General Account for up to six months after we receive written request in a form satisfactory to us.

We will pay the Death Benefit within seven days after we receive due proof satisfactory to us of the Insured's death while this policy is in force. We may postpone determination and payment of any Death Benefit in excess of the Face Amount, net of any debt to us on this policy, upon any of the events enumerated above.

We have the right to postpone payment which is derived from any amount recently paid to us by check or draft, until we are satisfied the check or draft has been paid by the bank or other financial institution on which it is drawn.

BASIS OF VALUES

The guaranteed values for this policy are equal to or greater than those required by the law of the state where this policy is delivered. The guaranteed values are based on the Accumulated Value Interest Rate and Mortality Table shown in the Data Section. A detailed statement of the method of computing values has been filed in the state in which this policy is delivered.

The Paid Up Annuity Values, and all tabled values in Payment Options, are based on the 2000 Table for Individual Annuitant Mortality (IAM) and compound interest at a rate of 1.50% per year.

NOTICES

Unless this policy provides otherwise, any requests for changes or notices:

1. from us to the Owner shall be sent to the last address known to us of the Owner; and
2. from us to an assignee shall be sent to the last address known to us of such assignee; and
3. from the Owner or an assignee to us must be in writing and received by us at our Home Office in Montpelier, Vermont.

ANNUAL REPORT

At least once each Policy Year we will send a report to the Owner. The report will show, as of its date:

1. the Accumulated Value; and
2. the Cash Surrender Value; and
3. any debt to us on this policy; and
4. the Death Benefit.

The report will also show a summary of transactions of the previous year and any information required by law.

PROJECTION REPORT

The Owner may request, in writing, a report which projects future values and future Death Benefits for this policy. The report will also show any information required by law. We may charge a fee for the report. The Projection Report will be based on:

1. data the Owner gives us as to Face Amount and premiums; and
2. such assumptions as either the Owner or we specify.

ROLES IN THIS POLICY

OWNER

The Owner may:

1. exercise the rights under this policy; and
2. assign the policy; and
3. release or discharge the policy; and
4. change the policy if we agree to such change; and
5. enjoy the benefits under this policy.

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner cannot change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while the Insured is alive.

INSURED

The Death Benefit becomes payable upon the death of the Insured. The Insured, in his or her role as the Insured, has no rights and receives no benefits under this policy.

BENEFICIARY

The Owner has the right to change the Beneficiary. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary who dies before the Insured shall vest in the Owner unless otherwise stated.

If used, the term "children" of any person shall include only lawful children born to or legally adopted by that person.

We may rely on an affidavit by any person who in our judgment knows the facts to identify any Beneficiary or payee not specified by name. All our liability shall cease when we pay on the basis of such affidavit.

TRUST BENEFICIARY

Unless an authorized officer or registrar of the Company explicitly agrees in writing, the following provision shall apply when a trust is named as Beneficiary.

In no event is the Company responsible for the application or disposition of any proceeds it pays to a Trust Beneficiary. Payment to a Trust Beneficiary is a full discharge of the liability of the Company. If a designated trust provides for successor trustees, the designation in this policy includes successor trustees. Likewise, if the trust allows amendments, the trust, if so amended, remains as a designated Beneficiary.

A Trust Beneficiary is considered to be a Beneficiary who did not survive the Insured if:

1. the trust has been terminated; or
2. the specified testamentary trust does not qualify as such; or
3. for any other reason a Trust Beneficiary is not entitled to any proceeds.

CHANGE OF BENEFICIARY

If the Owner has the right, a new Beneficiary may be named from time to time during the life of the Insured by filing at our Home Office written notice in such form as we may require. When notice is received at our Home Office, the change shall take effect on the date the notice is signed whether or not the Insured is living at the time of receipt. We will not be liable for any payment we make before receipt of the written notice at our Home Office.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Home Office. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

SPENDTHRIFT PROVISION

If we receive at our Home Office written request by the Owner for this Spendthrift Provision, then, to the extent allowed by law:

1. only the Owner may transfer, anticipate, commute, or encumber the proceeds of this policy; and
2. only legal process against the Owner may affect the proceeds of this policy.

Any proceeds payable after this request is withdrawn by the Owner shall not be affected by this provision.

PREMIUMS

POLICY PROTECTION PERIOD

The first 60 months following the Date of Issue during which this policy remains continuously in force is referred to as the Policy Protection Period. An increase in coverage does not initiate a new Policy Protection Period.

PAYMENT OF PREMIUMS

The first premium is due on the Date of Issue. This first premium cannot be less than the Minimum Monthly Premium shown in the Data Section.

During the first sixty months of the policy the payment of cumulative premiums, in excess of withdrawals and loans, at least equal to the Minimum Monthly Premiums payable since the Effective Date of the policy will keep the policy in force to the next Monthly Policy Date, as long as the Accumulated Value net of any debt is sufficient to provide for Monthly Deductions. Otherwise, this policy will remain in force as long as the Cash Surrender Value is sufficient to provide for Monthly Deductions.

The Planned Periodic Premiums are the premiums the Applicant has requested be billed. Planned Periodic Premiums may be paid on an annual, semi-annual, quarterly, or monthly basis. The Owner may change the amount or frequency of such premiums at any time by sending a written notice to us at our Home Office. However, we may limit any increase in either amount or frequency.

Premiums in addition to the Planned Periodic Premiums may be necessary to keep this policy and the coverages provided by this policy and any additional benefit riders in force.

We will accept Unscheduled Premiums, which are premiums in addition to the Planned Periodic Premiums.

All premiums are limited by a minimum and a maximum. The minimum is \$50 per premium. The maximum is the limit imposed by the Internal Revenue Code for qualifying the policy as "Life Insurance" for Federal Income Tax purposes, or any amount which may increase the Death Benefit by more than the amount of the premium paid. We will not accept any premium in excess of the maximum. We will return any premiums not accepted and any interest credited to such premiums to the Owner within 60 days after the end of the Policy Year in which the premiums were received.

The first premium may be paid to us either through our duly authorized agent in exchange for a receipt signed by that agent or at our Home Office. All later premiums must be paid to us at our Home Office. No premiums will be accepted following the Policy Anniversary upon which the Insured reaches Attained Age 121.

NET PREMIUM

A Net Premium is determined by multiplying a premium received times 1 minus the Percent of Premium Expense Charge stated in the Data Section.

PREMIUM ALLOCATION

The Owner has the right to designate the allocation of net premiums among the General Account and the Sub-Accounts of the Separate Account. The initial allocation is shown in the Data Section. That portion of the premium paid on the Date of Issue which is allocated to the General Account will be transferred to the General Account upon receipt. However, any portion of the premium paid on the Date of Issue which is allocated to a Sub-Account of the Separate Account will be held in the Money Market Fund Sub-Account until the end of the 20th day following the Date of Issue.

It will then be transferred to any other accounts as designated by the Owner.

The allocation must be made in percentages. Each percentage must be a whole number. No allocation need be made to the General Account or to any particular Sub-Account. Each allocation made must be at least one percent.

The Owner may change the allocation of future premiums by notifying us in writing at our Home Office. Any allocation made will remain in effect until changed.

GRACE PERIOD

If on any Monthly Policy Date the Cash Surrender Value is less than the Monthly Deduction on such date, a Grace Period shall start, unless:

1. the policy is within the Policy Protection Period; and
2. the Accumulated Value less any debt to us on this policy is greater than the Monthly Deduction on that date; and
3. the cumulative premiums paid since the policy's Effective Date, less any withdrawals and less any debt to us on this policy, are greater than or equal to the cumulative Minimum Monthly Premiums due since the policy's Effective Date.

A Grace Period shall be 61 days. During a Grace Period this policy shall remain in force.

The premium needed to keep the policy in force beyond a Grace Period which ends during the Policy Protection Period shall equal the greater of (a) or (b) where:

- a) equals the sum of the Minimum Monthly Premiums in effect on the policy over all of the months from the Effective Date of the policy to the start of the Grace Period, plus all withdrawals, plus three times the Minimum Monthly Premium in effect at the beginning of the Grace Period, plus any debt to us on this policy, less all premiums paid; and where
- b) equals the premium which will be sufficient to produce an Accumulated Value, net of policy debt, equal to two times the Monthly Deduction due on the date the Grace Period began.

Such sum not to exceed the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due on the date the Grace Period began.

The premium needed to keep the policy in force beyond a Grace Period which ends after the Policy Protection Period shall be the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due on the date the Grace Period began.

We will mail notice of the premium needed to the Owner. If such premium is unpaid on the later of:

1. the last day of the Grace Period; or
2. the 61st day after such notice is sent;

then this policy shall terminate without value.

A Grace Period will not begin solely because payments of Planned Periodic Premiums are discontinued. Whether or not premiums are paid, Monthly Deductions will be made from the Accumulated Value. The terms of this Grace Period provision will determine if and when a Grace Period starts.

REINSTATEMENT

If this policy terminates after the end of a Grace Period, it may be reinstated. It must be reinstated on a Monthly Policy Date within five years from the start of such Grace Period.

For Reinstatement we will require:

1. an application for Reinstatement; and
2. proof to our satisfaction that the Insured is insurable; and
3. payment of an amount determined as follows:
 - a) If Reinstatement occurs during a Policy Protection Period, the required payment shall be an amount equal to the premium which will be sufficient to produce an Accumulated Value, net of policy debt, four times the Monthly Deduction due on the date the Grace Period began, or, if greater:
 - i. the sum of the Minimum Monthly Premiums in effect on the policy over all months from the Effective Date of this policy to the start of the Grace Period; plus
 - ii. all withdrawals; plus
 - iii. three times the Minimum Monthly Premium in effect at the beginning of the Grace Period; plus
 - iv. any debt to us on this policy; less
 - v. all premiums paid.

The above amount not to exceed the premium required to make the Cash Surrender Value sufficient to provide:

1. two times the Monthly Deduction due on the date the Grace Period began; plus
 2. three times the Monthly Deduction due on the date of Reinstatement.
- b) If Reinstatement occurs after the Policy Protection Period, the required payment shall be a premium which will make the Cash Surrender Value sufficient to provide:
 - i. two times the Monthly Deduction due on the date the Grace Period began; plus
 - ii. three times the Monthly Deduction due on the date of Reinstatement.

We will send the Owner notice of the required payment upon request.

In the event of Reinstatement:

1. the Accumulated Value of the policy at the time of final lapse will be restored along with the Cash Value available for deductions at the time that the Grace Period began; and
2. the schedule of Surrender Charges for the policy months following the date the Grace Period began shall become the schedule of Surrender Charges for the policy months following the date of Reinstatement; and
3. the schedule of Monthly Expense Charges for the policy months following the date the Grace Period began shall become the schedule of Monthly Expense Charges for the policy months following the date of Reinstatement.
4. The months remaining in the Policy Protection Period at the time of final lapse will be restored.

DEATH BENEFIT AND POLICY CHANGES

DEATH BENEFIT

We will pay the Death Benefit to the Beneficiary when we receive at our Home Office due proof that the Insured died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of the Insured's death to the date of payment. We will set the rate of interest at not less than the Accumulated Value Interest Rate shown in the Data Section or as mandated by state law. If the Death Benefit is not paid within 30 days after we receive at our Home Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8.00% per year.

DEATH BENEFIT OPTIONS

The Owner may elect either of two Death Benefit Options, Option A or Option B. The Death Benefit Option is stated in the Data Section.

Option A. Under Option A, the Death Benefit is equal to the greater of:

1. the Face Amount of the policy on the date of the Insured's death; or
2. the Death Benefit Factor shown in the Data Section multiplied by the Accumulated Value on the date of the Insured's death;

less the amount of any Monthly Deductions then due and any debt to us on this policy.

Option B. Under Option B, the Death Benefit is equal to the greater of:

1. the Face Amount plus the Accumulated Value of the policy on the date of the Insured's death; or
2. the Death Benefit Factor shown in the Data Section multiplied by the Accumulated Value on the date of the Insured's death;

less the amount of any Monthly Deductions then due and any debt to us on this policy.

CHANGES IN FACE
AMOUNT AND
DEATH BENEFIT
OPTION

The Owner may request any of the following changes. We will make a change subject to the conditions stated. These changes may be made only while the Insured is living and after the first Policy Anniversary. We will send the Owner a revised or additional Data Section if any of these changes is made.

Face Amount Increases. We will require an application from the Owner and proof to our satisfaction that the Insured is then insurable. An increase in Face Amount must satisfy the Minimum Face Amount requirements of the policy and shall be effective upon the Monthly Policy Date on or next following our approval. The Minimum Monthly Premium will be recomputed to reflect an increase in Face Amount. Face Amount Increases may only be made prior to the Insured's Attained Age 86.

Face Amount Decreases. We will require a written request from the Owner. A decrease in Face Amount shall be effective upon the Monthly Policy Date on or next following our receipt of the request. The Minimum Monthly Premium will be recomputed to reflect a decrease in Face Amount. Face Amount Decreases may only be made prior to the Insured's Attained Age 121.

Decreases shall not be permitted which would reduce the sum of the Face Amount to less than any of the following:

1. the minimum insurance amount for which the policy would qualify as "Life Insurance" for Federal Income Tax purposes under the Internal Revenue Code; or
2. the Minimum Face Amount shown in the Data Section; or
3. 75% of the largest total Face Amount in force at any time in the twelve policy months prior to our receipt of the request. This restriction applies only during the first ten Policy Years.

A decrease in Face Amount will affect units of Face Amount in the reverse order in which they were created.

Death Benefit Option Changes. The Death Benefit Option may be changed once each Policy Year after the first Policy Anniversary. We will require a written request from the Owner. A change will be effective on any Monthly Policy Date requested. The change may be made only if after such change the policy would qualify as "Life Insurance" for Federal Income Tax purposes under the Internal Revenue Code. A change in Death Benefit Option may only be made prior to the Insured's Attained Age 121.

1. Upon a change from Option A to Option B, the Face Amount shall decrease by an amount equal to the Accumulated Value of the policy just prior to the Effective Date of the change. However, the change may be made only if after such change the Face Amount would not be less than the Minimum Face Amount shown in the Data Section.
2. Upon a change from Option B to Option A, the Face Amount shall increase by an amount equal to the Accumulated Value of the policy just prior to the Effective Date of the change. No additional Surrender Charges or Monthly Expense Charges shall be imposed solely because of this change.
3. The Minimum Monthly Premium will be recomputed to reflect a change in Death Benefit Option.

SUICIDE LIMITATION

If the Insured dies within two years of the Effective Date as the result of suicide, while sane or insane, we will pay only a sum equal to:

1. the premiums paid; less
2. any withdrawals made; less
3. any debt to us on this policy.

A similar two-year period shall apply to any increase in Face Amount for which an application is required. Such period shall begin on the Effective Date of any such increase. During such period if the Insured dies as the result of suicide, while sane or insane, we will pay, in lieu of any such increase in Face Amount, only a sum equal to the Cost of Insurance that we have deducted from the Accumulated Value for such increase.

Payment will be made to the Beneficiary.

INVESTMENT

Investment of the Accumulated Value of the policy may be made in the General Account and/or in one or more of the Sub-Accounts of the National Variable Life Insurance Account (herein called the "Separate Account"). The Accumulated Value in the Separate Account is based on the investment experience of the chosen Sub-Account(s) of the Separate Account, and may increase or decrease daily. It is not guaranteed as to dollar amount.

*National Life Insurance Company
One National Life Drive * Montpelier, Vermont 05604 * (802) 229-3333*

GENERAL ACCOUNT

The General Account is composed of the admitted assets of National Life Insurance Company other than those in the Separate Account or any other separate account.

INTEREST RATES CREDITED TO THE ACCUMULATED VALUE IN THE GENERAL ACCOUNT

The rate of interest credited on any portion of the Accumulated Value in the General Account shall never be less than the Minimum General Account Interest Rate shown in the Data Section. We may credit interest at a higher interest rate.

Interest at different rates may be credited to:

1. that portion which is equal to any debt to us on this policy; and
2. any portion in excess of any such debt.

SEPARATE ACCOUNT

The Separate Account is composed of assets owned by National Life Insurance Company. These assets are held separate and apart from General Account assets. The Separate Account is devoted exclusively to the investment of assets of variable life insurance policies. Income, gains, and losses from assets allocated to the Separate Account, whether or not realized, are credited to or charged against such account without regard to our other income, gains, or losses. The portion of the assets of the Separate Account equal to the reserves and other liabilities for these policies shall not be chargeable with liabilities arising out of any other business which we may conduct.

We may transfer assets which exceed the reserves and other liabilities of the Separate Account to our General Account.

The Separate Account is registered with the Securities and Exchange Commission as a unit investment trust under the Investment Company Act of 1940 ("the 1940 Act"). It is also governed by applicable state law. We may make certain changes if, in our sole judgment, they would best serve the interests of the owners of policies such as this one or would be appropriate in carrying out the purposes of such policies. Any changes will be made only if permitted by applicable laws and regulations. Also, when required by law, we will obtain the approval of policyowners of the changes and the approval of any appropriate regulatory authority.

For example, we may:

1. operate the Separate Account as a management company under the 1940 Act; and
2. deregister the Separate Account under the 1940 Act if registration is no longer required; and
3. combine or substitute separate accounts; and
4. transfer all or part of the assets of the Separate Account to another separate account or to the General Account; and
5. make any changes necessary to comply with, or obtain and continue any exemptions from the 1940 Act; and
6. make any other necessary technical changes in this policy to conform with any action this provision permits us to take.

SUB-ACCOUNTS

The Separate Account has several Sub-Accounts. Each Sub-Account will buy shares of an investment fund. Each investment fund represents a separate investment portfolio.

If, in our judgment, an investment fund no longer suits the investment goals of the policy, or tax or marketing conditions so warrant, we may substitute shares of another investment fund or shares of another investment company. If the Owner has an interest in the Sub-Account affected, we will notify the Owner before doing so and, to the extent required by law, we will get prior approval from the Securities and Exchange Commission. We also will secure any other required approvals. If this policy has Accumulated Value in a Sub-Account affected by any such change, and if the Owner wishes, we will transfer that value at the Owner's written direction from that Sub-Account, without charge, to the General Account or another Sub-Account.

We may also eliminate, combine, or substitute Sub-Accounts and establish new Sub-Accounts if in our judgment marketing needs, tax considerations, or investment conditions warrant. Any new Sub-Accounts may be made available to existing policies on a basis to be determined by us. We also may transfer assets from a Sub-Account to another Sub-Account or separate account if the transfer in our judgment would best serve the interests of the owners of policies such as this one or would be appropriate in carrying out the purposes of such policies, but only if permitted by applicable laws or regulations. If any of these changes is made, we may by appropriate endorsement change the policy to reflect the change.

If the Owner has Accumulated Value in a Sub-Account that will be eliminated, we will notify the Owner at least 30 days before the elimination, and will request that the Owner designate the account(s) to which the Accumulated Value in the Sub-Account to be eliminated should be transferred. Upon the elimination of such a Sub-Account, the Accumulated Value in that Sub-Account will be transferred to the General Account and/or Sub-Account(s) in accordance with the designation received by us from the Owner or, if such a designation is not received prior to the liquidation date, to the Money Market Fund Sub-Account. A Transfer Charge will not be imposed for transfers made upon elimination of a Sub-Account.

Income and realized and unrealized gains or losses from the assets of each Sub-Account of the Separate Account are credited to or charged against that Sub-Account without regard to income, gains, or losses in the other Sub-Accounts of the Separate Account, the General Account, or any other Separate Accounts. We reserve the right to credit or charge a Sub-Account in a different manner if required, or made appropriate, by reason of a change in the law. We maintain records of all purchases and redemptions of investment fund shares by each of the Sub-Accounts.

VALUATION

We will value the assets of each Sub-Account of the Separate Account on each Valuation Date.

TRANSFERS

Subject to any applicable Transfer Charges, the Owner may transfer Accumulated Value among the Sub-Accounts or to the General Account without limitation, except that we may:

1. reject any transfer instruction if we or an affected Sub-Account's investment manager reasonably believe that the Owner's transfer activity has been or may become disruptive to the management of the investment fund in which a Sub-Account is invested;
2. limit transfers to one per month;
3. require a minimum period between transfers;
4. establish a maximum transfer amount; or
5. reject a transfer request from a person acting on behalf of multiple policyholders.

However, only one transfer from the General Account to the Separate Account may be made during any Policy Year. The Accumulated Value transferred from the General Account in any Policy Year may not exceed the greater of:

1. 25% of the unloaned portion of the Accumulated Value in the General Account immediately prior to the transfer; and
2. \$5,000.

POLICY VALUES

ACCUMULATED VALUE OF THE POLICY

The Accumulated Value of the policy is equal to the sum of the Accumulated Value in the General Account and the Accumulated Value in the Separate Account.

ACCUMULATED VALUE IN THE GENERAL ACCOUNT

The Accumulated Value in the General Account on any day is:

1. the Accumulated Value in the General Account on the just prior Monthly Policy Date, if any; plus
2. interest on the Accumulated Value in the General Account on the just prior Monthly Policy Date from the just prior Monthly Policy Date to such day; plus
3. the amount of all Net Premiums accepted since the just prior Monthly Policy Date which are allocated to the General Account; plus
4. interest on item (3) from the date of Net Premium allocation to the General Account to such day; plus
5. the amount of all Accumulated Values transferred to the General Account from a Sub-Account of the Separate Account since the just prior Monthly Policy Date; plus
6. interest on item (5) from the date of the transfer to such day; less
7. the amount of all Accumulated Values transferred from the General Account to a Sub-Account of the Separate Account since the just prior Monthly Policy Date; less
8. interest on item (7) from the date of transfer to such day; less
9. the amount of all Accumulated Values withdrawn from the General Account since the just prior Monthly Policy Date; less
10. interest on item (9) from the date of withdrawal to such day; less
11. any Monthly Deduction allocated to the General Account which is due on such day.

ACCUMULATED VALUE IN THE SEPARATE ACCOUNT

The Accumulated Value in the Separate Account is the sum of the Accumulated Values in each Sub-Account of the Separate Account.

ACCUMULATED
VALUE IN A
SUB-ACCOUNT

On the later of the Date of Issue of the policy or the date the first premium is received by us, that portion of the Net Premium allocated to any Sub-Account of the Separate Account will be credited to the Money Market Fund Sub-Account. The Accumulated Value in the Money Market Fund Sub-Account on that date is that portion of the Net Premium less the Monthly Deductions allocated to the Separate Account.

On any later day which is a Valuation Date, the policy's Accumulated Value in each Sub-Account is the number of units in the Sub-Account multiplied by the Unit Value on that date.

REDEMPTION FEE

An investment fund may assess a Redemption Fee of up to 2% on Sub-Account assets that are redeemed of the investment fund in connection with a withdrawal or transfer. Each investment fund determines the amount of the Redemption Fee and when the fee is imposed. The Redemption Fee will reduce the Accumulated Value.

UNITS IN A
SUB-ACCOUNT

Amounts allocated, transferred, or added to a Sub-Account are used to purchase units in that Sub-Account. Units are redeemed when amounts are deducted, transferred, or withdrawn. The number of units in any given Sub-Account attributable to this policy on any given date equals the number of units purchased by funds attributable to this policy minus the number of units redeemed under this policy up to such date. For each Sub-Account, the number of units purchased or redeemed in connection with a particular transaction is determined by dividing the dollar amount of the transaction by the Unit Value on the day the transaction is performed.

UNIT VALUE

The Unit Value in a Sub-Account on any Valuation Date is equal to that Unit Value on the immediately preceding Valuation Date multiplied by the Net Investment Factor for that Sub-Account on that Valuation Date.

NET INVESTMENT FACTOR

Each Sub-Account of the Separate Account has its own Net Investment Factor. The Net Investment Factor measures the performance of the Sub-Account for individual Valuation Periods. The Net Investment Factor is calculated as follows:

1. Take the net asset value per share of the corresponding investment fund on the current Valuation Date.
2. Add the per share capital gain or loss and dividend distribution of the investment fund during the current Valuation Period.
3. Divide the result of item (2) by the net asset value per share of the corresponding investment fund on the just prior Valuation Date.
4. Subtract from the result of item (3) any Tax Charge during the current Valuation Period.

The result of item (4) is the Net Investment Factor on the current Valuation Date.

On any date after the Date of Issue other than a Valuation Date, the Accumulated Value in a Sub-Account is the Accumulated Value of such Sub-Account on the next following Valuation Date.

CASH SURRENDER VALUE

The Owner may, by written request to us, surrender this policy while the Insured is living for its Cash Surrender Value. We may require that the policy be returned to us. When this policy has been surrendered, it shall be null and void and all rights shall cease.

The Cash Surrender Value on any day shall be equal to:

1. the Accumulated Value on such day; less
2. any debt to us on this policy; less
3. any Surrender Charges which apply on such day.

SURRENDER CHARGES

Surrender Charges apply to the initial Face Amount of the policy during the first 120 Policy Months from the Date of Issue as well as to each increase in Face Amount during the first 120 Policy Months following the date of each increase. The Surrender Charges are shown in the Data Section.

CHARGES AGAINST THE ACCUMULATED VALUE

TAX CHARGE

We reserve the right to deduct any charge for taxes or amounts set aside as a reserve for taxes in determining the value of a Unit Value for each of the Sub-Accounts in the event that such a tax is levied on that Sub-Account in the future.

MONTHLY DEDUCTION

The Monthly Deduction due on a Monthly Policy Date shall be the Monthly Cost of Insurance Charge, plus the Monthly Policy Fee, plus the Monthly Expense Charge, plus the Monthly Account Value Charge, plus the monthly cost of any additional benefit riders in force on this policy.

The Monthly Expense Charge is a charge per thousand of insurance which is determined based on the initial Face Amount of the base policy and the initial Face Amount of any increase made to the policy. The Monthly Expense Charge will not be reduced if the Face Amount is decreased.

The Monthly Deduction shall be deducted from the Accumulated Value of the policy on the Monthly Policy Date.

1. The Owner may elect to allocate the Monthly Deduction entirely to the Money Market Fund Sub-Account, by notifying us in writing. If the Accumulated Value in the Money Market Fund Sub-Account is not sufficient to provide for the entire Monthly Deduction on a Monthly Policy Date, the Monthly Deduction will be taken from the Money Market Fund Sub-Account until that account is exhausted, and any additional amount necessary to fund the full Monthly Deduction shall be allocated among and deducted from the General Account and the other Sub-Accounts in proportion to the respective Accumulated Values held in those accounts on the Monthly Policy Date.
2. If the Owner does not elect 1, above, the Monthly Deduction shall be allocated among and deducted from the General Account and the Sub-Accounts in proportion to the respective Accumulated Values held in those accounts on the Monthly Policy Date.

COST OF
INSURANCE
CHARGE

The Cost of Insurance rate on any day shall be based on the Issue Age and duration of this policy, the Insured's sex, the rate class of the Face Amount on the Date of Issue, and the rate class of each increase in Face Amount.

On any Monthly Policy Date, the Cost of Insurance Charge of the policy shall be the Cost of Insurance rate on such date multiplied by the excess of:

1. the Death Benefit of the policy plus any debt to us on the policy divided by the sum 1 plus the monthly Accumulated Value Interest Rate shown in the Data Section; over
2. the Accumulated Value of the policy on such date before the Cost of Insurance Charge is deducted.

We may change the Cost of Insurance rates from time to time based on our expectations of future experience. Any change in the Cost of Insurance rates shall apply to all policies of the same duration, insuring persons of the same sex, Issue Age, and rate class as the Insured.

The Cost of Insurance rates shall not be greater than the rates set forth in the Table of Guaranteed Maximum Cost of Insurance Rates shown in the Data Section. These rates are based on the Mortality Table named in the Data Section.

TRANSFER CHARGE

We may charge a Transfer Charge for the thirteenth and each subsequent requested transfer of Accumulated Value between and among the General Account and the Sub-Accounts occurring during any Policy Year. Transfers to or from more than one account at the same time shall be treated as one transfer. The Transfer Charge may not exceed the Maximum Transfer Charge stated in the Data Section. Transfer Charges shall be allocated among and deducted from the General Account and the Sub-Accounts in proportion to the Accumulated Values to be transferred from such accounts.

No Transfer Charge will be imposed for the following transactions, nor will any of the following transactions be counted against the twelve free transfers allowed each Policy Year:

1. the transfer of all Accumulated Value to the General Account if during the first two Policy Years and in one transaction; and
2. the transfer of Accumulated Value from a Sub-Account of the Separate Account to another Sub-Account or to the General Account, if there has been a material change in the investment policy of the fund in which the funds of that Sub-Account are invested; and
3. the initial allocation of the premium due on the Date of Issue from the Money Market Fund Sub-Account; and
4. transfers of Accumulated Value from the Separate Account into the Loan Collateral Account pursuant to the taking of a Policy Loan; and
5. allocation of the payment of any debt to us on this policy.

We reserve the right to deduct an additional Transfer Charge from a Sub-Account of the Separate Account if such a charge was assessed by the fund manager of the Sub-Account with respect to transfer frequency.

DOLLAR COST AVERAGING

If this feature is available, the Owner may elect in writing to have Accumulated Value automatically transferred from the Money Market Fund Sub-Account of the Separate Account to any other Sub-Accounts of the Separate Account on a monthly basis.

The Owner must specify the amount to be transferred each month from the Money Market Fund Sub-Account as well as the amount to be transferred into each of the designated Sub-Accounts of the Separate Account.

The amount transferred each month may not be less than \$100, except on any Monthly Policy Date on which the Accumulated Value in the Money Market Fund Sub-Account is less than \$100. If the Accumulated Value of the Money Market Fund Sub-Account is less than requested transfer amount, the remaining value of the Money Market Fund Sub-Account will be transferred on a pro-rata basis according to the allocation schedule specified by the Owner.

If you elected Dollar Cost Averaging at the time of application for the policy, Dollar Cost Averaging will begin on the Monthly Policy Date after the date that is 20 days after issue. If you elect Dollar Cost Averaging after the Right to Review Policy period is over, Dollar Cost Averaging will begin on the next Monthly Policy Date.

Transfers from the Money Market Fund Sub-Account to any other Sub-Accounts of the Separate Account will occur on each successive Monthly Policy Date until:

1. the Accumulated Value in the Money Market Fund Sub-Account is depleted; or
2. a written request for termination of this feature by the Owner is received at our Home Office.

If a Monthly Policy Date is not a market date, Dollar Cost Averaging will occur on the first market day following the Monthly Policy Date.

The Company may at any time discontinue the Dollar Cost Averaging feature upon 60 days prior written notice to all policyholders then utilizing this feature. The Owner may not elect Dollar Cost Averaging if Portfolio Rebalancing has been elected.

PORTFOLIO REBALANCING

If this feature is available, the Owner may elect in writing to have the Accumulated Value in the Sub-Accounts of the Separate Account automatically redistributed on a semi-annual basis according to the Premium Allocation percentages in effect at the time of the rebalancing.

If Portfolio Rebalancing is elected prior to the Date of Issue, the first rebalancing will occur on the sixth Monthly Policy Date following the Date of Issue of the policy. Subsequent rebalancing will occur in six month intervals on the Monthly Policy Date.

If Portfolio Rebalancing is elected after the Date of Issue, the first rebalancing will occur on the date the request is received. Subsequent rebalancing will occur in six month intervals measured from the date of the first rebalancing.

If a scheduled rebalancing date is not a market date, Portfolio Rebalancing will occur on the first market day following the scheduled rebalancing date.

Portfolio Rebalancing will be discontinued:

1. when the premium allocation percentages are changed; or
2. upon written request by the Owner received at our Home Office.

The Company may at any time discontinue the Portfolio Rebalancing feature upon 60 days prior written notice to all policyholders then utilizing this feature. The Owner may not elect Portfolio Rebalancing if Dollar Cost Averaging has been elected.

WITHDRAWALS

After the first Policy Anniversary and prior to the last day of the Premium Payment Period, the Owner may make withdrawals by written request to us. Withdrawals shall be subject to all of the following terms.

1. The amount withdrawn may not be less than the Minimum Withdrawal Amount stated in the Data Section.
2. The amount withdrawn may not exceed the Cash Surrender Value on the date of withdrawal less three times the Monthly Deduction due on the most recent Monthly Policy Date.
3. The Accumulated Value will be decreased by the amount of the withdrawal.
4. If Death Benefit Option A is in effect on the date of the withdrawal, the Face Amount of the policy will be reduced by an amount equal to the amount of the withdrawal.
5. A withdrawal will not be permitted if it will reduce the Face Amount of the policy below the Minimum Face Amount stated in the Data Section or if it would cause the policy to no longer qualify as Life Insurance for Federal Income Tax purposes under the Internal Revenue Code.

WITHDRAWAL CHARGE

We may assess a Withdrawal Charge not to exceed \$25.00. The Withdrawal Charge will be deducted from the amount withdrawn.

ALLOCATION OF WITHDRAWALS

The amount withdrawn shall be allocated among and deducted from the Accumulated Values held in each account according to the following prioritization:

1. from the Accumulated Value held in specific Sub-Accounts as specified by the Owner, if the Owner so specifies; and
2. from the Accumulated Value in proportion to the Accumulated Values held in the Sub-Accounts on the day the withdrawal is made; and
3. from the non-loaned Accumulated Value held in the General Account.

If the Accumulated Value in any Sub-Account from which the Owner has requested that withdrawals be allocated and deducted is insufficient to cover the amount of the withdrawal, the withdrawal will not be processed until further instructions are received by us from the Owner.

POLICY LOANS

POLICY LOANS

We will loan an amount up to the Loan Value of the policy less the amount of any outstanding debt, at any time after the first Policy Year. At the time of the loan the policy must be in force. The policy shall be the sole security for the loan and must be duly assigned to us.

LOAN VALUE

The Loan Value on any day is equal to:

1. the Accumulated Value on such day; less
2. the Surrender Charge on such day, if applicable; less
3. three times the Monthly Deductions due on the most recent prior Monthly Policy Date.

LOAN INTEREST RATE

Any loan shall bear interest from the date the loan is made. The Loan Interest Rate is shown in the Data Section.

GENERAL LOAN TERMS

After the loan is made, loan interest shall be due on the next and all later Policy Anniversaries. If any interest is not paid when due, it shall be added to the loan and bear interest on the same terms.

The debt secured by this policy includes loans, unpaid loan interest and accrued loan interest not otherwise due.

All or any part of the debt may be paid to us at any time prior to:

1. the death of the Insured; and
2. surrender of the policy.

However, during a Grace Period the debt may not be repaid. Unless the Owner specifies, any payment to us shall be deemed a premium payment and not payment of the debt. At the death of the Insured or upon the surrender of the policy, all debt shall become due at once. It shall be paid from the policy values.

ALLOCATION OF POLICY LOANS

Policy Loans shall be allocated among and transferred from the Accumulated Values held in each account to a Loan Collateral Account according to the following prioritization:

1. first, from the Accumulated Value held in specific Sub-Accounts as specified by the Owner, if the Owner so specifies; and
2. second, from the Accumulated Value in proportion to the Accumulated Values held in the Sub-Accounts on the day the loan is made; and
3. finally, from the non-loaned Accumulated Value held in the General Account.

If the Accumulated Value in any Sub-Account from which the Owner has requested the loan amount be transferred is insufficient to comply with the Owner's instructions, the loan will not be processed until further instructions are received by us from the Owner.

Loan Collateral Account Value will be held in the General Account. The Accumulated Value held in the Loan Collateral Account may be credited with interest at a different rate than that of other Accumulated Value in the policy.

An amount equal to any loan repayment will be transferred from the Loan Collateral Account to the Sub-Accounts of the Separate Account according to the premium allocation percentages in effect at the time of repayment.

Any loan interest due and unpaid shall be allocated among and transferred, on the date the interest is due, from the Accumulated Values:

1. first, in proportion to the Accumulated Values held in the Sub-Accounts of the Separate Account until these accounts are exhausted; and
2. then from the non-loaned Accumulated Value held in the General Account.

These amounts shall be transferred to the Loan Collateral Account.

PAYMENT OPTIONS

In lieu of a lump sum settlement, all or part of the proceeds of this policy may be applied under a Payment Option. When proceeds are applied under a Payment Option, all other rights and benefits under this policy shall cease.

In addition to the following options, other payment options may be available.

OPTION EFFECTIVE
DATE

The Option Effective Date is the date the proceeds become payable.

GENERAL PAYMENT
OPTION TERMS

If the proceeds to be placed under a Payment Option are less than \$5,000, we may pay them in one sum to the payee who otherwise would receive the first payment under the option. If any payments would be less than \$100, we will change the frequency to provide payments of at least \$100.

If the proceeds are assigned on the Option Effective Date, we will pay the assignee's share in one sum and place only the balance under the option. After the Option Effective Date neither the payments nor the remaining value may be assigned or encumbered. To the extent the law permits, they are not subject to any claims against the payee.

We may require proof to our satisfaction that any payee is alive on the date any payment is due.

CHOICE OF
OPTION

Choice of an option may be made:

1. by the Owner if the Insured is living; or
2. by the Beneficiary if the Insured is not living and if no option is in effect.

Equivalent payments for 12-, 6-, 3-, or 1-month intervals may be chosen. The options are described in terms of monthly payments. We will quote the amount of other payments on request.

We may issue a document stating the terms of the option.

CHANGE OF
PAYMENT OPTION

The right to change Payment Options exists under Options 1, 2, and 4. At the time of change the remaining value under the old option shall become the proceeds to be placed under the new option.

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

Lump sum payments may be taken from the remaining proceeds placed under Payment Options 1, 2, and 4.

Under Options 1 and 4 all or any part of the remaining value may be taken at any time, though no more than four transactions may be made during any calendar year.

Under Option 2 the entire remaining value may be taken at any time.

No lump sum removal of proceeds may be made under Options 3, 5, 6, or 7.

OPTION 1
-PAYMENT OF
INTEREST ONLY

Interest at a rate of 1.50% per year shall be paid either for:

1. the life of a chosen human being; or
2. a chosen period.

We may pay more interest in any given year. Upon the earlier of the death of the chosen human being or the end of the chosen period, any remaining value will be paid. The first payment shall be made one month after the Option Effective Date. If the payee is not a human being, payments may not continue for more than 30 years.

OPTION 2
-PAYMENTS FOR A
STATED TIME

Equal monthly payments shall be made for a stated number of years. The first payment shall be made on the Option Effective Date. The amount of each monthly payment is shown in the table. The monthly payments are based on an interest rate of 1.50% per year. We may pay more interest in any year.

Option 2 Table
 Monthly Payments for Each \$1,000 of Proceeds

Stated Number of Years	Monthly Payments
5	17.28
6	14.51
7	12.53
8	11.04
9	9.89
10	8.96
11	8.21
12	7.58
13	7.05
14	6.59
15	6.20
16	5.85
17	5.55
18	5.27
19	5.03
20	4.81
21	4.62
22	4.44
23	4.28
24	4.13
25	3.99
26	3.86
27	3.75
28	3.64
29	3.54
30	3.44

OPTION 3
 -PAYMENTS FOR
 LIFE

Equal monthly payments shall be made for any guaranteed period chosen and thereafter during the life of a chosen human being. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the age of the chosen human being on the Option Effective Date and on any guaranteed period chosen. We may require proof to our satisfaction of such age. We may require like proof that such human being is alive on the date any payment is due. The guaranteed period may be five or ten years or a Refund period. A Refund period extends until the sum of the payments is equal to the proceeds placed under the option. The monthly payments are based on an interest rate of 1.50% per year. We may pay more interest in any year during the guaranteed period. We will quote the amount of monthly payments for lower ages and guaranteed periods not shown in the Option 3 Table on request.

Option 3 Table
 Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Guaranteed Period

Age	None	10 Years	Refund
50	\$3.10	\$3.08	\$2.92
51	3.16	3.14	2.97
52	3.23	3.21	3.03
53	3.30	3.28	3.08
54	3.37	3.35	3.14
55	3.45	3.43	3.20
56	3.53	3.50	3.26
57	3.62	3.59	3.33
58	3.71	3.68	3.39
59	3.81	3.77	3.46
60	3.92	3.87	3.54
61	4.03	3.97	3.62
62	4.15	4.08	3.70
63	4.27	4.19	3.79
64	4.41	4.31	3.88
65	4.55	4.44	3.97
66	4.70	4.57	4.07
67	4.86	4.71	4.17
68	5.04	4.86	4.28
69	5.22	5.01	4.40
70	5.42	5.17	4.52
71	5.63	5.33	4.64
72	5.86	5.51	4.78
73	6.11	5.69	4.93
74	6.38	5.87	5.08
75	6.66	6.06	5.22
76	6.97	6.25	5.39
77	7.30	6.45	5.57
78	7.65	6.65	5.75
79	8.04	6.84	5.93
80	8.45	7.04	6.15
81	8.90	7.23	6.37
82	9.38	7.41	6.59
83	9.90	7.59	6.85
84	10.46	7.75	7.06
85+	11.07	7.91	7.36

+ Higher ages the same

OPTION 4
-PAYMENTS OF A
STATED AMOUNT

Equal monthly payments of a stated amount shall be made until the proceeds, with interest at 1.50% per year on the unpaid balance, are used up. The first payment shall be made on the Option Effective Date. The amount chosen must be at least \$10 per month for each \$1,000 of proceeds placed under this option. We may add more interest to the unpaid balance in any year, which will extend the number of payments. The last payment will be for the balance only.

OPTION 5 - LIFE
ANNUITY

Equal monthly payments shall be made in the same manner as Option 3 except:

1. the amount of each payment shall be based on our current settlement rates on the Option Effective Date; and
2. no additional interest shall be paid.

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

Equal monthly payments shall be made while two chosen human beings are both living. Upon the death of either, two-thirds of the amount of such payments shall continue during the life of the survivor. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the ages of the chosen human beings on the Option Effective Date. We may require proof to our satisfaction of their ages. We may require like proof that any chosen human being is alive on the date any payment conditioned on the life of such human being is due. The initial amount of each monthly payment is shown in the table. We will quote the amount of monthly payments for any other age combination on request. The monthly payments are based on an interest rate of 1.50% per year. No additional interest shall be paid.

Option 6 Table
Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Ages of Both	Initial Monthly Payment	Ages of Both	Initial Monthly Payment
50	\$2.95	68	\$4.68
51	3.01	69	4.84
52	3.07	70	5.02
53	3.14	71	5.20
54	3.20	72	5.40
55	3.27	73	5.62
56	3.35	74	5.85
57	3.43	75	6.10
58	3.51	76	6.36
59	3.60	77	6.65
60	3.69	78	6.96
61	3.79	79	7.29
62	3.89	80	7.65
63	4.00	81	8.03
64	4.12	82	8.45
65	4.25	83	8.90
66	4.38	84	9.38
67	4.52	85+	9.90

+ Higher ages the same

OPTION 7 - 50%
SURVIVOR
ANNUITY

Equal monthly payments shall be made during the life of the chosen primary human being. Upon the death of the chosen primary human being, 50% of the amount of such payments shall continue during the life of the chosen secondary human being. The first payment shall be made on the Option Effective Date. The amount of each monthly payment depends on the ages of the chosen human beings on the Option Effective Date. We may require proof to our satisfaction of their ages. We may require like proof that any chosen human being is alive on the date any payment conditioned on the life of such human being is due. The initial amount of each monthly payment is shown in the table. We will quote the amount of monthly payments for any other age combination on request. The monthly payments are based on an interest rate of 1.50% per year. No additional interest shall be paid.

Option 7 Table
 Monthly Payments for Each \$1,000 of Proceeds

(Amounts shown are for the age nearest birthday on the Option Effective Date)

Ages of Both	Initial Monthly Payment	Ages of Both	Initial Monthly Payment
50	\$2.89	68	\$4.52
51	2.94	69	4.67
52	3.00	70	4.83
53	3.06	71	5.01
54	3.12	72	5.20
55	3.19	73	5.40
56	3.26	74	5.62
57	3.34	75	5.85
58	3.41	76	6.10
59	3.50	77	6.37
60	3.59	78	6.66
61	3.68	79	6.97
62	3.78	80	7.30
63	3.88	81	7.66
64	3.99	82	8.05
65	4.11	83	8.47
66	4.24	84	8.92
67	4.37	85+	9.40

+ Higher ages the same

Life Insurance Application

Site Location and No.: 001 Montpelier Qualified Retirement Plan/Code No.:
Check one: [] Single Life [] Joint Life [X] Variable Universal Life [] Joint & Variable Universal Life
[] Exercising Additional Insurance Option From Base Policy No.: Policy No.:

Part A - First Proposed Insured Information

1. Name (print first, middle, last) Ethan Allen
2. Home Address (street, city, state and zip) 1 Main Street, Montpelier, VT 05604
3.a. Place of Birth Berlin, VT
3.b. Country in which you hold citizenship United States
4. D.O.B. 1-15-73
5. Issue at Age 35
6. Sex [X] M [] F
7. Soc. Sec. # 000-00-0000
8. Telephone #'s and best time to call Home (802) 333-4444 Work (802) 555-6666
9a. Occupation (w/specific duties) Biology Teacher
9b. Are you actively at work at the customary workplace, doing the usual duties and functions required by the position during the normal work hours and weekly period? [X] Yes [] No* Reason:
10. Employer Name & Address: Main Street School, 10 Main Street, Montpelier, VT 05604
11. Driver's License # and state: VT-012345

Part B - Policy Information

1. Base Plan Investor Select 2. Amount \$ 100,000
3. Term Rider Plan 4. Amount \$
5. Additional Benefits and Amounts:
a. Traditional
[] Accelerated Benefits (ABR)
[] Accidental Death Benefit (ADB) \$
[] Additional Insurance Option (AIO) \$
[] Additional Paid-Up Life
Annual Premium (APAR) \$
[] Payable on a Modal Basis
Single Premium (SPAR) \$
[] Beneficiary Insurance Option (BIO)
[] Waiver of Premiums (WP)
(N/A on Second to Die & Cornerstone Series)
[] Waiver of Premiums (WP) \$
(Cornerstone Series only) (Annual Premium Waived)
[] Policy Continuation Rider (PCR) (First to Die only)
[] Policy Split Option (PSO) (Second to Die only)
[] Other:
b. Universal Life
[] Accelerated Benefits (ABR)
[] Add'l Prot. Ben. (APB)
(N/A w/AssurePlus, NLG120, IUL or Investor Select) \$
[] Automatic Increase (AIR) (N/A for NLG120 or Investor Select)
[] 2% [] 4% [] 6% (N/A for Survivorship)
[] 5% [] 10% [] Stipulated (Survivorship only)
[] Balance Sheet Benefit (IUL & Investor Select only)
(Percent Waived) %
[] Children's Term (CTR) (AssurePlus & Investor Select) \$
[] Continuing Coverage Rider (CCR) (Survivorship only)
[] Enhanced Death Benefit (EDBR) (Surv. only) Target Age
[] Estate Preservation Rider (EPR) (Survivorship only) \$
[] Guaranteed Insurance Option (GIO) (N/A for Surv.) \$
[] Guaranteed Death Benefit (GDB) (Variable Survivorship only)
[] 80 Years [] Lifetime
[] Other Insured (OIR) (AssurePlus & Investor Select only)
[] Policy Split Option (PSO) (Survivorship only)
[] Term Rider on First Proposed Insured: (Survivorship only)
Level Amount
[] Increasing [] Decreasing Dur Yrs
[] Term Rider on Second Proposed Insured: (Survivorship only)
Level Amount
[] Increasing [] Decreasing Dur Yrs
[] Waiver of Monthly Deductions (WMD) (N/A for Survivorship)
[] Waiver of Specified Premium (WSP) (IUL, AssurePlus & Investor Select)
\$ (Annual Premium Waived)
[] Other:
6. a. Universal Life Death Benefit Option (N/A for NLG120)
[X] A - Level [] B - Increasing
b. Definition of Life Insurance Test: (Applies to IUL, AssurePlus & Investor Select only. GPT must be selected if policy is not a MEC.)
[X] Guideline Premium Test (GPT)
[] Cash Value Accumulation Test (CVAT)
7. Premium information
a. Cash with Application \$
b. Planned Periodic Premium \$908.00 (UL, VUL & Cornerstone Series)
c. Frequency
[X] Annual [] Semi-Annual [] Quarterly
[] Monthly (Group or Pension only, if Variable)
[] Single Premium [] COM (Complete #11)
8. Special Billing Type: (N/A for Qualified Pension Business)
[] Government Allotment Group No.:
[] Payroll Deduction No.:
9. Use of Dividends: (N/A for IUL) (Choose only one.)
[] Cash (All Products)
[] Additions (Whole Life & UL, N/A for NLG120)
[] Applied (Whole Life & Term only, N/A with COM)
[] Deposits (Whole Life & Term only)
[] DTO Balance to: (Whole Life only, except Cornerstone Series)
[] Flex Term Rider I - B Decreasing (Whole Life only)
One Yr. Term + Adds = \$
A premium will be charged for this rider.
[] Flex Term Rider II - A Level (Whole Life only)
One Yr. Term = \$, + Adds
A premium will be charged for this rider.
[] Internal Paid-Up Insurance (Cornerstone Series Only)
10. Automatic Payment of Premium
[] Requested [X] Not Requested
11. [] I authorize the Company to draft monthly payments from my account. (Attach a void check/deposit slip)
[] Checking Draft on the:
[] Savings [] 1st [] 15th
[] Money Market [] 8th [] 22nd
12. Send premium notices to: [] Owner
[X] First Proposed Insured [] Other: (street, city, state & zip)

Part C - Owner Information

1. (Check one if other than First Proposed Insured)

Individual

Provide additional information below:

Name: _____ Relationship _____ Date of Birth _____, while living thereafter

Name: _____ Relationship _____ Date of Birth _____, while living, thereafter the estate of the last survivor of the named owner(s).

Corporation, Limited Partnership, or Limited Liability Company

Full Legal Name: _____, a (State) _____

Corporation Limited Partnership Limited Liability Company, its successors or assigns.

Partnership: _____, a partnership of (City and State) _____, or any successor partnership doing business in said city under said name.

Trust: (Name of Trustee(s)) _____, trustee(s) under an instrument of trust between (Name of Trustor) _____ and said trustee(s) named (Name of Trust) _____ and dated _____, as heretofore or hereafter amended if trust is amendable, or the successors in said trust or assigns.

Qualified Pension or Profit Sharing Trust (Name of Trust Agreement) _____

As per Supplemental Request

Please provide the following information for the Owner.

2. Social Security Number or Tax Identification Number: _____

3. Address: (Street, City State, Zip) _____

4. Telephone Number: () _____

Part D - Beneficiary Information

1. (Check one or fill in the **First** and **Second** Beneficiary)

Note: If the policy is owned by a qualified pension or profit sharing plan, all payments are protected by the Spendthrift Provision. The right to change the beneficiary is reserved.

- Owner
- As per Supplemental Request
- Other: (Give full names, addresses, dates of birth and relationships to Proposed Insured.)

First **Mary Allen, Wife, DOB: 6-15-73, Same address as Insured**

Second

Single Life

Payment will be shared equally by all *first* beneficiaries who survive the Insured; if none, by all *second* beneficiaries who so survive; if none, payment will be made to the Owner or the Owner's estate.

First to Die

When death benefit is payable at the demise of the first Insured to die, payment will be shared equally by all *first* beneficiaries who survive the first to die of the Insureds; if none, by all *second* beneficiaries who so survive; if none, payment will be made to the Owner or the Owner's estate.

Last to Die

When death benefit is payable at the demise of the last Insured to die, payment will be shared equally by all *first* beneficiaries who survive the last to die of the Insureds; if none, by all *second* beneficiaries who so survive; if none, payment will be made to the Owner or the Owner's estate.

Part E - Qualified Retirement Business ONLY

1. Issue Date: _____ 2. (Check one.) Sex Neutral Sex Distinct

(Answer a & b only for Simplified Underwriting)

3. Full Underwriting Guaranteed Issue Automatic Issue

Simplified Underwriting (If either questions a or b are answered 'Yes', provide the following details in Remarks on Page 8. Nature of ailment, date, duration and names and addresses of attending physicians.)

a. Have you been admitted to, or been advised to be admitted to a hospital or medical facility in the past 90 days by a member of the medical profession? Yes No

b. In the past two years have you been treated for or advised by a member of the medical profession to seek treatment for heart problems (including angina), stroke, or cancer, or been treated for or diagnosed as having AIDS or AIDS Related Complex (ARC)? Yes No

Part F - Children's Term Rider Information (Complete only if CTR is requested)

1. Names and Dates of Birth of all Children to be covered

2. To the best of your knowledge: (If 'Yes', give details in Remarks on Page 8)

a. Is any Child's health impaired in any way? Yes No c. Does any Child not reside with you? Yes No

b. Has any Child shown any signs of abnormal physical or mental development? Yes No d. Does any Child take medication prescribed by a doctor? Yes No

Part G - General Information about the First Proposed Insured (If 'Yes', provide details in Remarks on page 8)

1. Have you used any type of product containing nicotine within the last 24 months? Yes No

Product Type: _____ Frequency: _____ Date Last Used: _____

2. Have you ever applied for life, health, or disability insurance or reinstatement of same, which was declined, postponed, rated or modified in any way? Yes No

3. Are you or do you have any intention of becoming a member of a military organization? Yes No

4. Have you ever been convicted of a felony or misdemeanor? Yes No

5. Have you had any moving vehicle violations in the last 3 years, or a suspended license or a DUI conviction in the last 5 years? Yes No

6. Have there been any bankruptcy proceedings against you within the last 7 years? Yes No

7. Within the past 6 months have you applied for or do you currently have any applications pending for life or disability insurance? Yes No

8. Have you been offered any cash incentive or other consideration (such as free insurance) as an inducement to apply for or become an insured under this life insurance policy, or have you been involved in any discussions about the possible sale or transfer of this policy to an unrelated third party, such as (but not limited to) a life settlement company or investor group? Yes No

9. Identify the source of funds for premium payment (e.g., redemption of financial product, income or savings, home equity loan, payment by third party). Income

(If 'Yes', to questions 10 -12 complete form 1480, Avocation, Aviation & Foreign Travel Supplemental Application)

10. Within the last 3 years, have you participated in or do you intend to participate in any motor powered racing, scuba, skin or sky diving, rodeos, hang gliding or any other avocation generally considered hazardous? Yes No

11. Do you participate in any aviation activity other than as a fare paying passenger? Yes No

12. Do you intend to travel or reside outside of the USA for more than 2 weeks in a year? Yes No

Part H - Replacement Information (If 'Yes', Replacement forms must be provided; list company name and policy numbers).

1. Has there been or will there be a lapse, surrender, replacement, reissue, conversion, or change to reduce amount, premium, or period of coverage of any existing life, disability or annuity contract if the applied for policy or rider is issued? Yes No

2. Will there be any substantial borrowing on any life insurance policy if the applied for policy or rider is issued? Yes No

List Company Name(s) and Policy Number(s) in Remarks on Page 8

Part I - Current Policy Information about the First Proposed Insured

None in force Type: **B=Business** **G=Group** **P=Personal**

Company Name	Type	Total in Force \$	Total with WP \$	Total ADB \$	Date of Issue	Paid to Date

Part J - Health History of the First Proposed Insured (Complete Part J unless (a) money does not accompany this application and (b) a further medical examination will be undertaken. Do **not** complete Part J if this application is being submitted for the Pension underwriting classes of Guaranteed Issue, Simplified Underwriting, or Automatic Issue.)

Provide details, dates, and results for any 'Yes' answer to questions 1-10 in Remarks on page 8.

1. Height **6'0"** Weight **185** lbs. Change in last year **0** lbs. Reason?
2. Are you taking any medication? Yes No
3. Is your health impaired in any way? Yes No
4. Have you ever applied for or received disability or worker's compensation from any source? Yes No
5. At any time during the last 10 years have you:
- a. made the decision or been advised to reduce alcohol or drug intake, or used drugs not prescribed by a physician? Yes No
- b. been a member of a support group, such as AA or NA? Yes No
6. At any time during the last 10 years have you been diagnosed, treated, or taken medication for:
- a. Chest Pain, Heart Murmur, Rheumatic Fever or Anemia Yes No
- b. Habitual Cough, Asthma, Emphysema or Pleurisy Yes No
- c. Ulcer, Jaundice or Chronic Indigestion Yes No
- d. Stroke, Dizzy Spells, Epilepsy, Convulsions, Paralysis or Unconsciousness Yes No
- e. Heart, Veins, Arteries, Blood or Blood Pressure Disorder Yes No
- f. Lung or Respiratory Tract Disorder Yes No
- g. Esophagus, Stomach, Intestinal, Rectum, Liver or Gall Bladder Disorder Yes No
- h. Kidney, Bladder, Prostate, Genito-Urinary Organs, Pelvic Organs, or Breast Disease Yes No
- i. Eyes, Ears, Nose, or Throat Disorder Yes No
- j. Brain, Nervous System Disorder or Headaches Yes No
- k. Spine, Bones, Muscles, Joints, Skin or Gland Disorder Yes No
- l. Cancer, Polyp, or Other Tumor Yes No
- m. Gout, Arthritis, Rheumatism or Back Pain Yes No
- n. High Blood Sugar or Diabetes Yes No
- o. Albumin, Sugar, Casts, Pus or Blood in the Urine Yes No
- p. Renal Colic or Kidney Stone Yes No
- q. Depression, Anxiety, or any other Psychological Condition Yes No
- r. Alzheimer's or Dementia Yes No
7. Within the past 10 years have you tested positive for exposure to the Human Immunodeficiency Virus (HIV), or has a physician or other medical professional diagnosed you as having Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or AIDS related conditions? Yes No
8. Within the past 5 years have you:
- a. had x-rays, electrocardiograms or other diagnostic tests? Yes No
- b. been admitted to a hospital, or have you planned or been advised to enter a hospital for observation, operation or treatment of any kind? Yes No
- c. consulted any medical professional other than your personal physician? Yes No
9. Do you have any pending appointments with any medical professional within the next 30 days? Yes No
10. To the best of your knowledge, has any member of your family had diabetes, cancer, heart disease, Huntington's Disease or polycystic kidney disease? Yes No

11. Name and Address of Personal Physician (If none, so state) None	Date last seen	Reason consulted & outcome
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12. Family History	Age if alive	State of Health	Age at death	Cause of death
Father	75	Good		
Mother	73	Good		
Siblings				
Siblings				

Complete for Joint Life or Primary Other Insured Only (For additional Other Insureds, use form 8531)

Part K - Second Proposed Insured or Primary Other Insured Information				
1. Name (print first, middle, last)		2. Home Address (street, city, state and zip)		
3.a. Place of Birth	3. b. Country in which you hold citizenship _____ c. If you are not a citizen of the U.S., do you have a permanent resident status in the U.S.? <input type="checkbox"/> Yes - Alien Registration #: _____ <input type="checkbox"/> No - Type of visa held: _____		4. D.O.B.	5. Issue at Age
6. Sex <input type="checkbox"/> M <input type="checkbox"/> F	7. Soc. Sec. #	8. Telephone #'s and best time to call Home () Work ()		9a. Occupation (w/specific duties)
9b. Are you actively at work at the customary workplace, doing the usual duties and functions required by the position during the normal work hours and weekly period? <input type="checkbox"/> Yes <input type="checkbox"/> No *Reason:				
10. Employer Name & Address: (street, city, state and zip)			11. Driver's License # and state:	
12. Face Amount (Primary Other Insured fill in Face Amount if different than Base Amount.) \$			13. First Proposed Insured, Relationship and S.S.# (for use with AssurePlus & Investor Select)	
14. Primary Beneficiary for Primary Other Insured, Relationship & S.S. # (for use with AssurePlus & Investor Select)				

Part L - General Information about the Second Proposed Insured or Primary Other Insured (If 'Yes', provide details in Remarks on page 8)	
1. Have you used any type of product containing nicotine within the last 24 months? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No Product Type: _____ Frequency: _____ Date Last Used: _____	
2. Have you ever applied for life, health, or disability insurance or reinstatement of same, which was declined, postponed, rated or modified in any way? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Are you or do you have any intention of becoming a member of a military organization? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Have you ever been convicted of a felony or misdemeanor? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. Have you had any moving vehicle violations in the last 3 years, or a suspended license or a DUI conviction in the last 5 years? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
6. Have there been any bankruptcy proceedings against you within the last 7 years? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
7. Within the past 6 months have you applied for or do you currently have any applications pending for life or disability insurance? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
8. Have you been offered any cash incentive or other consideration (such as free insurance) as an inducement to apply for or become an insured under this life insurance policy, or have you been involved in any discussions about the possible sale or transfer of this policy to an unrelated third party, such as (but not limited to) a life settlement company or investor group? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
9. Identify the source of funds for premium payment (e.g., redemption of financial product, income or savings, home equity loan, payment by third party). _____	
(If 'Yes', to questions 10-12 complete form 1480, Avocation, Aviation & Foreign Travel Supplemental Application)	
10. Within the last 3 years, have you participated in or do you intend to participate in any motor powered racing, scuba, skin or sky diving, rodeos, hang gliding or any other avocation generally considered hazardous? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
11. Do you participate in any aviation activity other than as a fare paying passenger? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
12. Do you intend to travel or reside outside of the USA for more than 2 weeks in a year? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No	
13. Are you legally married to the First Proposed Insured? _____ <input type="checkbox"/> Yes <input type="checkbox"/> No (This question must be answered if either EPR or PSO is requested in the Additional Benefits and Amounts section)	

Part M - Replacement Information (If 'Yes', Replacement forms must be provided; list company name and policy numbers)	
1. Has there been or will there be a lapse, surrender, replacement, reissue, conversion, or change to reduce amount, premium, or period of coverage of any existing life, disability or annuity contract if the applied for policy or rider is issued? <input type="checkbox"/> Yes <input type="checkbox"/> No	
2. Will there be any substantial borrowing on any life insurance policy if the applied for policy or rider is issued? <input type="checkbox"/> Yes <input type="checkbox"/> No Company Name(s) and Policy Number(s)	

Part N - Current Policy Information about the Second Proposed Insured or Primary Other Insured						
<input type="checkbox"/> None in force Type: B=Business G=Group P=Personal						
Company Name	Type	Total in Force \$	Total with WP \$	Total ADB \$	Date of Issue	Paid to Date

Complete for Joint Life or Primary Other Insured Only

Part O - Health History of the Second Proposed Insured or Primary Other Insured (Complete Part O unless (a) money does not accompany this application and (b) a further medical examination will be undertaken.)

Provide details, dates, and results for any 'Yes' answer to questions 1-10 in Remarks on page 8.

1. Height	Weight	lbs.	Change in last year	lbs.	Reason?		
2. Are you taking any medication?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Is your health impaired in any way?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Have you ever applied for or received disability or worker's compensation from any source?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. At any time during the last 10 years have you:							
a. made the decision or been advised to reduce alcohol or drug intake, or used drugs not prescribed by a physician?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. been a member of a support group, such as AA or NA?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. At any time during the last 10 years have you been diagnosed, treated, or taken medication for:							
a. Chest Pain, Heart Murmur, Rheumatic Fever or Anemia						<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. Habitual Cough, Asthma, Emphysema or Pleurisy						<input type="checkbox"/> Yes	<input type="checkbox"/> No
c. Ulcer, Jaundice or Chronic Indigestion						<input type="checkbox"/> Yes	<input type="checkbox"/> No
d. Stroke, Dizzy Spells, Epilepsy, Convulsions, Paralysis or Unconsciousness						<input type="checkbox"/> Yes	<input type="checkbox"/> No
e. Heart, Veins, Arteries, Blood or Blood Pressure Disorder						<input type="checkbox"/> Yes	<input type="checkbox"/> No
f. Lung or Respiratory Tract Disorder						<input type="checkbox"/> Yes	<input type="checkbox"/> No
g. Esophagus, Stomach, Intestinal, Rectum, Liver or Gall Bladder Disorder						<input type="checkbox"/> Yes	<input type="checkbox"/> No
h. Kidney, Bladder, Prostate, Genito-Urinary Organs, Pelvic Organs, or Breast Disease						<input type="checkbox"/> Yes	<input type="checkbox"/> No
i. Eyes, Ears, Nose, or Throat Disorder						<input type="checkbox"/> Yes	<input type="checkbox"/> No
j. Brain, Nervous System Disorder or Headaches						<input type="checkbox"/> Yes	<input type="checkbox"/> No
k. Spine, Bones, Muscles, Joints, Skin or Gland Disorder						<input type="checkbox"/> Yes	<input type="checkbox"/> No
l. Cancer, Polyp, or Other Tumor						<input type="checkbox"/> Yes	<input type="checkbox"/> No
m. Gout, Arthritis, Rheumatism or Back Pain						<input type="checkbox"/> Yes	<input type="checkbox"/> No
n. High Blood Sugar or Diabetes						<input type="checkbox"/> Yes	<input type="checkbox"/> No
o. Albumin, Sugar, Casts, Pus or Blood in the Urine						<input type="checkbox"/> Yes	<input type="checkbox"/> No
p. Renal Colic or Kidney Stone						<input type="checkbox"/> Yes	<input type="checkbox"/> No
q. Depression, Anxiety, or any other Psychological Condition						<input type="checkbox"/> Yes	<input type="checkbox"/> No
r. Alzheimer's or Dementia						<input type="checkbox"/> Yes	<input type="checkbox"/> No
7. Within the past 10 years have you tested positive for exposure to the Human Immunodeficiency Virus (HIV), or has a physician or other medical professional diagnosed you as having Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or AIDS related conditions?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
8. Within the past 5 years have you:							
a. had x-rays, electrocardiograms or other diagnostic tests?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. been admitted to a hospital, or have you planned or been advised to enter a hospital for observation, operation or treatment of any kind?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
c. consulted any medical professional other than your personal physician?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
9. Do you have any pending appointments with any medical professional within the next 30 days?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
10. To the best of your knowledge, has any member of your family had diabetes, cancer, heart disease, Huntington's Disease or polycystic kidney disease?						<input type="checkbox"/> Yes	<input type="checkbox"/> No

11. Name and Address of Personal Physician (If none, so state)	Date last seen	Reason consulted & outcome

12. Family History	Age if alive	State of Health	Age at death	Cause of death
Father	_____	_____	_____	_____
Mother	_____	_____	_____	_____
Siblings	_____	_____	_____	_____
Siblings	_____	_____	_____	_____

Complete for Variable Products Only

Part P - Variable Insurance Information

Following questions to be completed by the Applicant.

- 1. Have you received a current prospectus which describes the variable nature of this product and the utilization of a Separate Account or a Variable Account?
2. Do you believe that this Policy will meet your insurance needs and financial objectives?
3. Do you understand that the Cash Surrender Value and Death Benefit may increase or decrease based on the policy's investment return, even to the extent of being reduced to zero?

Part Q - Telephone Transaction Agreement

Unless waived below, I appoint the Company as my agent to act upon telephoned instructions reasonably believed to be authorized by me. I hereby ratify any telephoned instructions so given and consent to the tape recording of these instructions.

Representative(s):

I do not authorize the Company to accept telephone instructions.

Part R - Investment Information (Do NOT complete Part R if participating in Illuminations.)

- 1. Do you want monthly charges deducted from the Money Market sub-account?
(If 'No', charges will be deducted from the General Account or the Fixed Account and all sub-accounts on a pro rata basis.)

Note: Elect Portfolio Rebalancing (2.a.) or Dollar Cost Averaging, (2.b.) but not both. (See Investment Allocation, form 9201)

2.a. I elect the following for Portfolio Rebalancing:

- Semi-Annual (only option for VUL)
Annual
Quarterly

OR

2.b. I elect monthly Dollar Cost Averaging. Transfer funds from the Money Market sub-account using the allocation provided on the Investment Allocation, form 9201.

The amount and duration of the Death Benefit may increase or decrease daily as described in the DEATH BENEFIT AND POLICY CHANGES section of the policy at issue. The dollar amount of the Death Benefit is not guaranteed.

The investment in this policy could be lost entirely, depending on the performance of the Separate Account or Variable Account, and as a result the Death Benefit may terminate unless additional premium payments are made to keep this policy in force.

Part T - Agreement & Authorization (Continued)

I (we), the Proposed Insured(s), authorize any physician, medical practitioner, hospital, clinic, or other medically related facility, insurer or reinsurer, the Medical Information Bureau, Inc. (MIB), consumer reporting agency, or employer having information as to:

- diagnosis, treatment and prognosis of any physical or mental condition of me (us) or any of my (our) minor children on whose life I (we) have applied for insurance;
- any non-medical information of me (us) or such minor children;

to give National Life Insurance Company, herein called National Life, or its authorized representative, any and all such information.

I (we) authorize National Life to request a copy of my (our) driving record(s) from the state motor vehicle department.

I (we) authorize National Life Insurance Company to obtain an investigative consumer report. I (we) understand that I am (we are) entitled to be interviewed by the consumer reporting agency that prepares any such report, as long as I (we) can reasonably be contacted during normal business hours.

I (we) wish to be interviewed if an investigative consumer report is prepared.

This information may be used to determine eligibility for life or health insurance or claims for benefits, and I (we) authorize National Life to release any of this information to the MIB and/or Reinsurers and other life insurance companies in which I (we) have insurance or from which I (we) seek insurance or benefits.

I (we) authorize National Life to redisclose the information to:

- Any person performing a business or legal function for its benefit;
- An attending physician for diagnostic or treatment purposes;
- Government authorities to prevent insurance related illegal activities;
- Persons conducting medical or statistical studies for National Life;
- Persons having an authorization specifically permitting the redisclosure;

and when required by law. In making this authorization, I (we) waive any right to prohibit redisclosure to an affiliate of National Life where the redisclosure is related to the servicing of my (our) policy.

This authorization shall remain valid for 30 months from the date shown below.

I (we) understand I (we) have a right to receive a copy of this authorization. A copy of this authorization shall be as valid as the original. I (we) acknowledge receipt of copies of the prenotifications relating to investigative consumer reports and the MIB.

Part U - Owner's Taxpayer ID Number Certification

Under 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.

Part V - Signatures

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signed at (City & State) Montpelier, VT Date (mm/dd/yyyy) 05-15-2008

First Proposed Insured (Sign name in full) _____ **Applicant** (Sign name in full if other than Proposed Insured) _____

Second Proposed Insured (Sign name in full) _____

Primary Other Insured (Sign name in full) _____

Soliciting Agent/Representative (Sign name in full) _____

Owner (If other than Applicant or Proposed Insured) _____

For Check-O-Matic Only (If Depositor other than Applicant/Owner)
Depositor (Exactly as it appears on bank records) _____

(Exercise of AIO Only)
Owner of Base Policy _____

NATIONAL LIFE IS A DYNAMIC AND GROWING FAMILY OF INSURANCE AND FINANCIAL SERVICE COMPANIES OFFERING A COMPREHENSIVE RANGE OF LIFE INSURANCE, ASSET ACCUMULATION AND RETIREMENT PLANNING PRODUCTS. OUR FLAGSHIP, NATIONAL LIFE INSURANCE COMPANY, HAS BEEN SERVING CUSTOMERS WITH VALUE AND INTEGRITY SINCE 1850, AND IS LICENSED IN ALL 50 STATES AND THE DISTRICT OF COLUMBIA.

Flexible Premium Adjustable Benefit Variable Life Insurance. Unisex Version. Flexible premiums are payable through the end of the Premium Payment Period or until the death of the Insured. The adjustable Death Benefit is payable upon the death of the Insured. This policy is non-participating.

The Owner is a member of National Life Holding Company while this contract is in force. The annual meetings of the Company are held at its Home Office in Montpelier, Vermont, on the second Friday in May in each year at 9 o'clock A.M.

NATIONAL LIFE INSURANCE COMPANY

HOME OFFICE: ONE NATIONAL LIFE DRIVE
MONTPELIER, VERMONT 05604 TELEPHONE: 802-229-3333
WWW.NATIONALLIFE.COM

Life Insurance Application

Site Location and No.: _____ Qualified Retirement Plan/Code No.: _____

Check one: Single Life Joint Life Variable Universal Life Joint & Variable Universal Life
 Exercising Additional Insurance Option From Base Policy No.: _____ Policy No.: _____

Part A - First Proposed Insured Information

1. Name (print first, middle, last)		2. Home Address (street, city, state and zip)		
3.a. Place of Birth	3. b. Country in which you hold citizenship _____		4. D.O.B.	5. Issue at Age
		c. If you are not a citizen of the U.S., do you have a permanent resident status in the U.S.?		
		<input type="checkbox"/> Yes - Alien Registration #: _____		
		<input type="checkbox"/> No - Type of visa held: _____		
6. Sex <input type="checkbox"/> M <input type="checkbox"/> F	7. Soc. Sec. #	8. Telephone #'s and best time to call Home () Work ()		9a. Occupation (w/specific duties)
9b. Are you actively at work at the customary workplace, doing the usual duties and functions required by the position during the normal work hours and weekly period? <input type="checkbox"/> Yes <input type="checkbox"/> No* *Reason: _____				
10. Employer Name & Address: (street, city, state and zip)			11. Driver's License # and state:	

Part B - Policy Information

1. Base Plan		2. Amount \$		6. a. Universal Life Death Benefit Option (N/A for NLG120)	
3. Term Rider Plan		4. Amount \$		<input type="checkbox"/> A - Level <input type="checkbox"/> B - Increasing	
a. Traditional		5. Additional Benefits and Amounts:		b. Definition of Life Insurance Test: (Applies to IUL, AssurePlus & Investor Select only. GPT must be selected if policy is not a MEC.)	
		<input type="checkbox"/> Accelerated Benefits (ABR)		<input type="checkbox"/> Guideline Premium Test (GPT)	
		<input type="checkbox"/> Accidental Death Benefit (ADB) \$ _____		<input type="checkbox"/> Cash Value Accumulation Test (CVAT)	
		<input type="checkbox"/> Additional Insurance Option (AIO) \$ _____		7. Premium information	
		<input type="checkbox"/> Additional Paid-Up Life		a. Cash with Application \$ _____	
		Annual Premium (APAR) \$ _____		b. Planned Periodic Premium \$ _____ (UL, VUL & Cornerstone Series)	
		<input type="checkbox"/> Payable on a Modal Basis		c. Frequency	
		Single Premium (SPAR) \$ _____		<input type="checkbox"/> Annual <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Quarterly	
		<input type="checkbox"/> Beneficiary Insurance Option (BIO)		<input type="checkbox"/> Monthly (Group or Pension only, if Variable)	
		<input type="checkbox"/> Waiver of Premiums (WP)		<input type="checkbox"/> Single Premium <input type="checkbox"/> COM (Complete #11)	
(N/A on Second to Die & Cornerstone Series)		8. Special Billing Type: (N/A for Qualified Pension Business)			
<input type="checkbox"/> Waiver of Premiums (WP) \$ _____		<input type="checkbox"/> Government Allotment Group No.: _____			
(Cornerstone Series only) (Annual Premium Waived)		<input type="checkbox"/> Payroll Deduction No.:			
<input type="checkbox"/> Policy Continuation Rider (PCR) (First to Die only)		9. Use of Dividends: (N/A for IUL) (Choose only one .)			
<input type="checkbox"/> Policy Split Option (PSO) (Second to Die only)		<input type="checkbox"/> Cash (All Products)			
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Additions (Whole Life & UL, N/A for NLG120)			
b. Universal Life		<input type="checkbox"/> Accelerated Benefits (ABR)		<input type="checkbox"/> Applied (Whole Life & Term only, N/A with COM)	
		<input type="checkbox"/> Add'l Prot. Ben. (APB)		<input type="checkbox"/> Deposits (Whole Life & Term only)	
		(N/A w/AssurePlus, NLG120, IUL or Investor Select) \$ _____		<input type="checkbox"/> DTO Balance to: _____ (Whole Life only, except Cornerstone Series)	
		<input type="checkbox"/> Automatic Increase (AIR) (N/A for NLG120 or Investor Select)		<input type="checkbox"/> Flex Term Rider I - B Decreasing (Whole Life only)	
		<input type="checkbox"/> 2% <input type="checkbox"/> 4% <input type="checkbox"/> 6% (N/A for Survivorship)		One Yr. Term + Adds = \$ _____	
		<input type="checkbox"/> 5% <input type="checkbox"/> 10% <input type="checkbox"/> Stipulated (Survivorship only)		A premium will be charged for this rider.	
		<input type="checkbox"/> Balance Sheet Benefit (IUL & Investor Select only)		<input type="checkbox"/> Flex Term Rider II - A Level (Whole Life only)	
		(Percent Waived) _____%		One Yr. Term = \$ _____, + Adds	
		<input type="checkbox"/> Children's Term (CTR) (AssurePlus & Investor Select) \$ _____		A premium will be charged for this rider.	
		<input type="checkbox"/> Continuing Coverage Rider (CCR) (Survivorship only)		<input type="checkbox"/> Internal Paid-Up Insurance (Cornerstone Series Only)	
<input type="checkbox"/> Enhanced Death Benefit (EDBR) (Surv. only) Target Age _____		10. Automatic Payment of Premium			
<input type="checkbox"/> Estate Preservation Rider (EPR) (Survivorship only) \$ _____		<input type="checkbox"/> Requested <input type="checkbox"/> Not Requested			
<input type="checkbox"/> Guaranteed Insurance Option (GIO) (N/A for Surv.) \$ _____		11. <input type="checkbox"/> I authorize the Company to draft monthly payments from my account. (Attach a void check/deposit slip)			
<input type="checkbox"/> Guaranteed Death Benefit (GDB) (Variable Survivorship only)		<input type="checkbox"/> Checking <input type="checkbox"/> Draft on the:			
<input type="checkbox"/> 80 Years <input type="checkbox"/> Lifetime		<input type="checkbox"/> Savings <input type="checkbox"/> 1st <input type="checkbox"/> 15th			
<input type="checkbox"/> Other Insured (OIR) (AssurePlus & Investor Select only)		<input type="checkbox"/> Money Market <input type="checkbox"/> 8th <input type="checkbox"/> 22nd			
<input type="checkbox"/> Policy Split Option (PSO) (Survivorship only)		12. Send premium notices to: <input type="checkbox"/> Owner			
<input type="checkbox"/> Term Rider on First Proposed Insured: (Survivorship only)		<input type="checkbox"/> First Proposed Insured <input type="checkbox"/> Other: (street, city, state & zip)			
Level Amount _____					
<input type="checkbox"/> Increasing <input type="checkbox"/> Decreasing Dur Yrs _____					
<input type="checkbox"/> Term Rider on Second Proposed Insured: (Survivorship only)					
Level Amount _____					
<input type="checkbox"/> Increasing <input type="checkbox"/> Decreasing Dur Yrs _____					
<input type="checkbox"/> Waiver of Monthly Deductions (WMD) (N/A for Survivorship)					
<input type="checkbox"/> Waiver of Specified Premium (WSP) (IUL, AssurePlus & Investor Select)					
\$ _____ (Annual Premium Waived)					
<input type="checkbox"/> Other: _____					

Part C - Owner Information

1. (Check one if other than First Proposed Insured)

Individual

Provide additional information below:

Name: _____ Relationship _____ Date of Birth _____, while living thereafter

Name: _____ Relationship _____ Date of Birth _____, while living, thereafter the estate of the last survivor of the named owner(s).

Corporation, Limited Partnership, or Limited Liability Company

Full Legal Name: _____, a (State) _____

Corporation Limited Partnership Limited Liability Company, its successors or assigns.

Partnership: _____, a partnership of (City and State) _____, or any successor partnership doing business in said city under said name.

Trust: (Name of Trustee(s)) _____, trustee(s) under an instrument of trust between (Name of Trustor) _____ and said trustee(s) named (Name of Trust) _____ and dated _____, as heretofore or hereafter amended if trust is amendable, or the successors in said trust or assigns.

Qualified Pension or Profit Sharing Trust (Name of Trust Agreement) _____

As per Supplemental Request

Please provide the following information for the Owner.

2. Social Security Number or Tax Identification Number: _____

3. Address: (Street, City State, Zip) _____

4. Telephone Number: () _____

Part D - Beneficiary Information

1. (Check one or fill in the **First** and **Second** Beneficiary)

Note: If the policy is owned by a qualified pension or profit sharing plan, all payments are protected by the Spendthrift Provision. The right to change the beneficiary is reserved.

- Owner
- As per Supplemental Request
- Other: (Give full names, addresses, dates of birth and relationships to Proposed Insured.)

First

Second

Single Life

Payment will be shared equally by all *first* beneficiaries who survive the Insured; if none, by all *second* beneficiaries who so survive; if none, payment will be made to the Owner or the Owner's estate.

First to Die

When death benefit is payable at the demise of the first Insured to die, payment will be shared equally by all *first* beneficiaries who survive the first to die of the Insureds; if none, by all *second* beneficiaries who so survive; if none, payment will be made to the Owner or the Owner's estate.

Last to Die

When death benefit is payable at the demise of the last Insured to die, payment will be shared equally by all *first* beneficiaries who survive the last to die of the Insureds; if none, by all *second* beneficiaries who so survive; if none, payment will be made to the Owner or the Owner's estate.

Part E - Qualified Retirement Business ONLY

1. Issue Date: _____ 2. (Check one.) Sex Neutral Sex Distinct

(Answer a & b only for Simplified Underwriting)

3. Full Underwriting Guaranteed Issue Automatic Issue

Simplified Underwriting (If either questions a or b are answered 'Yes', provide the following details in Remarks on Page 8. Nature of ailment, date, duration and names and addresses of attending physicians.)

a. Have you been admitted to, or been advised to be admitted to a hospital or medical facility in the past 90 days by a member of the medical profession? Yes No

b. In the past two years have you been treated for or advised by a member of the medical profession to seek treatment for heart problems (including angina), stroke, or cancer, or been treated for or diagnosed as having AIDS or AIDS Related Complex (ARC)? Yes No

Part F - Children's Term Rider Information (Complete only if CTR is requested)

1. Names and Dates of Birth of all Children to be covered

2. To the best of your knowledge: (If 'Yes', give details in Remarks on Page 8)

- a. Is any Child's health impaired in any way? Yes No
- b. Has any Child shown any signs of abnormal physical or mental development? Yes No
- c. Does any Child not reside with you? Yes No
- d. Does any Child take medication prescribed by a doctor? Yes No

Part G - General Information about the First Proposed Insured (If 'Yes', provide details in Remarks on page 8)

1. Have you used any type of product containing nicotine within the last 24 months? Yes No

Product Type: _____ Frequency: _____ Date Last Used: _____

2. Have you ever applied for life, health, or disability insurance or reinstatement of same, which was declined, postponed, rated or modified in any way? Yes No

3. Are you or do you have any intention of becoming a member of a military organization? Yes No

4. Have you ever been convicted of a felony or misdemeanor? Yes No

5. Have you had any moving vehicle violations in the last 3 years, or a suspended license or a DUI conviction in the last 5 years? Yes No

6. Have there been any bankruptcy proceedings against you within the last 7 years? Yes No

7. Within the past 6 months have you applied for or do you currently have any applications pending for life or disability insurance? Yes No

8. Have you been offered any cash incentive or other consideration (such as free insurance) as an inducement to apply for or become an insured under this life insurance policy, or have you been involved in any discussions about the possible sale or transfer of this policy to an unrelated third party, such as (but not limited to) a life settlement company or investor group? Yes No

9. Identify the source of funds for premium payment (e.g., redemption of financial product, income or savings, home equity loan, payment by third party). _____

(If 'Yes', to questions 10 -12 complete form 1480, Avocation, Aviation & Foreign Travel Supplemental Application)

10. Within the last 3 years, have you participated in or do you intend to participate in any motor powered racing, scuba, skin or sky diving, rodeos, hang gliding or any other avocation generally considered hazardous? Yes No

11. Do you participate in any aviation activity other than as a fare paying passenger? Yes No

12. Do you intend to travel or reside outside of the USA for more than 2 weeks in a year? Yes No

Part H - Replacement Information (If 'Yes', Replacement forms must be provided; list company name and policy numbers).

1. Has there been or will there be a lapse, surrender, replacement, reissue, conversion, or change to reduce amount, premium, or period of coverage of any existing life, disability or annuity contract if the applied for policy or rider is issued? Yes No

2. Will there be any substantial borrowing on any life insurance policy if the applied for policy or rider is issued? Yes No
List Company Name(s) and Policy Number(s) in Remarks on Page 8

Part I - Current Policy Information about the First Proposed Insured

None in force Type: B=Business G=Group P=Personal

Company Name	Type	Total in Force \$	Total with WP \$	Total ADB \$	Date of Issue	Paid to Date

Part J - Health History of the First Proposed Insured (Complete Part J unless (a) money does not accompany this application and (b) a further medical examination will be undertaken. Do **not** complete Part J if this application is being submitted for the Pension underwriting classes of Guaranteed Issue, Simplified Underwriting, or Automatic Issue.)

Provide details, dates, and results for any 'Yes' answer to questions 1-10 in Remarks on page 8.

- | | | | | | | |
|---|--------|------|---------------------|------|---------|--|
| 1. Height | Weight | lbs. | Change in last year | lbs. | Reason? | |
| 2. Are you taking any medication? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Is your health impaired in any way? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. Have you ever applied for or received disability or worker's compensation from any source? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 5. At any time during the last 10 years have you: | | | | | | |
| a. made the decision or been advised to reduce alcohol or drug intake, or used drugs not prescribed by a physician? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b. been a member of a support group, such as AA or NA? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6. At any time during the last 10 years have you been diagnosed, treated, or taken medication for: | | | | | | |
| a. Chest Pain, Heart Murmur, Rheumatic Fever or Anemia | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b. Habitual Cough, Asthma, Emphysema or Pleurisy | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| c. Ulcer, Jaundice or Chronic Indigestion | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| d. Stroke, Dizzy Spells, Epilepsy, Convulsions, Paralysis or Unconsciousness | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| e. Heart, Veins, Arteries, Blood or Blood Pressure Disorder | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| f. Lung or Respiratory Tract Disorder | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| g. Esophagus, Stomach, Intestinal, Rectum, Liver or Gall Bladder Disorder | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| h. Kidney, Bladder, Prostate, Genito-Urinary Organs, Pelvic Organs, or Breast Disease | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| i. Eyes, Ears, Nose, or Throat Disorder | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| j. Brain, Nervous System Disorder or Headaches | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| k. Spine, Bones, Muscles, Joints, Skin or Gland Disorder | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| l. Cancer, Polyp, or Other Tumor | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| m. Gout, Arthritis, Rheumatism or Back Pain | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| n. High Blood Sugar or Diabetes | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| o. Albumin, Sugar, Casts, Pus or Blood in the Urine | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| p. Renal Colic or Kidney Stone | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| q. Depression, Anxiety, or any other Psychological Condition | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| r. Alzheimer's or Dementia | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 7. Within the past 10 years have you tested positive for exposure to the Human Immunodeficiency Virus (HIV), or has a physician or other medical professional diagnosed you as having Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or AIDS related conditions? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 8. Within the past 5 years have you: | | | | | | |
| a. had x-rays, electrocardiograms or other diagnostic tests? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b. been admitted to a hospital, or have you planned or been advised to enter a hospital for observation, operation or treatment of any kind? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| c. consulted any medical professional other than your personal physician? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 9. Do you have any pending appointments with any medical professional within the next 30 days? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 10. To the best of your knowledge, has any member of your family had diabetes, cancer, heart disease, Huntington's Disease or polycystic kidney disease? | | | | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

11. Name and Address of Personal Physician (If none, so state)	Date last seen	Reason consulted & outcome

12. Family History	Age if alive	State of Health	Age at death	Cause of death
Father	_____	_____	_____	_____
Mother	_____	_____	_____	_____
Siblings	_____	_____	_____	_____
Siblings	_____	_____	_____	_____

Complete for Joint Life or Primary Other Insured Only (For additional Other Insureds, use form 8531)

Part K - Second Proposed Insured or Primary Other Insured Information				
1. Name (print first, middle, last)		2. Home Address (street, city, state and zip)		
3.a. Place of Birth	3. b. Country in which you hold citizenship _____ c. If you are not a citizen of the U.S., do you have a permanent resident status in the U.S.?		4. D.O.B.	5. Issue at Age
		<input type="checkbox"/> Yes - Alien Registration #: _____ <input type="checkbox"/> No - Type of visa held: _____		
6. Sex <input type="checkbox"/> M <input type="checkbox"/> F	7. Soc. Sec. #	8. Telephone #'s and best time to call Home () Work ()		9a. Occupation (w/specific duties)
9b. Are you actively at work at the customary workplace, doing the usual duties and functions required by the position during the normal work hours and weekly period? <input type="checkbox"/> Yes <input type="checkbox"/> No *Reason:				
10. Employer Name & Address: (street, city, state and zip)			11. Driver's License # and state:	
12. Face Amount (Primary Other Insured fill in Face Amount if different than Base Amount.) \$			13. First Proposed Insured, Relationship and S.S.# (for use with AssurePlus & Investor Select)	
14. Primary Beneficiary for Primary Other Insured, Relationship & S.S. # (for use with AssurePlus & Investor Select)				

Part L - General Information about the Second Proposed Insured or Primary Other Insured (If 'Yes', provide details in Remarks on page 8)	
1. Have you used any type of product containing nicotine within the last 24 months? <input type="checkbox"/> Yes <input type="checkbox"/> No Product Type: _____ Frequency: _____ Date Last Used: _____	
2. Have you ever applied for life, health, or disability insurance or reinstatement of same, which was declined, postponed, rated or modified in any way? <input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Are you or do you have any intention of becoming a member of a military organization? <input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Have you ever been convicted of a felony or misdemeanor? <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. Have you had any moving vehicle violations in the last 3 years, or a suspended license or a DUI conviction in the last 5 years? <input type="checkbox"/> Yes <input type="checkbox"/> No	
6. Have there been any bankruptcy proceedings against you within the last 7 years? <input type="checkbox"/> Yes <input type="checkbox"/> No	
7. Within the past 6 months have you applied for or do you currently have any applications pending for life or disability insurance? <input type="checkbox"/> Yes <input type="checkbox"/> No	
8. Have you been offered any cash incentive or other consideration (such as free insurance) as an inducement to apply for or become an insured under this life insurance policy, or have you been involved in any discussions about the possible sale or transfer of this policy to an unrelated third party, such as (but not limited to) a life settlement company or investor group? <input type="checkbox"/> Yes <input type="checkbox"/> No	
9. Identify the source of funds for premium payment (e.g., redemption of financial product, income or savings, home equity loan, payment by third party). _____	
(If 'Yes', to questions 10-12 complete form 1480, Avocation, Aviation & Foreign Travel Supplemental Application)	
10. Within the last 3 years, have you participated in or do you intend to participate in any motor powered racing, scuba, skin or sky diving, rodeos, hang gliding or any other avocation generally considered hazardous? <input type="checkbox"/> Yes <input type="checkbox"/> No	
11. Do you participate in any aviation activity other than as a fare paying passenger? <input type="checkbox"/> Yes <input type="checkbox"/> No	
12. Do you intend to travel or reside outside of the USA for more than 2 weeks in a year? <input type="checkbox"/> Yes <input type="checkbox"/> No	
13. Are you legally married to the First Proposed Insured? <input type="checkbox"/> Yes <input type="checkbox"/> No (This question must be answered if either EPR or PSO is requested in the Additional Benefits and Amounts section)	

Part M - Replacement Information (If 'Yes', Replacement forms must be provided; list company name and policy numbers)	
1. Has there been or will there be a lapse, surrender, replacement, reissue, conversion, or change to reduce amount, premium, or period of coverage of any existing life, disability or annuity contract if the applied for policy or rider is issued? <input type="checkbox"/> Yes <input type="checkbox"/> No	
2. Will there be any substantial borrowing on any life insurance policy if the applied for policy or rider is issued? <input type="checkbox"/> Yes <input type="checkbox"/> No Company Name(s) and Policy Number(s)	

Part N - Current Policy Information about the Second Proposed Insured or Primary Other Insured						
<input type="checkbox"/> None in force Type: B=Business G=Group P=Personal						
Company Name	Type	Total in Force \$	Total with WP \$	Total ADB \$	Date of Issue	Paid to Date

Complete for Joint Life or Primary Other Insured Only

Part O - Health History of the Second Proposed Insured or Primary Other Insured (Complete Part O unless (a) money does not accompany this application and (b) a further medical examination will be undertaken.)

Provide details, dates, and results for any 'Yes' answer to questions 1-10 in Remarks on page 8.

1. Height	Weight	lbs.	Change in last year	lbs.	Reason?		
2. Are you taking any medication?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Is your health impaired in any way?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Have you ever applied for or received disability or worker's compensation from any source?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. At any time during the last 10 years have you:							
a. made the decision or been advised to reduce alcohol or drug intake, or used drugs not prescribed by a physician?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. been a member of a support group, such as AA or NA?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. At any time during the last 10 years have you been diagnosed, treated, or taken medication for:							
a. Chest Pain, Heart Murmur, Rheumatic Fever or Anemia						<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. Habitual Cough, Asthma, Emphysema or Pleurisy						<input type="checkbox"/> Yes	<input type="checkbox"/> No
c. Ulcer, Jaundice or Chronic Indigestion						<input type="checkbox"/> Yes	<input type="checkbox"/> No
d. Stroke, Dizzy Spells, Epilepsy, Convulsions, Paralysis or Unconsciousness						<input type="checkbox"/> Yes	<input type="checkbox"/> No
e. Heart, Veins, Arteries, Blood or Blood Pressure Disorder						<input type="checkbox"/> Yes	<input type="checkbox"/> No
f. Lung or Respiratory Tract Disorder						<input type="checkbox"/> Yes	<input type="checkbox"/> No
g. Esophagus, Stomach, Intestinal, Rectum, Liver or Gall Bladder Disorder						<input type="checkbox"/> Yes	<input type="checkbox"/> No
h. Kidney, Bladder, Prostate, Genito-Urinary Organs, Pelvic Organs, or Breast Disease						<input type="checkbox"/> Yes	<input type="checkbox"/> No
i. Eyes, Ears, Nose, or Throat Disorder						<input type="checkbox"/> Yes	<input type="checkbox"/> No
j. Brain, Nervous System Disorder or Headaches						<input type="checkbox"/> Yes	<input type="checkbox"/> No
k. Spine, Bones, Muscles, Joints, Skin or Gland Disorder						<input type="checkbox"/> Yes	<input type="checkbox"/> No
l. Cancer, Polyp, or Other Tumor						<input type="checkbox"/> Yes	<input type="checkbox"/> No
m. Gout, Arthritis, Rheumatism or Back Pain						<input type="checkbox"/> Yes	<input type="checkbox"/> No
n. High Blood Sugar or Diabetes						<input type="checkbox"/> Yes	<input type="checkbox"/> No
o. Albumin, Sugar, Casts, Pus or Blood in the Urine						<input type="checkbox"/> Yes	<input type="checkbox"/> No
p. Renal Colic or Kidney Stone						<input type="checkbox"/> Yes	<input type="checkbox"/> No
q. Depression, Anxiety, or any other Psychological Condition						<input type="checkbox"/> Yes	<input type="checkbox"/> No
r. Alzheimer's or Dementia						<input type="checkbox"/> Yes	<input type="checkbox"/> No
7. Within the past 10 years have you tested positive for exposure to the Human Immunodeficiency Virus (HIV), or has a physician or other medical professional diagnosed you as having Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or AIDS related conditions?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
8. Within the past 5 years have you:							
a. had x-rays, electrocardiograms or other diagnostic tests?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. been admitted to a hospital, or have you planned or been advised to enter a hospital for observation, operation or treatment of any kind?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
c. consulted any medical professional other than your personal physician?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
9. Do you have any pending appointments with any medical professional within the next 30 days?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
10. To the best of your knowledge, has any member of your family had diabetes, cancer, heart disease, Huntington's Disease or polycystic kidney disease?						<input type="checkbox"/> Yes	<input type="checkbox"/> No

11. Name and Address of Personal Physician (If none, so state)	Date last seen	Reason consulted & outcome

12. Family History	Age if alive	State of Health	Age at death	Cause of death
Father	_____	_____	_____	_____
Mother	_____	_____	_____	_____
Siblings	_____	_____	_____	_____
Siblings	_____	_____	_____	_____

Complete for Variable Products Only

Part P - Variable Insurance Information

Following questions to be completed by the Applicant.

- 1. Have you received a current prospectus which describes the variable nature of this product and the utilization of a Separate Account or a Variable Account? Yes No
- 2. Do you believe that this Policy will meet your insurance needs and financial objectives? Yes No
- 3. Do you understand that the Cash Surrender Value and Death Benefit may increase or decrease based on the policy's investment return, even to the extent of being reduced to zero? Yes No

Part Q - Telephone Transaction Agreement

Unless waived below, I appoint the Company as my agent to act upon telephoned instructions reasonably believed to be authorized by me. I hereby ratify any telephoned instructions so given and consent to the tape recording of these instructions. So long as the Company employs reasonable procedures to confirm that the instructions are genuine, I agree that I will not hold the Company liable for any unauthorized telephoned instructions. This will allow me and my representative named below to transfer account values between available accounts, change premium allocations, and add, cancel or change the Portfolio Rebalancing or Dollar Cost Averaging features. *Owner can request policy loans only up to \$25,000.*

Representative(s): _____

I do **not** authorize the Company to accept telephone instructions.

Part R - Investment Information (Do NOT complete Part R if participating in Illuminations.)

- 1. Do you want monthly charges deducted from the Money Market sub-account? Yes No
(If 'No', charges will be deducted from the General Account or the Fixed Account and all sub-accounts on a pro rata basis.)

Note: Elect Portfolio Rebalancing (2.a.) or Dollar Cost Averaging, (2.b.) but not both. (See Investment Allocation, form 9201)

2.a. I elect the following for Portfolio Rebalancing:

Semi-Annual (only option for VUL)

Annual

Quarterly

OR

2.b. I elect monthly Dollar Cost Averaging. Transfer funds from the Money Market sub-account using the allocation provided on the Investment Allocation, form 9201.

The amount and duration of the Death Benefit may increase or decrease daily as described in the DEATH BENEFIT AND POLICY CHANGES section of the policy at issue. The dollar amount of the Death Benefit is not guaranteed. The Cash Surrender Value of this policy is dependent on the Accumulated Value in the Separate Account or Variable Account, which fluctuates according to the investment experience of the Sub-Accounts of the Separate Account or Variable Account chosen by the Owner. The Cash Surrender Value may increase or decrease daily, and is not guaranteed as to dollar amount.

The investment in this policy could be lost entirely, depending on the performance of the Separate Account or Variable Account, and as a result the Death Benefit may terminate unless additional premium payments are made to keep this policy in force.

Part T - Agreement & Authorization (Continued)

I (we), the Proposed Insured(s), authorize any physician, medical practitioner, hospital, clinic, or other medically related facility, insurer or reinsurer, the Medical Information Bureau, Inc. (MIB), consumer reporting agency, or employer having information as to:

- diagnosis, treatment and prognosis of any physical or mental condition of me (us) or any of my (our) minor children on whose life I (we) have applied for insurance;
- any non-medical information of me (us) or such minor children;

to give National Life Insurance Company, herein called National Life, or its authorized representative, any and all such information.

I (we) authorize National Life to request a copy of my (our) driving record(s) from the state motor vehicle department.

I (we) authorize National Life Insurance Company to obtain an investigative consumer report. I (we) understand that I am (we are) entitled to be interviewed by the consumer reporting agency that prepares any such report, as long as I (we) can reasonably be contacted during normal business hours.

I (we) wish to be interviewed if an investigative consumer report is prepared.

This information may be used to determine eligibility for life or health insurance or claims for benefits, and I (we) authorize National Life to release any of this information to the MIB and/or Reinsurers and other life insurance companies in which I (we) have insurance or from which I (we) seek insurance or benefits.

I (we) authorize National Life to redisclose the information to:

- Any person performing a business or legal function for its benefit;
- An attending physician for diagnostic or treatment purposes;
- Government authorities to prevent insurance related illegal activities;
- Persons conducting medical or statistical studies for National Life;
- Persons having an authorization specifically permitting the redisclosure;

and when required by law. In making this authorization, I (we) waive any right to prohibit redisclosure to an affiliate of National Life where the redisclosure is related to the servicing of my (our) policy.

This authorization shall remain valid for 30 months from the date shown below.

I (we) understand I (we) have a right to receive a copy of this authorization. A copy of this authorization shall be as valid as the original. I (we) acknowledge receipt of copies of the prenotifications relating to investigative consumer reports and the MIB.

Part U - Owner's Taxpayer ID Number Certification

Under 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.

Part V - Signatures

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signed at (City & State) _____ Date (mm/dd/yyyy) _____

First Proposed Insured (Sign name in full)

Applicant (Sign name in full if other than Proposed Insured)

Second Proposed Insured (Sign name in full)

Primary Other Insured (Sign name in full)

Owner (If other than Applicant or Proposed Insured)

Soliciting Agent/Representative (Sign name in full)

For Check-O-Matic Only (If Depositor other than Applicant/Owner)
Depositor (Exactly as it appears on bank records)

(Exercise of AIO Only)
Owner of Base Policy

<i>SERFF Tracking Number:</i>	<i>NALF-125653584</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>National Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>39504</i>
<i>Company Tracking Number:</i>	<i>8566AR(1008)</i>		
<i>TOI:</i>	<i>L061 Individual Life - Variable</i>	<i>Sub-TOI:</i>	<i>L061.002 Single Life - Flexible Premium</i>
<i>Product Name:</i>	<i>Investor Select</i>		
<i>Project Name/Number:</i>	<i>Investor Select/8566AR(1008)</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: NALF-125653584 State: Arkansas
Filing Company: National Life Insurance Company State Tracking Number: 39504
Company Tracking Number: 8566AR(1008)
TOI: L061 Individual Life - Variable Sub-TOI: L061.002 Single Life - Flexible Premium
Product Name: Investor Select
Project Name/Number: Investor Select/8566AR(1008)

Supporting Document Schedules

Satisfied -Name: Certification/Notice	Review Status:	05/19/2008
Comments:		
Attachments:		
AR Readability Certs.pdf		
AR Regulation 34 Cert.pdf		
AR Cert.pdf		
AR Consent to Submit Rates and.pdf		
Satisfied -Name: Application	Review Status:	05/19/2008
Comments:		
A revised application has been included under the Forms Schedule tab.		
Satisfied -Name: Cover Letter	Review Status:	06/11/2008
Comments:		
Attachment:		
AR Letter.pdf		
Satisfied -Name: Prospectus	Review Status:	06/11/2008
Comments:		
Attachment:		
Investor Select Prospectus 060908 N-6 FILED.pdf		
Satisfied -Name: Statement of Variability	Review Status:	06/11/2008
Comments:		
Attachment:		
Statement of Variability.pdf		

SERFF Tracking Number: NALF-125653584 State: Arkansas
Filing Company: National Life Insurance Company State Tracking Number: 39504
Company Tracking Number: 8566AR(1008)
TOI: L06I Individual Life - Variable Sub-TOI: L06I.002 Single Life - Flexible Premium
Product Name: Investor Select
Project Name/Number: Investor Select/8566AR(1008)

Review Status:

Satisfied -Name: John Doe Annual Statement 06/12/2008

Comments:

Attachment:

John Doe Annual Statement.pdf

Review Status:

Satisfied -Name: John Doe Illustration 06/12/2008

Comments:

Attachments:

John Doe Illustration - Sex Distinct.pdf

John Doe Illustration - Unisex.pdf

Review Status:

Satisfied -Name: Certification of Compliance with Regulation 33 07/08/2008

Comments:

Attachment:

AR Regulation 33 Certification.pdf

Arkansas Certification

This is to certify that the attached form number 8566AR(1008) has achieved a Flesch Reading Score of 67.2 and complies in all respects with the requirements of Arkansas Statute Annotated Section 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

National Life Insurance Company



Bennett E. Law, FSA, MAAA
Vice President
Policy & Business Forms Management

June 4, 2008

Date

Arkansas Certification

This is to certify that the attached form number 8567AR(1008) has achieved a Flesch Reading Score of 67.1 and complies in all respects with the requirements of Arkansas Statute Annotated Section 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

National Life Insurance Company



Bennett E. Law, FSA, MAAA
Vice President
Policy & Business Forms Management

June 4, 2008

Date

Arkansas Certification

This is to certify that the attached form number 9212AR(1008) has achieved a Flesch Reading Score of 77.7 and complies in all respects with the requirements of Arkansas Statute Annotated Section 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act.

National Life Insurance Company



Bennett E. Law, FSA, MAAA
Vice President
Policy & Business Forms Management

June 4, 2008

Date

CERTIFICATION
STATE OF ARKANSAS

Regarding: **8566AR(1008)**, Flexible Premium Adjustable Benefit Variable Life Insurance
 8567AR(1008), Flexible Premium Adjustable Benefit Variable Life Insurance. Unisex.
 9212AR(0707), Life Insurance Application

I, Bennett E. Law, certify for National Life Insurance Company that the forms referenced above are in compliance with Regulation 34 published by the Arkansas Insurance Department.

National Life Insurance Company



Bennett E. Law, FSA, MAAA
Vice President
Policy & Business Forms Management

June 4, 2008
Date

CERTIFICATION
STATE OF ARKANSAS

Regarding: **8566AR(1008)**, Flexible Premium Adjustable Benefit Variable Life Insurance
 8567AR(1008), Flexible Premium Adjustable Benefit Variable Life Insurance. Unisex.
 9212AR(0707), Life Insurance Application

I, Bennett E. Law, certify for National Life Insurance Company that the forms referenced above meet the provisions of Regulation 19§10B, as well as all applicable requirements of the Arkansas Insurance Department.

I further certify that the forms referenced above are in compliance with Regulation 49 concerning Life & Health Guaranty Association Notices and Arkansas Insurance Code 23-79-138 concerning required policy information.

National Life Insurance Company



Bennett E. Law, FSA, MAAA
Vice President
Policy & Business Forms Management

June 4, 2008
Date

Consent to Submit Rates and/or Cost Bases for Approval

The **National Life Insurance Company** of Montpelier, Vermont, does hereby consent and agree:

- A. that all premium rates and/or cost bases both “maximum” and “current or projected” used in relation to policy form number 8566AR(1008), 8567AR(1008), 8422(0806), 8458(0606) must be filed with the Insurance Commissioner of the State of Arkansas (“Commissioner”) at least sixty (60) days prior to their proposed effective date. Such rates and/or cost bases shall be deemed effective sixty (60) days after they are filed with the Commissioner, unless the Commissioner shall approve or disapprove such rates and/or cost bases prior to the expiration of sixty (60) days.

or

- B. that where the policy is a flexible or indeterminate premium whole life policy which provides for frequent changes in interest rates based on financial market conditions, the Company may file a range of rates it will stay within and will notify the Department at least sixty (60) days prior to any change in the range of rates. The Company must also document the method used to calculate its premium and range of rates.

National Life Insurance Company



Bennett E. Law, FSA, MAAA
Vice President
Policy & Business Forms Management

June 6, 2008

Date



July 2, 2008

Director, Life & Health Division
Department of Insurance
1200 West Third Street
Little Rock, Arkansas 72201-1904

Regarding: **Investor Select Submission**

National Life Insurance Company
NAIC No. 0634-66680

Form Numbers: **8566AR(1008)**, Flexible Premium Adjustable Benefit Variable Life Insurance
8567AR(1008), Flexible Premium Adjustable Benefit Variable Life Insurance. Unisex Version.
9212AR(1008), Life Insurance Application

Today we are submitting a new pair of flexible premium adjustable benefit variable life insurance policies for your consideration, forms **8566AR(1008)** and **8567AR(1008)**. The policies are identical, save that form 8567AR(1008) is a Unisex Version of the policy. **This Unisex version will be used exclusively when a unisex plan of insurance is required pursuant to the Norris decision and/or Title VII of the Civil Rights Act of 1964.**

Also enclosed today is a revised Life Insurance Application and new rates/exercise charge for two of our previously approved riders. All of these forms are being submitted to the Vermont Department of Banking, Insurance, Securities and Health Care Administration, representing our state of domicile, and are currently pending the Department's approval.

The policies submitted today are similar to and will replace our existing Flexible Premium Adjustable Benefit Variable Life Insurance policies written on forms 7206(0395) and 7207(0395), approved for use on September 5, 1995. Forms 8566AR(1008) and 8567AR(1008) will use the 2001 Commissioners Standard Ordinary (Male/Female/80) Smoker/Nonsmoker, Ultimate, Age Nearest Birthday, mortality tables, while our previously approved policies used the 1980 Commissioners Standard Ordinary, (Male/Female/Table B), Smoker/Nonsmoker, Age Nearest Birthday mortality tables.

The enclosed forms will be marketed with an illustration to the small business owner sector through National Life's General Agency career system. This product will be sold to Insureds ages 0-85. Insureds will be assigned to one of the following five rate classes: Elite Preferred, Preferred Non-Smoker, Non-Smoker, Preferred Smoker, and Smoker. Insureds ages 0-19 will be classified as juveniles and will be assigned to the Non-Smoker rate class. The minimum policy size for these forms is \$50,000 for individual issues, \$5,000 for standard rate classes in the pension marketplace and \$50,000 for preferred rate classes in the pension marketplace. In addition, both flat extra substandard ratings and percentage substandard ratings may be applied to the policies. The proposed effective date for use of the submitted forms is October 1, 2008.

We will use form **9212AR(1008)** in the solicitation of these policies. This application will replace form 9212AR(0707) which was approved for use on September 6, 2007. We have revised this application to accommodate its use with the enclosed policy forms. The revisions to the enclosed application are comprised of instructional changes to clarify the benefits and riders that may be elected with this particular product.

Also enclosed today are new rates/exercise charges for our previously approved Balance Sheet Benefit Rider and Overloan Protection Rider. Approval dates for these forms can be found in the table below. The rates/charges enclosed for these riders will only be used when the riders are attached to forms 8566AR(1008) and 8567AR(1008). We will continue to use the previously approved rate schedules when the riders are attached to our other products.

We would also like to extend the use of a number of other forms, previously approved by your Department, for use with the policies submitted today. Those forms, and their approval dates, are presented in the table below:

Form Number	Form Name	Approval Date
7490(0200)	Accelerated Benefits Rider for Terminal Illness	January 31, 2002
7493(0200)	Accelerated Benefits Rider for Covered Chronic Illness	January 31, 2002
7209(0395)	Accidental Death Benefit Rider	September 5, 1995
0140(0199)	Aircraft Limitation Rider	June 17, 1999
0141(0199)	Aircraft Limitation Rider – Military	June 17, 1999
8458(0606)	Balance Sheet Benefit Rider	January 9, 2007
8524(0707)	Children’s Term Rider	September 6, 2007
8525(0707)	Children’s Term Rider Exclusion Endorsement	September 6, 2007
6563(0493)	Foreign Travel Exclusion Endorsement	February 12, 2004
6563(0493)	Limitation of Liability Endorsement	August 12, 1993
9250AR(0201)	Long Term Care Insurance Rider	December 27, 2002
9251AR(0201)	Long Term Care Insurance Rider	December 27, 2002
8526(0707)	Other Insured Rider	September 6, 2007
8534(0707)	Other Insured Rider (for use with Unisex Version)	September 6, 2007
8422(0806)	Overloan Protection Rider	September 18, 2006
8336(0707)	Qualified Plan Exchange Privilege Rider	September 6, 2007
9249AR(0201)	Rider to Accelerate Benefits for Payment of Qualified Long Term Care Services Due to Chronic Illness	December 27, 2002
7208(0395)	Waiver of Monthly Deductions Rider	September 5, 1995
8456(0606)	Waiver of Specified Premium Rider	January 9, 2007
8457(0606)	Waiver of Specified Premium Rider	January 9, 2007
0180(0199)	War Limitation Rider	June 17, 1999
8531AR(0707)	Other Insured Rider Application	September 6, 2007

The Flesch Readability Score for the submitted forms are as follows:

Form No.	Description	Score:
8566AR(1008)	Flexible Premium Adjustable Benefit Variable Life Insurance.	67.2
8567AR(1008)	Flexible Premium Adjustable Benefit Variable Life Insurance. Unisex Version.	67.1
9212AR(1008)	Life Insurance Application	77.7

Also included with this submission are the following materials:

- Actuarial Memorandums in support of the submitted forms
- Statement of Variability
- John Doe Illustrations
- John Doe Annual Statement
- Copy of the Prospectus as it was filed with the SEC on June 9, 2008
- Any required certifications and checklists

Investor Select Submission - Arkansas
National Life Insurance Company
July 2, 2008
Page 3

If you have any questions concerning this submission, please do not hesitate to call me at (802) 229-3614 (collect), fax me at (802) 229-3743 or e-mail me at Ltrombly@nationallife.com.

Thank you very much.

Sincerely,



Laurie R. Trombly
Manager, Forms Management

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer is not permitted.

**Investor Select
Variable Universal Life Insurance
PROSPECTUS
Dated [], 2008**

**National Life Insurance Company
National Variable Life Insurance Account**

Home Office: National Life Drive,
Montpelier, Vermont 05604
Telephone: (800) 732-8939

This prospectus describes the Investor Select policy, a variable universal life insurance policy offered by National Life Insurance Company (“National Life”). This Policy combines insurance and investment features. The policy’s primary purpose is to provide insurance protection on the life of the insured person. You can make premium payments at various times and in various amounts. You can also allocate premiums among a number of funds with different investment objectives, and you can increase or decrease the death benefit payable under your policy.

You may allocate premium payments to the National Variable Life Insurance Account, a Separate Account of National Life, or to the General Account, or a combination of the two. The General Account pays interest at a guaranteed rate of at least 3%. The Separate Account currently has several subaccounts. Each subaccount buys shares of a specific portfolio. The available portfolios are:

Sentinel Variable Products Trust Balanced Bond Common Stock Mid Cap Growth Money Market Small Company	Alger American Fund LargeCap Growth Capital Appreciation Small Cap Growth	Alliance Bernstein Variable Products Series Fund, Inc. International Growth International Value Small/Mid Cap Value Value
American Century Variable Portfolios, Inc. VP Value VP Vista SM VP International VP Inflation Protection	DWS Investments VIT Funds Small Cap Index VIIP DWS Variable Series II Dreman Small Mid Cap Value	(Fidelity) Variable Insurance Products Fund Equity-Income Portfolio Growth Portfolio High Income Portfolio Overseas Portfolio (Fidelity) Variable Insurance Products Fund II Contrafund® Portfolio Index 500 Portfolio Value Strategies Portfolio (Fidelity) Variable Insurance Products Fund III Mid Cap Portfolio (Fidelity) Variable Insurance Products Fund V Investment Grade Bond Portfolio
Franklin Templeton Variable Insurance Products Trust Mutual Discovery Securities Mutual Shares Securities Small Cap Value Securities Small-Midcap Growth Securities Foreign Securities U.S. Government	Funds to be named later TBD TBD TBD TBD	Funds to be named later TBD TBD TBD
Neuberger Berman Advisers Management Trust Partners Mid-Cap Growth Lehman Brothers Short Duration Bond Socially Responsive	Oppenheimer Variable Account Funds Balanced/VA Main Street Small Cap/VA Strategic Bond/VA	T. Rowe Price Capital Appreciation Fund Capital Appreciation T. Rowe Price Equity Series, Inc. Blue Chip Growth Equity Income Health Sciences
Van Eck Worldwide Insurance Trust Worldwide Bond Worldwide Emerging Markets Worldwide Hard Assets Worldwide Real Estate		

The value of your policy will depend upon the investment results of the portfolios you select. The policy's value and death benefit will fluctuate based on the investment results of the chosen portfolios, the crediting of interest to the General Account, and the deduction of charges. You bear the entire investment risk for all amounts allocated to the Separate Account. There is no guaranteed minimum value for any of the portfolios. We do not guarantee any minimum policy value. You could lose some or all of your money. You must receive, with this prospectus, current prospectuses for all of the portfolios. We recommend that you read this prospectus and the prospectuses for the portfolios carefully. You should keep all prospectuses for later reference.

An investment in the policy is not a bank deposit. Neither the U.S. government nor any governmental agency insures or guarantees your investment in the policy.

It may not be advantageous to purchase a policy as a replacement for another type of life insurance or as a means to obtain additional insurance protection if you already own another variable universal life insurance policy. It also may not be advantageous for you to finance the purchase of this policy through use of a loan or through making withdrawals from another policy that you already own.

The Securities and Exchange Commission ("SEC") has not approved or disapproved the policy or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

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The policy may not be available in all states and its terms may vary by state. This prospectus does not offer the policy in any state in which we may not legally offer the policy. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information that is different.

The primary purpose of this variable life insurance policy is to provide insurance protection. We do not claim that the policy is in any way similar or comparable to an investment in a mutual fund.

SUMMARY OF THE BENEFITS AND RISKS OF THE POLICY

This summary provides you with a brief overview of the benefits and risks associated with the Policy. You should read the entire prospectus before purchasing the Policy. Important details regarding the Policy are contained in other sections of this prospectus. Please consult your agent and refer to your Policy for details. For your convenience, we have defined certain terms we use in the Glossary at the end of the prospectus.

Summary of Principal Policy Benefits

Life Insurance Protection. The Policy provides a means for an Owner to accumulate life insurance on the life of a specified Insured. Proceeds under the Policy can generally pass free of federal and state income tax at the death of an Insured.

As long as your Policy remains in force, we will pay the Death Benefit to your Beneficiary, when we receive due proof of the death of the Insured. We will increase the Death Benefit by any additional benefits provided by a supplementary benefit rider. We will reduce the Death Benefit by any outstanding Policy loans and accrued interest and any unpaid Monthly Deductions.

Death Benefit Option A and Option B. We offer two Death Benefit options, which we call Option A and Option B. You may choose which option to apply to your Policy.

If you choose Death Benefit Option A, the Death Benefit will be based on the greater of:

- ⇒ Face Amount; or
- ⇒ the Accumulated Value multiplied by a factor specified by federal income tax law.

If you choose Death Benefit Option B, the Death Benefit will be based on the greater of:

- ⇒ the Face Amount plus the Accumulated Value; or
- ⇒ the Accumulated Value multiplied by the same factor that applies to option A.

After a year, you may adjust the Death Benefit by changing the Death Benefit option or by increasing or decreasing the Face Amount of your Policy. See “Death Benefit.”

- You can elect to include an optional accelerated death benefit rider in your Policy, which permits you to receive a discounted payment of the Policy’s Death Benefit before the death of the Insured under circumstances where a terminal illness or chronic illness creates a need for access to the Death Benefit. There is no additional cost for the accelerated death benefit rider.
- You can also elect to include accelerated care and chronic care protection riders in your Policy. The accelerated care rider provides periodic partial prepayments of the Death Benefit if the Insured becomes chronically ill, and the chronic care protection rider continues to pay benefits after the entire Death Benefit under the Policy has been prepaid under the accelerated care rider. There is an additional cost for the accelerated care rider and the chronic care protection rider.
- You may add additional insurance and other benefits to your Policy by rider. Please see “Optional Benefits”, below, for a description of the other optional benefits that we offer.
- You may receive personalized illustrations in connection with the purchase of this Policy that reflect your own particular circumstances. These hypothetical illustrations may help you to understand the long-term effects of different levels of investment performance, the possibility of lapse, and the charges and deductions under the Policy. They may also help you to compare this Policy to other life insurance policies. The personalized illustrations are based on hypothetical rates of return and are not a representation or guarantee of investment returns or cash value.

- In order to meet the definition of life insurance under the Internal Revenue Code of 1986, as amended, section 7702 of the Code defines two alternative testing procedures. These are the guideline premium test (“GPT”) and the cash value accumulation test (“CVAT”). We will apply the GPT test to the Policy unless your Policy will be classified as a Modified Endowment Contract at issue and you elect to have the CVAT applied.

Cash Benefits. After a year, you may borrow against your Policy. The maximum amount of all loans is the Cash Surrender Value less three times the most recent Monthly Deduction. When you take a loan we will transfer an amount equal to the loan to our General Account as Collateral. We charge interest on the loan, and we credit interest on Collateral. Loans may have adverse tax consequences. When the Death Benefit becomes payable or the Policy is surrendered, we will deduct Policy loans and accrued interest from the proceeds otherwise payable.

After a year, you may request a Withdrawal of Cash Surrender Value. However:

- ⇒ You must withdraw at least \$500;
- ⇒ You cannot withdraw more than the Cash Surrender Value on the date we receive your request minus three times the most recent Monthly Deduction for the most recent Monthly Policy Date;
- ⇒ You may not allocate Withdrawals to the General Account until all the value in the Separate Account has been exhausted.
- ⇒ We may deduct a Withdrawal charge from each Withdrawal. Withdrawals may have tax consequences.
- ⇒ If Death Benefit Option A is in effect at the time of the withdrawal, then the Face Amount will be reduced by the amount of the withdrawal. The withdrawal will not be permitted if it would reduce the Face Amount below the minimum face amount.
- ⇒ A withdrawal will not be permitted if it would cause the policy to no longer qualify as Life Insurance for Federal Income Tax purposes under the Internal Revenue Code.

You may surrender your Policy at any time and receive the Cash Surrender Value, if any. The Cash Surrender Value will equal the Accumulated Value less any Policy loan with accrued interest and any Surrender Charge.

Variety of Investment Options. You may allocate Net Premiums among the subaccounts of the Separate Account and the General Account. The subaccounts in the Separate Account invest in a wide variety of portfolios that cover a broad spectrum of investment objectives and risk tolerances.

We will credit interest at an effective annual rate of at least 3% on amounts invested in the General Account.

As your needs or financial goals change, you can change your investment mix. You may make transfers among the Separate Account and the General Account. Currently, you may make an unlimited number of such transfers within the subaccounts of the Separate Account and from the Separate Account to the General Account, without charge. You may not make transfers out of the General Account that exceed the greater of: (a) 25% of the non-loaned Accumulated Value in such account at the time of transfer; (b) or \$5,000. We allow only one such transfer out of the General Account in any Policy Year.

We offer all Owners the opportunity to participate in “Illuminations”. Under this investment advisory program, National Life has arranged for FundQuest, Inc. (“FundQuest”), a registered investment adviser firm that is independent of National Life, to provide an investment advisory service under which FundQuest maintains an allocation of the Accumulated Value of your Policy among the available options that is suited to your investment objective, financial situation and risk tolerance. The Illuminations investment advisory service is available without charge to Owners.

Summary of the Principal Risks of Purchasing a Policy

Investment Risk. We cannot give any assurance that any portfolio will achieve its investment objectives. You bear the entire investment risk on the value of your Policy you allocate to the Separate Account. In addition, we deduct Policy fees and charges from your Accumulated Value, which can significantly reduce your Accumulated Value.

During times of poor performance, these deductions will have an even greater impact on your Accumulated Value. You could lose everything you invest, and your Policy could lapse without value, unless you pay additional premium prior to the lapse. Please note that frequent, large, or short-term transfers among subaccounts, such as those associated with “market timing” transactions, can adversely affect the portfolios and the returns achieved by Owners. Such transfers may dilute the value of portfolio shares, interfere with the efficient management of the portfolios, and increase brokerage and administrative costs of the portfolios. To protect Owners and portfolios from such effects, we have developed market timing procedures. See “Disruptive Trading” below.

If you allocate premiums to the General Account, we credit your Accumulated Value in the General Account with a declared rate of interest. You assume the risk that the rate may decrease, although it will never be lower than a guaranteed minimum effective annual rate of 3%.

Risk of Lapse. If on any Monthly Policy Date the Cash Surrender Value is insufficient to cover the Monthly Deductions and any other charges under the policy, the Policy will enter a 61-day Grace Period, unless:

1. the Policy is within the Policy Protection Period; and
2. the Accumulated Value less any debt is greater than the Monthly Deduction due; and
3. the cumulative premiums paid since the policy’s date of issue, less any Withdrawals and less any debt are greater than or equal to the cumulative Minimum Monthly Premiums due since the Policy’s Date of Issue.

This could happen for a number of reasons, including: (1) if the investment returns on your chosen investment portfolios are lower than anticipated; (2) if you do not pay premiums at the levels you planned; or (3) if you take Policy loans. The Policy Protection Period corresponds to the first five Policy Years. Your Policy will not lapse if you elect and exercise the overloan protection rider, subject to certain conditions.

Tax Risks. We anticipate that a Policy issued on the basis of a standard rate class should generally be deemed a life insurance contract under Federal tax law. However, due to limited guidance under the Federal tax law, there is some uncertainty about the application of the Federal tax law to Policies issued on a substandard basis (i.e., a rate class involving higher than standard mortality risk). In addition, if you elect the accelerated death benefit rider, the accelerated care rider or the chronic care protection rider, the tax qualification consequences associated with continuing the Policy after a distribution is made are unclear. Please consult with a tax adviser about these consequences. Assuming that a Policy qualifies as a life insurance contract for federal income tax purposes, you should not be deemed to be in constructive receipt of the Policy’s value until there is a distribution from the Policy. Moreover, Death Benefits payable under a Policy should be excludable from the gross income of the Beneficiary. As a result, your Beneficiary generally should not have to pay U.S. federal income tax on the Death Benefit, although other taxes, such as estate taxes, may apply.

Depending on the total amount of premiums you pay, the Policy may be classified as a “Modified Endowment Contract” (“MEC”) under Federal tax laws. If a Policy is classified as a MEC, then surrenders, Withdrawals, and loans under the Policy will be taxable as ordinary income to the extent there are earnings in the Policy. In addition, a 10% penalty tax may be imposed on surrenders, Withdrawals and loans taken before you attain age 59½. If a Policy is not a MEC, distributions generally will be treated first as a return of basis or investment in the contract and then as taxable income. Moreover, loans will generally not be treated as distributions. Finally, neither distributions nor loans from a Policy that is not a MEC are subject to the 10% penalty tax.

The tax treatment of the overloan protection rider that may be purchased with this Policy is uncertain. In particular, it is not clear whether the overloan protection rider will be effective to prevent taxation of the outstanding loan balance as a distribution when the overloan protection rider causes the Policy to convert to a fixed policy. Anyone contemplating the purchase of the Policy with the overloan protection rider should consult a tax adviser.

See “Federal Tax Considerations,” below. You should consult a qualified tax adviser for assistance in all Policy-related tax matters.

Withdrawal and Surrender Risks. The Surrender Charge under the Policy applies for 10 Policy Years after the Policy is issued. An additional Surrender Charge will apply for 10 years from the date of any increase in the Face Amount. It is possible that you will receive no net Cash Surrender Value if you surrender your Policy in the first

few Policy Years. You should purchase the Policy only if you have the financial ability to keep it in force for a substantial period of time. You should not purchase the Policy if you intend to surrender all or part of the Policy's value in the near future. We designed the Policy to meet long-term financial goals. The Policy is not suitable as a short-term investment.

Even if you do not ask to surrender your Policy, Surrender Charges may play a role in determining whether your Policy will lapse (or terminate without value), because Surrender Charges decrease the Cash Surrender Value, which is a measure we use to determine whether your Policy will enter a Grace Period (and possibly lapse).

Withdrawals are not permitted in the first Policy Year, and we will reduce the Face Amount by the amount of a Withdrawal if Death Benefit Option A is in effect. A surrender or Withdrawal may have tax consequences.

Loan Risks. A Policy loan, whether or not repaid, will affect the Accumulated Value over time because we subtract the amount of the loan from the subaccounts of the Separate Account and/or the General Account as Collateral, and this Collateral does not participate in the investment performance of the subaccounts of the Separate Account, or receive any higher interest rate that may be credited to the General Account.

We reduce the amount we pay on the Insured's death by the amount of any indebtedness. Your Policy may lapse if your indebtedness reduces the Cash Surrender Value to zero.

A loan may have tax consequences. In addition, if you surrender your Policy or allow it to lapse while a Policy loan is outstanding, the amount of the loan, to the extent that it has not previously been taxed, will be added to any amount you receive and taxed accordingly.

Portfolio Company Risks. A comprehensive discussion of the risks of each portfolio may be found in the prospectus for such portfolio. Please refer to the portfolios' prospectuses for more information. There is no assurance that any portfolio will achieve its stated investment objective.

Fee Tables

The following tables describe the fees and expenses that you will pay when buying, owning, and surrendering the Policy. If the amount of the charge depends on the personal characteristics of the Insured, then the fee table lists the minimum and maximum charges we assess under the Policy, and the fees and charges of an Insured with the characteristics set forth below. These charges may not be typical of the charges you will pay.

The first table describes the fees and expenses that you will pay at the time you buy the Policy, surrender the Policy, take a Withdrawal from the Policy, pay Policy premiums or transfer Accumulated Value under the Policy among the subaccounts of the Separate Account and the General Account.

Transaction Fees

<i>Charge</i>	<i>When Charge is Deducted</i>	<i>Amount Deducted - Maximum Guaranteed Charge</i>	<i>Amount Deducted - Current Charge</i>
Percent of Premium Expense Charge	Upon receipt of each premium payment	6% of each premium payment.	6% of each premium payment.
Surrender Charge	Upon surrender or lapse of the Policy during the first 10 Policy Years or following an increase in Face Amount		
Surrender Charge Minimum and Maximum Charge ¹		\$1.35 to \$54.38 per \$1,000 of initial or increased Face Amount	\$1.35 to \$54.38 per \$1,000 of initial or increased Face Amount

Transaction Fees

<i>Charge</i>	<i>When Charge is Deducted</i>	<i>Amount Deducted - Maximum Guaranteed Charge</i>	<i>Amount Deducted - Current Charge</i>
Surrender Charge for a – 45 year old male nonsmoker, first Policy Year		\$30.02 per \$1,000 of Face Amount	\$ 30.02 per \$1,000 of Face Amount
Withdrawal Fees	Upon making a Withdrawal	\$25	None
Transfer Fees	Upon transfer	\$25 per transfer in excess of 12 transfers in any one Policy Year ²	None
Loan Interest Spread	At the end of each Policy year, or upon death, surrender, or lapse, if earlier	2% annually of amount held as Collateral in New York, no maximum elsewhere	0% annually of amount held as Collateral
Projection Report Charge	When report requested	\$25 maximum in New York, no maximum elsewhere	None
Subaccount Tax Charge	When Accumulated Value is calculated	Not currently Deducted	None

¹ The minimum charge is based on an Insured with the following characteristics: all female nonsmokers, age 0 year ten and the maximum charge is based on an Insured with the following characteristics: All female smokers, Issue Age 61, Policy Year 1. New York minimum and maximum charges are \$0 to \$44.60 per \$1,000 of initial or increased Face Amount. The New York minimum charge becomes 0 before year ten for a number of ages, mostly older ages, and smokers and the maximum charge is based on an Insured with the following characteristics: Issue Age 62, female, smoker, Policy Year 1.

² We reserve the right to pass through any charges assessed by a fund manager with respect to transfer frequency.

The next table describes the fees and expenses that you will pay periodically during the time you own the Policy, not including portfolio fees and expenses.

Periodic Charges Other Than Portfolio Operating Expenses

<i>Charge</i>	<i>When Charge is Deducted</i>	<i>Amount Deducted - Maximum Guaranteed Charge</i>	<i>Amount Deducted - Current Charge</i>
Cost of Insurance: ¹	On the Date of Issue of the Policy and on each Monthly Policy Date until the Insured reaches attained age 121		
Minimum and Maximum Charge ²		\$0.02 to \$90.91 per \$1,000 of Net Amount at Risk per month	\$0.01 to \$28.30 per \$1,000 of Net Amount at Risk per month
Charge for a 45 year old male nonsmoker in the standard underwriting class, Policy Year 1		\$0.19 per \$1,000 of Net Amount at Risk per month	\$0.03 per \$1,000 of Net Amount at Risk per month

Periodic Charges Other Than Portfolio Operating Expenses

<i>Charge</i>	<i>When Charge is Deducted</i>	<i>Amount Deducted - Maximum Guaranteed Charge</i>	<i>Amount Deducted - Current Charge</i>
Monthly Policy Fee:	On the Date of Issue of the Policy and on each Monthly Policy Date until the Insured reaches attained age 121	\$7.50 per month	\$7.50 per month
Monthly Account Value Charge:	On the Date of Issue of the Policy and on each Monthly Policy Date	0.04% of Account Value per month	none
Monthly Expense Charge: ³ Minimum and Maximum Charge Charge for a 45 year old male nonsmoker in the standard underwriting class, Face Amount between \$250,000 and \$999,999	On the date of Issue of the Policy and on each Monthly Policy Date	\$0.08to \$2.81 per \$1,000 of Face Amount per month during the first 10 Policy Years only \$0.30 per \$1,000 of Face Amount per month in the first 10 Policy Years only	\$0.08 to \$2.8067 per \$1,000 of Face Amount per month during the first 10 Policy Years only \$0.30 per \$1,000 of Face Amount per month in the first 10 Policy Years only
Waiver of Monthly Deductions Rider: ⁴ Minimum and Maximum Charge Charge for a 45 year old male, Policy Year 1	On the Date of Issue of the Policy and on each Monthly Policy Date thereafter until the Insured reaches attained age 65	\$0.05 to \$0.27 per month multiplied by the Monthly Deduction \$0.08 per month multiplied by the Monthly Deduction	\$0.05 to \$0.27 per month multiplied by the Monthly Deduction \$0.08 per month multiplied by the Monthly Deduction
Accidental Death Benefit Rider: ⁴ Minimum and Maximum Charge Charge for a 45 year old male, Policy Year 1	On the Date of Issue of the Policy and on each Monthly Policy Date thereafter until the Insured reaches attained age 70	\$0.02 to \$0.18 per month per \$1,000 of Accidental Death Benefit \$0.09 per month per \$1,000 of Accidental Death Benefit	\$0.02 to \$0.18 per month per \$1,000 of Accidental Death Benefit \$0.09 per month per \$1,000 of Accidental Death Benefit

Periodic Charges Other Than Portfolio Operating Expenses

<i>Charge</i>	<i>When Charge is Deducted</i>	<i>Amount Deducted - Maximum Guaranteed Charge</i>	<i>Amount Deducted - Current Charge</i>
<p>Guaranteed Insurability Option Rider:⁵</p> <p>Minimum and Maximum Charge</p> <p>Charge for a 35 year old male (not available for ages 40 and over)</p>	<p>On the Date of Issue of the Policy and on each Monthly Policy Date thereafter until the Insured reaches attained age 40</p>	<p>\$0.02 to \$0.16 per month times the Option Amount</p> <p>\$0.15 per month times the Option Amount</p>	<p>\$0.02 to \$0.16 per month times the Option Amount</p> <p>\$0.15 per month times the Option Amount</p>
<p>Accelerated Care Rider:⁵</p> <p>Minimum and Maximum Charge</p>	<p>On the Date of Issue of the Policy and on each Monthly Policy Date until the Insured reaches attained age 121</p>	<p>\$0.03 to \$4.32 per \$1,000 of Net Amount at Risk per month, plus from \$0.0007 to \$0.92 per dollar of Monthly</p>	<p>\$0.01 to \$1.98 per \$1,000 of Net Amount at Risk per month, plus from \$0.0003 to \$0.63 per dollar of Monthly</p>

Periodic Charges Other Than Portfolio Operating Expenses

<i>Charge</i>	<i>When Charge is Deducted</i>	<i>Amount Deducted - Maximum Guaranteed Charge</i>	<i>Amount Deducted - Current Charge</i>
Charge for a 45 year old male, accelerated care rider with a 1% benefit limit with the inflation protection option, Policy Year 1		Deduction per month \$0.14 per \$1,000 of Net Amount at Risk per month, plus \$0.004 per dollar of Monthly Deduction per month	Deduction per month \$0.06 per \$1,000 of Net Amount at Risk per month, plus \$0.002 per dollar of Monthly Deduction per month
Chronic Care Protection Rider ⁵ : Minimum and Maximum Charge Charge for a 45 year old male, chronic care protection rider with a 1% benefit limit with the inflation protection option and without the nonforfeiture benefit option	On the Date of Issue of the Policy and on each Monthly Policy Date until the Insured reaches attained age 121	\$0.01 to \$4.34 per \$1,000 of rider Face Amount per month \$0.18 per \$1,000 of rider Face Amount per month	\$0.01 to \$4.34 per \$1,000 of rider Face Amount per month \$0.18 per \$1,000 of rider Face Amount per month
Balance Sheet Benefit Rider ⁶ : Minimum and Maximum Charge Charge for a 45 year old male nonsmoker in the preferred underwriting class, Face Amount between \$250,000 and \$999,999	On the Date of Issue of the Policy and on each Monthly Policy Date during the first ten Policy Years and during the first ten Policy Years following an increase in Face Amount	\$0.02 to \$0.12 per \$1,000 of Face Amount per month \$0.08 per \$1,000 of Face Amount per month	\$ 0.02 to \$0.12 per \$1,000 of Face Amount per month \$0.08 per \$1,000 of Face Amount per month
Children's Term Rider: Charge	On the Date of Issue of the Policy and on each Monthly Policy Date until the Policy Anniversary following the last covered Dependent Child's 23 rd birthday	\$0.46 per \$1,000 of rider Face Amount per month	\$0.46 per \$1,000 of rider Face Amount per month

Periodic Charges Other Than Portfolio Operating Expenses

<i>Charge</i>	<i>When Charge is Deducted</i>	<i>Amount Deducted - Maximum Guaranteed Charge</i>	<i>Amount Deducted - Current Charge</i>
Other Insured Rider: Minimum and Maximum Charge Charge for a 45 year old male nonsmoker in the preferred underwriting class, Policy Year 1	On the Date of Issue of the Policy and on each Monthly Policy Date until the youngest covered Other Insured reaches attained age 100	\$0.01 to \$38.71 per \$1,000 of rider Face Amount per month \$0.25 per \$1,000 of rider Face Amount per month	\$0.01 to \$38.71 per \$1,000 of rider Face Amount per month \$0.03 per \$1,000 of rider Face Amount per month
Waiver of Specified Premium Rider: Minimum and Maximum Charge Charge for a 45 year old male	On the Date of Issue of the Policy and on each Monthly Policy Date thereafter until the Insured reaches attained age 65	\$0.03 to \$0.07 per dollar of Waiver Benefit per month \$0.04 per dollar of Waiver Benefit per month	\$0.03 to \$0.07 per dollar of Waiver Benefit per month \$0.04 per dollar of Waiver Benefit per month
Overloan Protection Rider ⁷ :	At the time of exercise	4.20% of Accumulated Value	0.87% of Accumulated Value

¹ Cost of insurance charges vary based on the Insured's issue age, sex, Rate Class, and the Policy's Net Amount at Risk and Duration. The Net Amount at Risk is the amount by which the Unadjusted Death Benefit divided by 1.00246627 exceeds the Accumulated Value. The cost of insurance charges shown in the table may not be typical of what you will pay. Your Policy's data pages will indicate the guaranteed cost of insurance charges applicable to your Policy. We will also provide more detailed information concerning your charges at your request.

² The current minimum charge is based on an Insured with the following characteristics: Issue Age 25, female, elite preferred nonsmoker, Policy Year 1; the guaranteed minimum charge is based on an Insured with the following characteristics: Issue Ages 0-10, female, nonsmoker, the Policy Years in which Attained Age 10 is reached; the guaranteed maximum charge is based on an Insured with the following characteristics: all Issue Ages, both sexes, all underwriting classes, the Policy Year in which Attained Age 120 is reached; and the current maximum charge is based on an Insured with the following characteristics: all Issue Ages, both sexes, all underwriting classes, the Policy Year in which Attained Age 120 is reached.

³ The Monthly Expense Charge is computed as the product of the original Face Amount of the Policy and the appropriate Monthly Expense Charge rate. A separate Monthly Expense Charge will apply to each increase in Face Amount. The Monthly Expense Charge rate varies based on the issue age, sex, and Rate Class of the Insured and the Face Amount of the Policy at Issue. The current minimum charge and guaranteed minimum charge is based on an Insured with the following characteristics: Issue Age 0, female, nonsmoker; the current maximum charge and guaranteed maximum charge is based on an Insured with the following characteristics: Issue Age 85, male, smoker.

⁴ The waiver of monthly deduction and the accidental death benefit rider charges vary by the Attained Age and sex of the Insured. The rider charges shown in the table may not be representative of the charges you will pay. Charges based on age may increase as the Insured ages. Your Policy's data page will indicate the guaranteed charges applicable to your Policy. National Life and/or your agent will provide more detailed information concerning your charges at your request.

⁵ The guaranteed insurability option, waiver of specified premium, accelerated care, and chronic care rider charges vary by the Insured's Issue Age and sex. The rider charges shown in the table may not be representative of the charges you will pay. Your Policy's data page will indicate the charge applicable to your Policy. National Life and/or your agent will provide more detailed information concerning your charges at your request.

⁶ The balance sheet benefit rider charges vary by the Insured's Issue Age, sex, and nonsmoker versus smoker rate classification. The rider charges shown in the table may not be representative of the charges you will pay. Your Policy's data page will indicate the charge applicable to your Policy. National Life and/or your agent will provide more detailed information concerning your charges at your request.

⁷ The Maximum Overloan Protection Rider exercise charge is for a male smoker Attained Age 90, and the minimum exercise charge is for a female nonsmoker Attained Age 94.

The following table describes the portfolio fees and expenses that you will pay periodically during the time that you own the Policy. The table shows the minimum and maximum fees and expenses charged by any of the portfolios for the year ended December 31, 2007. The expense of the portfolios may be higher or lower in the future. More details concerning each portfolio's fees and expenses are contained in the prospectus for each portfolio.

Underlying Fund Annual Expenses (as a percentage of underlying Fund average net assets)

	<i>Minimum</i>	<i>Maximum</i>
Total Annual Fund Operating Expenses (expenses that are deducted from fund assets, including management fee, distribution and/or service 12b-1 fees, and other expenses).		

The annual expenses as of December 31, 2007 (unless otherwise noted) of each Fund, before any voluntary fee waivers or expense reimbursements, are show below. ¹

<i>Fund</i>	<i>Management Fees</i>	<i>12b-1 Fees²</i>	<i>Other Expenses</i>	<i>Gross Total Annual Expenses³</i>	<i>Contractual Waivers and Reimbursements</i>	<i>Net Total Annual Expenses³</i>
Sentinel Variable Products Trust						
Balanced						
Bond						
Common Stock						
Mid Cap Growth						
Money Market						
Small Company						
Alger American Fund						
LargCap Growth						
Capital Appreciation						
Small Cap Growth						
Alliance Bernstein Variable Products Series Fund, Inc.						
International Growth						
International Value						
Small/Mid Cap Value						
Value						
American Century Variable Portfolios, Inc.						
VP Value						
VP Vista SM						
VP International						
VP Inflation Protection						
DWS Investments VIT Funds						
Small Cap Index						

<i>Fund</i>	<i>Management Fees</i>	<i>12b-1 Fees²</i>	<i>Other Expenses</i>	<i>Gross Total Annual Expenses³</i>	<i>Contractual Waivers and Reimbursements</i>	<i>Net Total Annual Expenses³</i>
DWS Variable Series II						
Dreman Small Mid Cap Value						
(Fidelity) Variable Insurance Products Fund						
Equity-Income						
Growth						
High Income						
Overseas						
(Fidelity) Variable Insurance Products Fund II						
Contrafund®						
Index 500						
Value Strategies						
(Fidelity) Variable Insurance Products Fund III						
Mid Cap						
(Fidelity) Variable Insurance Products Fund V						
Investment Grade Bond						
Franklin Templeton Variable Insurance Products Trust						
Mutual Discovery Securities						
Mutual Shares Securities						
Small Cap Value Securities						
Small-Midcap Growth Securities						
Foreign Securities						
U.S. Government						
TBD						
TBD						
TBD						
TBD						
TBD						
TBD						
TBD						
TBD						
TBD						
Neuberger Berman Advisers Management Trust						
Partners						
Mid-Cap Growth						
Lehman Brothers Short Duration Bond						
Socially Responsive						
Oppenheimer Variable Account Funds						
Balanced/VA						
Main Street Small Cap/VA						
Strategic Bond/VA						
T. Rowe Price Capital Appreciation Fund						
Capital Appreciation						
T. Rowe Price Equity Series, Inc.						
Blue Chip Growth						
Equity Income						
Health Sciences						
Van Eck Worldwide Insurance Trust						
Worldwide Bond						
Worldwide Emerging Markets						

<i>Fund</i>	<i>Management Fees</i>	<i>12b-1 Fees²</i>	<i>Other Expenses</i>	<i>Gross Total Annual Expenses³</i>	<i>Contractual Waivers and Reimbursements</i>	<i>Net Total Annual Expenses³</i>
Worldwide Hard Assets						
Worldwide Real Estate						

¹ The Fund fees and expenses used to prepare the table above, and the example below, were provided to us by the Funds. We have not independently verified such information. Current or future expenses may be greater or less than those shown. In addition, certain Funds may impose a redemption fee of no more than 2% of the amount of Fund shares redeemed. We may be required to implement a Fund's redemption fee. The redemption fee will be assessed against your Accumulated Value. For more information, please see each Fund's prospectus.

² Our affiliate, Equity Services, Inc., the principal underwriter for the Contracts, will receive 12b-1 fees deducted from certain Fund assets attributable to the Contracts for providing distribution and shareholder support services to some Funds.

³ The Total Annual Fund Operating Expenses may not be the same as that reported in the portfolio's financial highlights and shareholder reports, because Total Annual Fund Operating Expenses include expenses related to other investment companies acquired by the portfolio, if any, while the financial highlights and shareholder reports do not.

For information concerning compensation paid in connection with the sale of the Policies, see "Distribution of the Policies."

NATIONAL LIFE AND THE GENERAL ACCOUNT

National Life

National Life is authorized to transact life insurance and annuity business in Vermont and in 50 other jurisdictions. National Life was originally chartered as a mutual life insurance company in 1848 under Vermont law. It is now a stock life insurance company.

The General Account

You may allocate some or all of your Net Premiums, and transfer some or all of the Accumulated Value of your Policy to our General Account. We bear the full investment risk for all amounts allocated or transferred to the General Account. We credit interest on Net Premiums and Accumulated Value allocated to the General Account at rates we declare. These rates will not be less than 3%. The principal, after deductions, is also guaranteed.

We own the assets in the General Account, and use these assets to support our insurance and annuity obligations other than those funded by Separate Account investments. These assets are subject to National Life's general liabilities from business operations.

We have not registered the General Account with the SEC, and the staff of the SEC has not reviewed the disclosure in this prospectus relating to the General Account. Disclosures regarding the General Account, however, are subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of statements made in the prospectus.

We may credit the non-loaned Accumulated Value in the General Account with current rates in excess of the 3% minimum guarantee, but we are not obligated to do so. We have no specific formula for determining specific interest rates. Because we anticipate changing the current interest rate from time to time, at our sole discretion, allocations to the General Account made at different times are likely to be credited with different current interest rates. We will declare an interest rate each month to apply to amounts allocated or transferred to the General Account in that month. We may declare a new current interest rate on such amounts and accrued interest thereon at any time (which may be a different current interest rate than the current interest rate on new allocations to the General Account on that date). We will determine any interest credited on the amounts in the General Account in excess of the minimum guaranteed rate of 3% per year at our sole discretion. You assume the risk that interest

credited may not exceed the guaranteed minimum rate. Amounts allocated to the General Account will not share in the investment performance of our General Account.

Amounts deducted from the non-loaned Accumulated Value in the General Account for Withdrawals, Policy loans, transfers to the Separate Account, Monthly Deductions or other charges are, for the purpose of crediting interest, accounted for on a last in, first out (“LIFO”) method.

Transfers from the General Account. We allow only one transfer in each Policy Year from the amount of non-loaned Accumulated Value in the General Account to any or all of the subaccounts of the Separate Account. The amount you transfer from the General Account may not exceed the greater of 25% of the value of the non-loaned Accumulated Value in such account at the time of transfer, or \$5,000. We will make the transfer as of the Valuation Day we receive your written or telephone request at our Home Office in good form.

THE SEPARATE ACCOUNT AND THE PORTFOLIOS

The Separate Account

The Separate Account is a separate investment account established under Vermont law to which we allocate assets to support the benefits payable under the Policies, other policies we currently issue, and other variable life insurance policies we may issue in the future. We own the Separate Account’s assets, and we are obligated to pay all amounts we promise to pay under the Policies.

The Separate Account’s assets are held separate from our other assets and are not part of our General Account. Income, gains and losses, whether or not realized, from assets allocated to the Separate Account will be credited or charged against the Separate Account without regard to our other income, gains or losses. Income, gains, and losses credited to, or charged against, a subaccount reflect the subaccount’s own investment performance and not the investment performance of our other assets. As a result, the portion of the Separate Account’s assets equal to the reserves and other liabilities under the Policies (and other policies) supported by the Separate Account will not be exposed to liabilities arising out of any other business that we may conduct. If the Separate Account’s assets exceed the required reserves and other liabilities, we may transfer the excess to our General Account.

The subaccounts of the Separate Account purchase and redeem shares of the portfolios at net asset value. Any dividend and capital gain distributions from a portfolio are reinvested at net asset value in shares of that portfolio.

If investment in one or more portfolios is no longer possible, in our judgment becomes inappropriate for the purposes of the Policy, or for any reason, at our sole discretion, we may substitute another portfolio without your consent. The substituted portfolio may have different fees and expenses. Substitution may be made with respect to existing investments or the investment of future premiums, or both. However, no such substitution will be made without any necessary approval of the SEC. Furthermore, we may close subaccounts to allocations of premiums or Accumulated Value, or both, at any time in our sole discretion. Portfolios, which sell their shares to the subaccounts under participation agreements, also may terminate these agreements and discontinue offering their shares to the subaccounts.

We reserve the right to make other structural and operational changes affecting the Separate Account. See “Addition, Deletion, or Substitution of Investments.”

The Portfolios

The Separate Account invests in shares of certain portfolios. Each portfolio is part of a mutual fund that is registered with the SEC as an open-end management investment company.

Each portfolio’s assets are held separate from the assets of the other portfolios, and each portfolio has investment objectives and policies that are different from those of the other portfolios. Thus, each portfolio operates as a separate investment fund, and the income or losses of one portfolio generally have no effect on the investment performance of any other portfolio. You should know that during extended periods of low interest rates, the yields

of the Sentinel Variable Products Trust Money Market Fund in which a subaccount of our Separate Account invests (“Money Market Subaccount”) may also become extremely low and possibly negative.

The following table provides certain information on each portfolio, including its fund type, and its investment adviser (and subadviser, if applicable). There is no assurance that any of the portfolios will achieve their investment objective(s). You can find detailed information about the portfolios, including a description of risks and expenses, in the prospectuses for the portfolios that accompany this prospectus. You should read these prospectuses carefully and keep them for future reference.

<i>Portfolio</i>	<i>Type of Portfolio</i>	<i>Investment Adviser</i>	<i>Subadviser</i>
Sentinel Variable Products Trust:			
Balanced Fund	Hybrid Equity and Debt	Sentinel Asset Management, Inc.	None
Bond Fund	Investment-Grade Bond	Sentinel Asset Management, Inc.	None
Common Stock Fund	Large Blend Equity	Sentinel Asset Management, Inc.	None
Mid Cap Growth Fund	Mid Cap Growth Equity	Sentinel Asset Management, Inc.	None
Money Market Fund	Money Market	Sentinel Asset Management, Inc.	None
Small Company Fund	Small Growth Equity	Sentinel Asset Management, Inc.	None
Alger American Fund:			
Capital Appreciation Portfolio	Growth Equity	Fred Alger Management, Inc.	None
LargeCap Growth Portfolio	Large Growth Equity	Fred Alger Management, Inc.	None
SmallCap Growth Portfolio	Small Growth Equity	Fred Alger Management, Inc.	None
Alliance Bernstein Variable Products Series Fund, Inc.:			
International Growth	International Equity	AllianceBernstein L.P.	None
International Value	International Equity	AllianceBernstein L.P.	None
Small/Mid Cap Value	Small Mid Value Equity	AllianceBernstein L.P.	None
Value	Large Value Equity	AllianceBernstein L.P.	None
American Century Variable Portfolios, Inc.:			
VP Inflation Protection Portfolio	Fixed Income	American Century Investment Management, Inc.	None
VP International Portfolio	International Equity	American Century Global Investment Management, Inc.	None
VP Value Portfolio	Mid Value Equity	American Century Investment Management, Inc.	None
VP Vista SM Portfolio	Mid Growth Equity	American Century Investment Management, Inc.	None
DWS Investments VIT Funds:			
DWS Small Cap Index VIP	Small Index Equity	Deutsche Investment Management Americas, Inc.	Northern Trust Investments, Inc.
DWS Variable Series II:			
DWS Dreman Small Mid Cap Value VIP	Small Mid Value Equity	Deutsche Investment Management Americas, Inc.	Dreman Value Management, LLC
(Fidelity) Variable Insurance Products Fund:			
Equity-Income Portfolio	Large Value Equity	Fidelity Management & Research Company	None
Growth Portfolio	Large Growth Equity	Fidelity Management & Research Company	None
High Income Portfolio	Below Investment Grade Bond	Fidelity Management & Research Company	None

<i>Portfolio</i>	<i>Type of Portfolio</i>	<i>Investment Adviser</i>	<i>Subadviser</i>
Overseas Portfolio	International Equity	Fidelity Management & Research Company	FMR U.K., FMR Far East, and Fidelity International Investment Advisers; Fidelity Investments Japan Limited
(Fidelity) Variable Insurance Products Fund II:			
Contrafund® Portfolio	Large Growth Equity	Fidelity Management & Research Company	None
Index 500 Portfolio	Index Equity	Fidelity Management & Research Company	Geode Capital Management, LLC
Value Strategies Portfolio	Value Equity	Fidelity Management & Research Company	FMR Co., Inc.
(Fidelity) Variable Insurance Products Fund III:			
Mid Cap Portfolio	Mid Blend Equity	Fidelity Management & Research Company	None
(Fidelity) Variable Insurance Products Fund V:			
Investment Grade Bond Portfolio	Investment Grade Bond	Fidelity Management & Research Company	None
Franklin Templeton Variable Insurance Products Trust			
Franklin Small Cap Value Securities Fund	Small Value Equity	Franklin Advisory Services, LLC	None
Franklin Small-Midcap Growth Securities Fund	Small Mid Growth Equity	Franklin Advisors, Inc.	None
Franklin U.S. Government Fund	Government Bond	Franklin Advisors, Inc.	None
Mutual Discovery Securities Fund	Value Equity	Franklin Mutual Advisors, LLC	Franklin Templeton Investment Management Limited
Mutual Shares Securities Fund	Mid Value Equity	Franklin Mutual Advisors, LLC	None
Templeton Foreign Securities Fund	Foreign Equity	Templeton Investment Counsel, LLC	None
To be named later			
To be named later			
Neuberger Berman Advisers Management Trust			
Lehman Brothers Short Duration Bond Portfolio	Short-Term Bond	Neuberger Berman Management, Inc.	Lehman Brothers Asset Management, LLC
Mid-Cap Growth Portfolio	Mid Growth Equity	Neuberger Berman Management, Inc.	Neuberger Berman, LLC
Partners Portfolio	Large Value Equity	Neuberger Berman Management, Inc.	Neuberger Berman, LLC
Socially Responsive Portfolio	Mid Large Value Equity Socially Responsible	Neuberger Berman Management, Inc.	Neuberger Berman, LLC
Oppenheimer Variable Account Funds			
Balanced Fund/VA	Hybrid Equity and Debt	Oppenheimer Funds, Inc.	None

<i>Portfolio</i>	<i>Type of Portfolio</i>	<i>Investment Adviser</i>	<i>Subadviser</i>
Main Street Small Cap Fund/VA	Small Value Equity	Oppenheimer Funds, Inc.	None
Strategic Bond Fund/VA	Bond	Oppenheimer Funds, Inc.	None
T. Rowe Price Capital Appreciation Fund			
Capital Appreciation Fund	Value Equity	T. Rowe Price Associates, Inc.	None
T. Rowe Price Equity Series, Inc.			
Blue Chip Growth Portfolio	Large Growth Equity	T. Rowe Price Associates, Inc.	None
Equity-Income Portfolio	Large Value Equity	T. Rowe Price Associates, Inc.	None
Health Sciences Portfolio	Sector Equity	T. Rowe Price Associates, Inc.	None
Van Eck Worldwide Insurance Trust			
Worldwide Bond Fund	Global Bond	Van Eck Associates Corporation	None
Worldwide Emerging Markets Fund	Foreign Equity	Van Eck Associates Corporation	None
Worldwide Hard Assets Fund	Global Sector Equity	Van Eck Associates Corporation	None
Worldwide Real Estate Fund	Global Real Estate	Van Eck Associates Corporation	None

These portfolios are not available for purchase directly by the general public, and are not the same as other mutual fund portfolios with very similar or nearly identical names that are sold directly to the public. However, the investment objectives and policies of certain portfolios are very similar to the investment objectives and policies of other portfolios that are or may be managed by the same investment adviser or manager. Nevertheless, the investment performance of the portfolios may be lower or higher than the investment performance of these other, publicly available portfolios. There can be no assurance, and we make no representation, that the investment performance of any of the portfolios available under the Policy will be comparable to the investment performance of any other portfolio, even if the other portfolio has the same investment adviser or manager, the same investment objectives and policies, and a very similar name.

National Life may receive compensation from the investment adviser of a portfolio or its affiliates in connection with administration or other services provided with respect to such portfolio and its availability under the Policies, which may include answering Owner’s questions about the portfolios, providing prospectuses, shareholder reports and other portfolio documents, providing portfolios and their Boards information about the Policies and their operations and/or collecting voting instructions for portfolio shareholder proposals. The amount of this compensation is based on a percentage of the assets on which the fees are based of the portfolio attributable to the Policies. These percentages differ, and some advisers (or affiliates) may pay us more than others. Because the Policies were first offered in 2008, National Life received no compensation under these arrangements with respect to the Policies in 2007. However, the expected range of payments are [] to []. The availability of these types of arrangements creates an incentive for us to seek and offer Funds (and classes of shares of such Funds) that pay us to provide these services. The payments we receive as compensation for providing these services may be used by us for any corporate purpose. National Life may profit from these payments. For more information on the compensation we receive, see “Contractual Arrangement between National Life and the Funds’ Investment Advisors or Distributors” in the Statement of Additional Information.

Our affiliate, Equity Services, Inc. (“ESI”), the principal underwriter for the Policies, will receive 12b-1 fees deducted from certain portfolio assets pursuant to a 12b-1 plan. The 12b-1 plan is described in more detail in each portfolio’s prospectus. Because 12b-1 fees are paid out of a portfolio’s assets on an ongoing basis, over time they will increase the cost of an investment in portfolio shares.

We select the portfolios offered through this Policy based on several criteria, including asset class coverage, the strength of the adviser’s or subadviser’s reputation and tenure, brand recognition, performance, fees and the capability and qualification of each investment firm. Another factor we consider during the selection process is whether the portfolio’s adviser’s or subadviser’s are one of our affiliates or whether the portfolio, its adviser, its subadviser(s), or an affiliate will compensate us or our affiliates, as described above and in the Statement of Additional Information under “Contractual Arrangements Between National Life And The Portfolios’ Investment Advisors Or Distributors.” We review the portfolios periodically and may remove a portfolio or limit its availability to new premium payments and/or transfers of Accumulated Value if we determine that the portfolio no longer meets one or more of the selection criteria, and/or if the portfolio has not attracted significant allocations from Owners.

You bear the risk of any decline in the Accumulated Value of your Policy resulting from the performance of the portfolios you have chosen.

Owners, through their indirect investment in the portfolios, bear the costs of investment advisory or management fees that the portfolios pay to their respective investment advisers, and in some cases, subadvisers (see the portfolios' prospectuses for more information). As described above, an investment adviser (other than our affiliate, Sentinel Asset Management, Inc.) or subadviser to a portfolio, or its affiliates, may make payments to us and/or certain of our affiliates. These payments may be derived, in whole or in part, from the advisory (and in some cases, subadvisory) or other fees deducted from portfolio assets.

Conflicts of Interest. The portfolios may also be available to registered separate accounts offering variable annuity and variable life products of other participating insurance companies, as well as to the Separate Account and other separate accounts of National Life. Although we do not anticipate any disadvantages to this, there is a possibility that a material conflict may arise between the interest of the Separate Account and one or more of the other separate accounts participating in the underlying portfolios. A conflict may occur due to a change in law affecting the operations of variable life and variable annuity separate accounts, differences in the voting instructions of the Owners and those of other companies, or some other reason. In the event of conflict, we will take any steps necessary to protect Owners and Beneficiaries, including withdrawal of the Separate Account from participation in the underlying portfolio(s) involved in the conflict.

Addition, Deletion or Substitution of Investments. Where permitted by applicable law, we may make certain changes to the structure or operation of the Separate Account, if we feel such an action is reasonably necessary. In doing so we would comply with all applicable laws, including approval of Owners, if so required. These changes include, among others:

- 1) making changes in the form of the Separate Account, if in our judgment such changes would serve the interests of Owners or would be appropriate in carrying out the purposes of the Policies, for example:
 - a) operating the Separate Account as a management company under the 1940 Act;
 - b) deregistering the Separate Account under the 1940 Act if registration is no longer required;
 - c) combining or substituting separate accounts;
 - d) transferring the assets of the Separate Account to another separate account or to the General Account;
 - e) making changes necessary to comply with, obtain or continue any exemptions from the 1940 Act; or
 - f) making other technical changes in the Policy to conform with any action described herein;
- 2) if in our judgment a portfolio no longer suits the investment goals of the Policy, or if tax or marketing conditions so warrant, substituting shares of another investment portfolio for shares of such portfolio (the new portfolio may have higher fees and expenses than the ones it replaced);
- 3) eliminating, combining or substituting subaccounts and establishing new subaccounts, if in our judgment marketing needs, tax considerations, or investment conditions so warrant (the new subaccounts may not be available in all classes of Policies);
- 4) transferring assets from a subaccount to another subaccount or separate account if the transfer in our judgment would best serve interests of Owners or would be appropriate in carrying out the purposes of the Policies; and
- 5) modifying the provisions of the Policies to comply with applicable laws.

If you have Accumulated Value in that subaccount that will be eliminated, we will give you at least 30 days notice before the elimination, and will request that you name the subaccount or subaccounts (or the General Account) to which the Accumulated Value in that subaccount should be transferred. If you do not name a new subaccount, then we will use the Money Market Subaccount. If the underlying portfolio in which such a subaccount invests is affiliated with us, we will not eliminate such subaccount without first obtaining a substitution order from the SEC. If in the future we impose a transfer charge or establish limits on the number of transfers or free transfers, no charge will be made for this transfer, and it will not count toward any limit on transfers or free transfers.

Voting Portfolio Shares. Even though we are the legal owner of the portfolio shares held in the Separate Account, and have the right to vote on all matters submitted to shareholders of the portfolios, we will vote our shares only as Owners instruct, as long as such action is required by law.

Before a vote of a portfolio's shareholders occurs, you will receive voting materials. We will ask you to instruct us on how to vote and to return your proxy to us in a timely manner. You will have the right to instruct us on the number of full and fractional portfolio shares that corresponds to the amount of Accumulated Value you have in the subaccount investing in that portfolio (as of a date set by the portfolio). The number of portfolio shares attributable to each Owner is determined by dividing the Owner's interest in each subaccount by the net asset value of the portfolio corresponding to the subaccount.

If we do not receive voting instructions on time from some Owners, we will vote those shares "for" or "against" the proposal or abstain from voting on the proposal in the same percentages as the voting instructions we received on time. This means that a small number of Owners may control how we vote. Should Federal securities laws, regulations, or interpretations change, we may elect to vote portfolio shares in our own right. If required by state insurance officials, or if permitted under Federal regulation, we may disregard certain voting instructions of Owners. If we ever disregard voting instructions, we will send you a summary in the next annual report to Owners advising you of the action and the reasons we took this action.

Net Investment Return of the Separate Account. Net investment returns of the Separate Account for the last fiscal year are not provided, because the Separate Account first began operations in 2008.

THE POLICY

We describe our basic Policy below. There may be differences in your Policy (such as differences in fees, charges and benefits) from the one described in this prospectus because of the requirements of the state where we issued your Policy. Please consult your Policy for its specific terms.

Purchasing a Policy

To purchase a Policy, you must apply to us through a licensed National Life agent who is also a registered representative of ESI or a broker/dealer having a Selling Agreement with ESI. If you do not pay the Minimum Initial Premium with your written application, it must be paid when the Policy is delivered. If the premium paid is less than the Minimum Initial Premium, the balance of the Minimum Initial Premium must be received within five days, or all premiums will be refunded. Premium payments made prior to Policy issue are deposited into the Money Market Subaccount; if a Policy is issued, the Owner will earn the interest earned in the Money Market Subaccount from the date of deposit. Policies are issued after all required information is submitted and underwriting has been completed.

The Minimum Face Amount of a Policy under our rules is generally \$50,000; however, exceptions may be made for employee benefit plans. We may revise our rules from time to time to specify a different Minimum Face Amount for subsequently issued policies. A Policy will be issued only on Insureds who have an Issue Age of 85 or less and who provide us with satisfactory evidence of insurability. Acceptance is subject to our underwriting rules. We may reject an application for any reason permitted by law. A tax-favored arrangement, including qualified pension plans, should carefully consider the costs and benefits of the Policy (such as asset diversification) before purchasing a Policy because the tax-favored arrangement itself provides for tax-sheltered growth.

Important Information About Procedures for Opening a New Account. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account (i.e., purchase a Policy), we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

From the time the application for a Policy is signed until the time the Policy is issued, you can, subject to our underwriting rules, obtain temporary insurance protection, pending issuance of the Policy, if you are able to answer “no” to the health questions of the receipt & temporary life insurance agreement and submit (a) a complete application including any medical questionnaire required, and (b) payment of the Minimum Initial Premium.

The amount of coverage under the receipt & temporary life insurance agreement is the lesser of the Face Amount applied for or \$1,000,000 (\$100,000 in the case of proposed Insureds age 70 or over). Coverage under the agreement will end on the earliest of:

- (a) the 90th day from the date of the agreement;
- (b) the date that insurance takes effect under the Policy;
- (c) the date a Policy, other than as applied for, is offered to you;
- (d) three days (five days in New York) from the date we mail a notice of termination of coverage;
- (e) the time you first learn that we have terminated the temporary life insurance; or
- (f) the time you withdraw the application for life insurance.

We do the insurance underwriting, determine a proposed Insured’s Rate Class, and determine whether to accept or reject an application for a Policy. We will refund any premiums paid if a Policy ultimately is not issued or will refund the applicable amount if the Policy is returned under the free look provision.

Replacement of Existing Insurance. It may not be in your best interest to surrender, lapse, change or borrow from existing life insurance policies or annuity contracts in connection with the purchase of the Policy. You should compare your existing insurance and the Policy carefully. You should replace your existing insurance only when you determine that the Policy is better for you. You may have to pay a surrender charge on your existing insurance, and the Policy will impose a new Surrender Charge period. You should talk to your insurance agent or tax adviser to make sure the exchange will be tax-free. If you surrender your existing policy for cash and then buy the Policy, you may have to pay a tax, including possibly a penalty tax, on the surrender. Because we will not issue the Policy until we have received an initial premium from your existing insurance company, the issuance of the Policy could be delayed.

Tax Free “Section 1035” Exchanges. You can generally exchange one life insurance policy for another in a “tax-free exchange” under Section 1035 of the Code. Before making an exchange, you should compare both policies carefully. Remember that if you exchange another policy for the one described in this prospectus, you might have to pay a Surrender Charge on your old policy. There will be a new Surrender Charge period for this Policy and other charges might be higher (or lower) and the benefits may be different. If the exchange does not qualify for Section 1035 treatment, you may have to pay federal income and penalty taxes on the exchange. You should not exchange another policy for this one unless you determine, after knowing all the facts, that the exchange is in your best interest. You should be aware that your insurance agent will generally earn a commission if you buy this Policy through an exchange or otherwise. See “Federal Tax Considerations-Exchanges”.

Ownership and Beneficiary Rights. The Policy belongs to the Owner named in the application. The Owner is the Insured unless a different Owner is named in the application or thereafter changed. While the Insured is living, the Owner is entitled to exercise any of the rights stated in the Policy or otherwise granted by us. If the Insured and Owner are not the same, and the Owner dies before the Insured, these rights will vest in the estate of the Owner, unless otherwise provided. The principal rights of the Owner include selecting and changing the Beneficiary, changing the Owner, and assigning the Policy. The principal right of the Beneficiary is the right to receive the insurance proceeds under the Policy. Changing the Owner and assigning the Policy may have tax consequences.

Canceling a Policy (Free Look Right). The Policy provides for a “free-look” period, during which you may cancel the Policy and receive a refund equal to the premiums paid on the Policy. This free-look period ends 10 days after you receive the Policy, or any longer period provided by state law. To cancel your Policy, you must return the Policy to us or to our agent within the free look period with a written request for cancellation.

Specialized Uses of the Policy. Because the Policy provides for an accumulation of cash value as well as a Death Benefit, the Policy can be used for various individual and business financial planning purposes. Purchasing the Policy in part for such purposes entails certain risks. See “Summary of the Principal Risks of Purchasing a Policy.” Because the Policy is designed to provide benefits on a long-term basis, before purchasing a Policy for a specialized

purpose you should consider whether the long-term nature of the Policy is consistent with your purpose. Using a Policy for a specialized purpose may have tax consequences. See “Federal Income Tax Considerations.”

For Policies that are intended to be used in multiple employer welfare benefit plans established under § 419A(f)(6) of the Internal Revenue Code, you should be aware that there is a risk that the intended tax consequences of such a plan may not be realized. The courts and the Internal Revenue Service (“IRS”) have raised questions about certain of these arrangements under existing law, and the IRS has issued regulations under section 419A(f)(6). In addition, the IRS requires that plans substantially similar to those plans listed as abusive tax shelters pursuant to section 6011 must be disclosed to the IRS. We do not guarantee any particular tax consequences of any use of the Policies, including but not limited to use in these so-called “§ 419 plans.” We recommend that you seek independent advice on tax consequences. In the case of Policies owned by these § 419 plans, if the Owner surrenders the Policy, National Life will permit the Insured to reinstate the Policy, with the Insured as Owner, subject to its normal reinstatement rules, within six months of the surrender.

Also, this Policy may be used with certain tax-qualified retirement plans. The Policy includes attributes such as tax deferral on accumulated earnings. Qualified retirement plans provide their own tax deferral benefits; the purchase of the Policy does not provide additional tax deferral benefits beyond those provided in the qualified plan. Accordingly, if you are purchasing this Policy through a qualified plan, you should consider purchasing this Policy for its Death Benefit and other non-tax related benefits. In addition, life insurance in retirement plans may be subject to various requirements that are beyond the scope of this prospectus. Please consult a tax advisor for information specific to your circumstances to determine whether the Policy is an appropriate investment for you.

Premiums

Minimum Initial Premium. No insurance will take effect until the Minimum Initial Premium is paid, and the health and other conditions of the Insured described in the application must not have changed.

Amount and Timing of Premiums. Each premium payment must be at least \$50. You have considerable flexibility in determining the amount and frequency of premium payments, within the limits discussed below.

You will at the time of application select a Planned Periodic Premium schedule, based on a periodic billing mode of annual, semi-annual, or quarterly payments. You may request us to send a premium reminder notice at the specified interval. You may change the Planned Periodic Premium frequency and amount. Also, under an Automatic Payment Plan, you can select a monthly payment schedule pursuant to which premium payments will be automatically deducted from a bank account or other source, rather than being “billed.” We may allow, in certain situations, Automatic Payment Plan payments of less than \$50. We may require that Automatic Payment Plans be set up for at least the Minimum Monthly Premium.

You are not required to pay the Planned Periodic Premiums in accordance with the specified schedule. You may pay premiums whenever you like, and in any amount (subject to the \$50 minimum and the limitations described in the next section). Payment of the Planned Periodic Premiums will not, however, guarantee that the Policy will remain in force. Instead, the Duration of the Policy depends upon the Policy’s Cash Surrender Value. Thus, even if you pay the Planned Periodic Premiums, the Policy will lapse whenever the Cash Surrender Value is insufficient to pay the Monthly Deductions and any other charges under the Policy and if a Grace Period expires without an adequate payment by you. During the Policy Protection Period, the Policy will not enter a Grace Period if the Accumulated Value less any debt is greater than the Monthly Deductions due and the cumulative premiums paid since the Policy’s Issue Date less any Withdrawals and less any debt are greater than or equal to the cumulative Minimum Monthly Premiums due since the Policy’s Issue Date. The Policy Protection Period corresponds to the first five Policy Years. The policy will not enter a Grace Period if you have elected, have met the exercise conditions, and have exercised the overloan protection rider.

Any payments you make while there is an outstanding Policy loan will be applied as premium payments rather than loan repayments unless you notify us in writing that the amount is to be applied as a loan repayment.

Higher premium payments under Death Benefit Option A, until the applicable percentage of Accumulated Value exceeds the Face Amount, will generally result in a lower Net Amount at Risk. This will produce lower cost of

insurance charges against the Policy. Conversely, lower premium payments in this situation will result in a higher Net Amount at Risk, which will result in higher cost of insurance charges under the Policy.

Under Death Benefit Option B, until the applicable percentage of Accumulated Value exceeds the Face Amount plus the Accumulated Value, the level of premium payments will not affect the Net Amount at Risk. However, both the Accumulated Value and Death Benefit will be higher if premium payments are higher, and lower if premium payments are lower.

Under either Death Benefit option, if the Unadjusted Death Benefit is the applicable percentage of Accumulated Value, then higher premium payments will result in a higher Net Amount at Risk, and higher cost of insurance charges. Lower premium payments will result in a lower Net Amount at Risk, and lower cost of insurance charges.

In order to meet the federal definition of life insurance under the Internal Revenue Code of 1986, as amended, section 7702 of the Code defines two alternative testing procedures. These are the guideline premium test ("GPT") and the cash value accumulation test ("CVAT"). See "Federal Tax Considerations - Tax Status of the Policy". The Policy must qualify under either the GPT or the CVAT. When you purchase a Policy, you must choose the test under which your Policy will qualify. You may not change your choice while the Policy is in force. Under both testing procedures, there is a minimum death benefit required at all times equal to your Accumulated Value multiplied by some pre-determined factor. The factors used to determine the minimum death benefit depend on the testing procedure chosen and vary by age. The factors used for the GPT and CVAT are set forth in your Policy. Under the GPT, there is also a maximum amount of premium that may be paid with respect to your Policy. You should consult with a qualified tax advisor before deciding. The CVAT is presently available only if your Policy will be classified as a Modified Endowment Contract at the time the policy is issued. If you do not elect either the CVAT or the GPT, we will use the GPT to qualify your Policy.

For the GPT, the maximum premium limitations set forth in the Code depend in part upon the amount of the Unadjusted Death Benefit at any time. As a result, any Policy changes which affect the amount of the Unadjusted Death Benefit may affect whether cumulative premiums paid under the Policy exceed the maximum premium limitations. To the extent that any such change would result in cumulative premiums exceeding the maximum premium limitations, we will not effect the change. (See "Federal Income Tax Considerations," below).

Unless the Insured provides satisfactory evidence of insurability, we may limit the amount of any premium payment if it increases the Unadjusted Death Benefit more than it increases the Accumulated Value.

If mandated under applicable law, we may be required to reject a premium payment.

We will not accept a premium following the Policy Anniversary upon which the Insured reached the Attained Age 121.

Allocation of Net Premiums. The Net Premium equals the premium received times 1, minus the Percent of Premium Expense Charge. In your application for the Policy, you will indicate how Net Premiums should be allocated among the subaccounts of the Separate Account and/or the General Account. You may change these allocations at any time by giving us written notice at our Home Office, or if you have elected the telephone transaction privilege, by telephone instructions (See "Telephone Transaction Privilege," below). Please note, however, if your Policy is participating in the Illuminations program described under "Optional 'Illuminations' Investment Advisory Service", below, making a change to your premium allocations on your own will be treated as a termination of your Policy's participation in the Illuminations program. In addition, if you submit a premium allocation change, Portfolio Rebalancing will terminate unless you request it to continue. You must make allocations in whole number percentages of at least 1%, and the sum of the allocation percentages must be 100%. We will allocate Net Premiums as of the Valuation Date we receive the premium at our Home Office, based on the allocation percentages then in effect, except during the free look period. Please note that if you submit your Premium to your agent, we will not begin processing the Premium until we have received it from your agent's selling firm.

We will allocate any portion of the Initial Premium and any subsequent premiums we receive before the end of the free look period which are to be allocated to the Separate Account, to the Money Market Subaccount. For this purpose, we will assume that the free look period will end 20 days after the date the Policy is issued. On the first

Valuation Date following 20 days after issue of the Policy, we will allocate the amount in the Money Market Subaccount to each of the subaccounts selected in the application based on your instructions.

The values of the subaccounts will vary with their investment experience. You bear the entire investment risk. Please note that during extended periods of low interest rates, the yield on the Money Market Subaccount may become extremely low, and possibly even negative. You should periodically review your allocation percentages in light of market conditions and your overall financial objectives.

When all or a portion of a premium payment is received without a clear subaccount designation or allocated to a subaccount that is not available for investment, we may allocate the undesignated portion or the entire amount, as applicable, into the Money Market Subaccount. You may at any time after the deposit direct us to redeem or exchange the units in the Money Market Subaccount, which will be completed at the next appropriate net asset value. All transactions will be subject to any applicable fees or charges.

Transfers

You may transfer the Accumulated Value between and among the subaccounts of the Separate Account and the General Account by sending us a written transfer request, or if you have elected the telephone transaction privilege, by telephone instructions to us. (See “Telephone Transaction Privilege,” below). Transfers between and among the subaccounts of the Separate Account and the General Account are made as of the Valuation Day that the request for transfer is received at the Home Office. Please remember that a Valuation Day ends at the close of regular trading on the New York Stock Exchange, which is usually 4:00 p.m., Eastern Time. We must receive your transfer request before closing time for a transfer to be made on that Valuation Day. You may, at any time, transfer all or part of the amount in one of the subaccounts of the Separate Account to another subaccount and/or to the General Account.

We may limit transfers to one per month, require a minimum period between transfers, establish a maximum transfer amount, or reject a transfer request from a person acting on behalf of multiple policyholders. We may also reject a transfer request if we or a portfolio reasonably believe that the policyholder’s transfer activity has or may become disruptive to the management of the portfolio in which the subaccount is invested.

The maximum amount that may be transferred from the General Account to the Separate Account is the greater of 25% of the unloaned portion of Accumulated Value in the General Account or \$5,000. Only one transfer from the General Account to the Separate Account may be made in any one Policy Year.

Although we currently do not impose a transfer fee, we may assess a transfer fee of \$25 if the number of transfers between subaccounts in the separate account exceeds 12 in a given Policy Year. We may charge to the Policy any fees assessed by a portfolio with respect to transfer frequency. All transfers requested during one Valuation Period are treated as one transfer transaction. If a transfer charge is adopted in the future, these types of transfers would not be subject to a transfer charge and would not count against the 12 free transfers in any Policy Year:

- transfers resulting from Policy loans,
- transfers resulting from the operation of dollar cost averaging, portfolio rebalancing, or the “Illuminations” investment advisory program,
- transfers resulting from the exercise of the transfer rights described under “Other Transfer Rights”, below, and
- the reallocation from the Money Market Subaccount following the free look period.

Under present law, transfers are not taxable transactions.

If your Policy is in the Illuminations program described under “Optional ‘Illuminations’ Investment Advisory Service”, below, you will be allowed to implement portfolio transfers. Please note, however, if you implement portfolio transfers your allocations will depart from the FundQuest recommendations, and, if you keep the Policy in the Illuminations program, your transfers will end up being reversed by the next semi-annual rebalancing within the program.

Telephone Transaction Privilege

If you elect the telephone transaction privilege, either on the application for the Policy or thereafter by written authorization, you may effect changes in premium allocation, transfers, and loans of up to \$25,000, terminate or make changes in your Illuminations investment advisory program, if your Policy is participating, and initiate or make changes in Dollar Cost Averaging or Portfolio Rebalancing by providing instructions to us at our Home Office over the telephone. We may suspend telephone transaction privileges at any time, for any reason, if we deem such suspension to be in the best interests of Owners. You may, on the application or by a written authorization, authorize your National Life agent to provide telephone instructions on your behalf.

We will employ reasonable procedures to confirm that instructions we receive by telephone are genuine. If we follow these procedures, we will not be liable for any losses due to unauthorized or fraudulent instructions. We may be liable for any such losses if we do not follow these reasonable procedures. The procedures to be followed for telephone transfers will include one or more of the following:

- requiring some form of personal identification prior to acting on instructions received by telephone,
- providing written confirmation of the transaction, and
- making a tape recording of the instructions given by telephone.

Telephone transactions may not always be available. Telephone systems, whether yours, ours or your agent's, can experience outages or slowdowns for a variety of reasons. These outages or slowdowns may prevent or delay our receipt of your request. If you are experiencing problems, you should make your request by mail.

If you effect a change in premium allocation, initiate Dollar Cost Averaging or change Portfolio Rebalancing on a Policy that is participating in the Illuminations program, your Policy's participation in the Illuminations program will terminate.

Facsimile Transaction Privilege

You may provide instructions by facsimile for all transactions, except for a full surrender, full transfer, incoming transfer or death claim, by providing instructions to us at a designated fax number. Contact your agent for more information. We may suspend facsimile transaction privileges at any time, for any reason, if we deem such suspension to be in the best interests of the Owners.

Facsimile transactions may not always be available. Communication systems, whether yours, ours or your agent's, can experience outages or slowdowns for a variety of reasons. These outages or slowdowns may prevent or delay our receipt of your request. If you are experiencing problems, you should make your request by mail.

If you effect a change in premium allocation, initiate Dollar Cost Averaging or change Portfolio Rebalancing on a Policy that is participating in the Illuminations program, your Policy's participation in the Illuminations program will terminate.

Electronic Mail Transaction Privilege

A National Life agent may provide transfer instructions by e-mail on your behalf, if you have provided the agent the appropriate authority. Contact your agent for more information. We may suspend e-mail transaction privileges at any time, for any reason, if we deem such suspension to be in the best interests of the Owners.

E-mail transactions may not always be available. Electronic systems, whether yours, ours or your agent's, can experience outages or slowdowns for a variety of reasons. These outages or slowdowns may prevent or delay our receipt of the request. If your agent experiences problems, you should make your request by mail.

If you effect a change in premium allocation, initiate Dollar Cost Averaging or change Fund Rebalancing on a Policy that is participating in the Illuminations program, your Policy's participation in the Illuminations program will terminate.

Disruptive Trading

Policy. The Policies are intended for long-term investment by Owners. They were not designed for the use of market timers or other investors who make similar programmed, large, frequent, or short-term transfers. Market timing and other programmed, large, frequent, or short-term transfers among the subaccounts or between the subaccounts and the General Account can cause risks with adverse effects for other Owners (and beneficiaries and portfolios). These risks include:

- the dilution of interests of long-term investors in a subaccount if purchases or transfers into or out of a portfolio are made at prices that do not reflect an accurate value for the portfolio's investments;
- an adverse effect on portfolio management, such as impeding a portfolio manager's ability to sustain an investment objective, causing a portfolio to maintain a higher level of cash than would otherwise be the case, or causing a portfolio to liquidate investments prematurely (or at an otherwise inopportune time) to pay withdrawals or transfers out of the portfolio; and
- increased brokerage and administrative expenses.

The risks and costs are borne by all Owners invested in those subaccounts, not just those making the transfers.

We have developed policies and procedures with respect to market timing and other transfers (the "Procedures") and we do not make special arrangements or grant exceptions to accommodate market timing or other potentially disruptive or harmful trading. Do not invest in this Policy if you intend to conduct market timing or other potentially disruptive trading.

Detection. We employ various means to attempt to detect and deter market timing and disruptive trading. However, despite our monitoring, we may not be able to detect or stop all harmful trading. In addition, because other insurance companies (and retirement plans) with different policies and procedures may invest in the portfolios, we cannot guarantee that all harmful trading will be detected or that a portfolio will not suffer harm from programmed, large, frequent, or short-term transfers among the subaccounts of variable products issued by these companies or retirement plans.

Deterrence. Once an Owner has been identified as a "market timer" under the Procedures, we notify the Owner that we will not accept instructions for such market timing or other similar programmed, large, frequent or short-term transfers in the future. We also will mark the Policy on our administrative system so that the system will have to be overridden by the staff to process any transfers. We will only permit the Owner to make transfers when we believe the Owner is not "market timing."

In our sole discretion, we may revise the Procedures at any time, without prior notice, as necessary to (i) better detect and deter frequent, large, or short-term transfers that may adversely affect other Owners or portfolio shareholders, (ii) comply with state or federal regulatory requirements, or (iii) impose additional or alternate restrictions on market timers (such as dollars or percentage limits on transfers). We also reserve the right, to the extent permitted or required by applicable law, to (1) implement and administer redemption fees imposed by one or more portfolios in the future, (2) deduct redemption fees imposed by the portfolios, and (3) suspend the transfer privilege at any time we are unable to purchase or redeem shares of the portfolios. We may be required to share personal information about you with the portfolios.

We currently do not impose redemption fees on transfers. Further, for transfers between or among the subaccounts, we currently do not expressly allow a certain number of transfers in a given period or limit the size of transfers in a given period. Redemption fees, transfer limits, and other procedures or restrictions may be more or less successful than our Procedures in deterring market timing or other disruptive trading and in preventing or limiting harm from such trading.

Our ability to detect and deter such transfer activity is limited by our operational and technological systems, as well as by our ability to predict strategies employed by Owners (or those acting on their behalf) to avoid detection. Accordingly, despite our best efforts, we cannot guarantee that the Procedures will detect or deter frequent or harmful transfers by such Owners or intermediaries acting on their behalf. We apply the Procedures consistently to all Owners without waiver or exception.

Portfolio Frequent Trading Policies. The portfolios may have adopted their own policies and procedures with respect to frequent purchases and redemptions of their respective shares. The prospectuses for the portfolios describe any such policies and procedures. The frequent trading policies and procedures of a portfolio may be different, and more or less restrictive, than the frequent trading policies and procedures of other portfolios and the policies and procedures we have adopted to discourage market timing and other programmed, large, frequent, or short-term transfers. You should be aware that we may not have the operational capacity to apply the frequent trading policies and procedures of the respective portfolios that would be affected by the transfers. Accordingly, Owners and other persons who have material rights under the Policies should assume that the sole protections they may have against potential harm from frequent transfers are the protections, if any, provided by the Procedures.

Owners should be aware that we are required to provide to a portfolio or its designee, promptly upon request, certain information about the trading activity of individual Owners, and to restrict or prohibit further purchases or transfers by specific Owners identified by a portfolio as violating the frequent trading policies established for that portfolio. If we do not process a purchase because of such restriction or prohibition, we may return the premium to the Owner, place the premium in the Money Market Subaccount until we receive further instruction from the Owner and/or replace the restricted or prohibited Subaccount with the Money Market Subaccount in the Owner's default allocation until we receive further instructions from the Owner.

Omnibus Orders. Owners and other persons with material rights under the Policies also should be aware that the purchase and redemption orders received by the portfolios generally are "omnibus" orders from intermediaries such as retirement plans and separate accounts funding variable insurance policies. The omnibus orders reflect the aggregation and netting of multiple orders from individual owners of variable insurance policies and individual retirement plan participants. The omnibus nature of these orders may limit each portfolio's ability to apply its respective frequent trading policies and procedures. We cannot guarantee that the portfolio will not be harmed by transfer activity relating to the retirement plans or other insurance companies that may invest in the portfolios. These other insurance companies are responsible for their own policies and procedures regarding frequent transfer activity. If their policies and procedures fail to successfully discourage harmful transfer activity, it will affect other owners of portfolio shares, as well as the owners of all of the variable annuity or variable life insurance policies whose variable investment options correspond to the affected portfolios. In addition, if a portfolio believes that an omnibus order we submit may reflect one or more transfer requests from Owners engaged in market timing and other programmed, large, frequent, or short-term transfers, the portfolio may reject the entire omnibus order and thereby delay or prevent us from implementing your request.

As a result of our discretion to permit Owners previously identified as "market timers" to make transfers that we do not believe involve "market timing," and as a result of operational and technological limitations, differing fund procedures, and the omnibus nature of purchase and redemption orders, some Owners may still be able to engage in market timing, while other Owners bear any adverse effects of that market timing activity. To the extent we are unable to detect and deter market timing or other similar programmed, large, frequent, or short-term transfers, the performance of the subaccount and the portfolio could be adversely affected, including by (1) requiring the portfolio to maintain larger amounts of cash or cash-type securities than the portfolio's manager might otherwise choose to maintain or to liquidate portfolio holdings at disadvantageous times, thereby increasing brokerage, administrative, and other expenses and (2) diluting returns to long-term shareholders.

Other Transfer Rights

Transfer Right for Policy. During the first two years following Policy issue, you may, on one occasion, transfer the entire Accumulated Value in the Separate Account to the General Account, without regard to any limits on transfers or free transfers, or related transfer charges, if any.

Transfer Right for Change in Investment Policy. If the investment policy of a subaccount of the Separate Account is materially changed, you may transfer the portion of the Accumulated Value in that subaccount to another subaccount or to the General Account, without regard to any limits on transfers or free transfers, or related transfer charges, if any.

Exchange Right for Connecticut Residents. For eighteen months after the Date of Issue, Connecticut residents may exchange the Policy for any flexible premium adjustable benefit life insurance policy offered for sale by us, the benefits of which policy do not vary with the investment performance of a separate account. Evidence of insurability will not be required to effect this exchange.

Optional “Illuminations” Investment Advisory Service

National Life makes available to all Owners, at no cost to the Owner, an optional investment advisory service which National Life calls “Illuminations”. Under this program, National Life has arranged for FundQuest, Incorporated (“FundQuest”), a registered investment adviser independent of National Life, to provide an investment advisory service under which it maintains an allocation of the Accumulated Value of your Policy among the available options which is suited to your investment objective, financial situation and risk tolerance.

Illuminations will be available under employer-sponsored qualified plans, where variable universal life is approved for use. This option will be available for all policies issued within the plans. The sponsors and fiduciaries of qualified plans are responsible to determine whether Illuminations is permissible under the legal requirements to which the plan is subject.

If you elect to participate in Illuminations, you will be asked to fill out a detailed questionnaire, which addresses your investment objective, financial situation and risk tolerance. FundQuest will then evaluate the completed questionnaire to determine the allocation best suited to you. FundQuest will maintain a number of different allocation models for clients with different investment objectives, financial situations and risk tolerances, and you will be assigned to one of these models. However, you will have the ability to impose reasonable restrictions on the management of your Policy, including the ability to designate particular portfolios or types of portfolios that should not receive allocations of Accumulated Value from your Policy. Please contact National Life’s Home Office at (800) 732-8939 if you wish to impose restrictions on the management of your Policy which contains the Illuminations management feature. If you place restrictions on a particular fund or type of fund, you must either suggest an alternative fund or fund type or specify that the assets that would have been allocated to the restricted fund or fund type be allocated pro rata among the other funds in your model. At the implementation of your Illuminations program, you will receive a strategy report prepared by FundQuest that discusses the strategy to be followed in allocating your Accumulated Value among the portfolios.

FundQuest will make changes to its portfolio allocation models from time to time as it deems appropriate based on changes in the financial markets, portfolio performance, and other factors. FundQuest will communicate these changes to National Life, which will then automatically implement the changes in each affected Policy, pursuant to a Limited Power of Attorney executed by Illuminations participants. This Limited Power of Attorney will authorize FundQuest to direct National Life to implement changes to your model as determined by FundQuest, without obtaining your specific prior approval of the changes. In addition, FundQuest also currently intends to rebalance each Illuminations account back to its then-current model allocation semi-annually. This semi-annual rebalancing will also be implemented pursuant to the Limited Power of Attorney, and will be done automatically without your specific prior approval.

Further information regarding FundQuest is included in Part II of FundQuest’s Form ADV, which will be provided to Owners when they elect to participate in Illuminations.

Once in the Illuminations program, you will receive a quarterly report prepared by FundQuest discussing the performance of your Policy’s subaccount allocation, all the transactions made within your Policy, and its value at the beginning and end of the period. In this report, you will be reminded that you should contact National Life if there have been changes in your financial situation or investment objectives, and that you may impose reasonable restrictions on the funds in which your account may invest or modify existing restrictions.

In addition, at least annually you will be contacted by your National Life agent to determine whether there have been any changes in your financial situation or investment objectives, and whether you wish to impose reasonable restrictions on the funds in which your account may invest or modify existing restrictions.

Once you have elected to participate in the Illuminations program, you may terminate your participation in the program at any time, by providing written or telephone instructions to National Life. If you terminate the Illuminations program, we will no longer automatically apply any portfolio rebalancing to your Policy, unless you specifically elect to begin a Portfolio Rebalancing feature described under section, entitled “Available Automated Portfolio Management Features”.

If, while your Policy is participating in the Illuminations program, you should need or want to take a Policy loan or make a Withdrawal from your Policy, you should consider that if the loan or Withdrawal is allocated pro rata among the subaccounts in the Policy, the proportionate allocations recommended by FundQuest for your Policy will not be disturbed. If, on the other hand, you allocate the loan or Withdrawal to specific funds, the Policy will depart from the recommended allocations. However, if the Policy remains in the Illuminations program, at the next semi-annual rebalancing date the remaining Accumulated Value will be rebalanced back to the recommended model.

While your Policy is in the Illuminations program, you will be allowed to implement fund transfers, but you should consider that doing so will cause your allocations to depart from the FundQuest recommendations, and, if you keep the Policy in the Illuminations program, your transfers may end up being reversed by the next semi-annual rebalancing within the program.

While your Policy is in the Illuminations program, the Dollar Cost Averaging feature described in the next section below will not be available, and Portfolio Rebalancing will only be available as part of the Illuminations program. If you do elect to begin Dollar Cost Averaging, or change your Portfolio Rebalancing from the Illuminations program, such election will automatically terminate your Policy’s participation in the Illuminations program. Similarly, if you instruct National Life to make a change in the allocation of new Premiums on your Policy, this will be treated as a termination of your Policy’s participation in the Illuminations program.

If you have elected and exercised the accelerated care rider, any participation in the Illuminations program will automatically terminate.

Change of Address Notification

To protect you from fraud and theft, National Life may verify any changes in address you request by sending a confirmation of the change to both your old and new address. National Life may also call you to verify the change of address.

AVAILABLE AUTOMATED PORTFOLIO MANAGEMENT FEATURES

We currently offer, at no charge to you, two automated fund management features. Only one of these features may be active for any single Policy at any time. We are not legally obligated to continue to offer these features. Although we have no current intention to do so, we may cease offering one or both of these features at any time, after providing 60 days prior written notice to all Owners who are then utilizing the features being discontinued.

Dollar Cost Averaging. This feature permits you to automatically transfer funds from the Money Market Subaccount to any other subaccounts on a monthly basis. You may elect Dollar Cost Averaging at issue by marking the appropriate box on the initial application, and completing the appropriate instructions. You may also begin a Dollar Cost Averaging program after issue by filling out similar information on a change request form and sending it to us at our Home Office. You may discontinue Dollar Cost Averaging at any time by sending an appropriate change request form to the Home Office. While your Policy is in the Illuminations program described in the section immediately above, Dollar Cost Averaging will not be available. If you do elect to begin Dollar Cost Averaging, such election will automatically terminate your Policy’s participation in the Illuminations program.

Portfolio Rebalancing. This feature permits you to automatically rebalance the value in the subaccounts on a semi-annual basis, based on your premium allocation percentages in effect at the time of the rebalancing. You may elect Portfolio Rebalancing at issue by marking the appropriate box on the application, or, after issue, by completing a change request form and sending it to our Home Office. You may discontinue Portfolio Rebalancing at any time by submitting an appropriate change request form to us at our Home Office. In addition, if you submit a premium

allocation change, Portfolio Rebalancing will terminate unless you request it to continue. While your Policy is in the Illuminations program described in the section immediately above, Portfolio Rebalancing will be available only as part of the program, which will rebalance semi-annually back to your allocations as determined by FundQuest. If you do elect to change Portfolio Rebalancing from this Illuminations program, such election will automatically terminate your Policy's participation in the Illuminations program.

ACCUMULATED VALUE

The Accumulated Value is the total amount of value held under the Policy at any time. It is equal to the sum of the Policy's values in the Separate Account and the General Account. The Accumulated Value minus any applicable Surrender Charge, and minus any outstanding Policy loans and accrued interest, is equal to the Cash Surrender Value. There is no guaranteed minimum for the portion of the Accumulated Value in any of the subaccounts of the Separate Account. Because the Accumulated Value on any future date depends upon a number of variables, it cannot be predetermined.

The Accumulated Value and Cash Surrender Value will reflect:

- the Net Premiums paid,
- the investment performance of the portfolios you have chosen,
- the crediting of interest on non-loaned Accumulated Value in the General Account and amounts held as Collateral in the General Account,
- any transfers,
- any Withdrawals,
- any loans,
- any loan repayments,
- any loan interest charged, and
- charges assessed on the Policy.

Determination of Number of Units for the Separate Account. Amounts allocated, transferred or added to a subaccount of the Separate Account under a Policy are used to purchase units of that subaccount; units are redeemed when amounts are deducted, transferred or withdrawn. The number of units a Policy has in a subaccount equals the number of units purchased minus the number of units redeemed up to such time. For each subaccount, the number of units purchased or redeemed in connection with a particular transaction is determined by dividing the dollar amount by the unit value.

Determination of Unit Value. The unit value of a subaccount is equal to the unit value on the immediately preceding Valuation Day multiplied by the Net Investment Factor for that subaccount on that Valuation Day.

Net Investment Factor. Each subaccount of the Separate Account has its own Net Investment Factor. The Net Investment Factor measures the daily investment performance of the subaccount. The factor will increase or decrease, as appropriate, to reflect net investment income and capital gains or losses, realized and unrealized, for the securities of the underlying portfolio.

Calculation of Accumulated Value. The Accumulated Value is determined first on the Date of Issue and thereafter on each Valuation Day. On the Date of Issue, the Accumulated Value will be the Net Premiums received, plus any earnings prior to the Date of Issue, less any Monthly Deductions due on the Date of Issue. On each Valuation Day after the Date of Issue, the Accumulated Value will be:

- 1) The aggregate of the values attributable to the Policy in the Separate Account, determined by multiplying the number of units the Policy has in each subaccount of the Separate Account by such subaccount's unit value on that date; plus
- 2) The value attributable to the Policy in the General Account (See "The General Account," above).

DEATH BENEFIT

General. As long as the Policy remains in force, we will pay the Death Benefit of the Policy, after due proof of the Insured's death (and fulfillment of certain other requirements), to the named Beneficiary, unless the claim is contestable in accordance with the terms of the Policy. You may choose to have the proceeds paid in cash or under one of the available settlement options. (See "Payment of Policy Benefits," below.) The Death Benefit payable will be the Unadjusted Death Benefit under the Death Benefit option that is in effect, increased by any additional benefits, and decreased by any outstanding Policy loan and accrued interest and any unpaid Monthly Deductions.

If you or your Beneficiary does not select a settlement option, the proceeds are at least \$10,000, and the Beneficiary is an individual, we may deposit the lump-sum payment into an interest bearing special account maintained by a financial institution and retained by us in our General Account. In that case, we will provide your Beneficiary with a checkbook within seven days to access those funds. Your Beneficiary will receive interest on the proceeds deposited in that account.

Death Benefit Options. The Policy provides two Death Benefit options: Option A and Option B. You select the Death Benefit option in the application and may change it as described in "Change in Death Benefit Option," below.

Option A. The Unadjusted Death Benefit is equal to the greater of:

- (a) the Face Amount of the Policy, and
- (b) the Accumulated Value multiplied by a factor specified by federal income tax law.

The factor will be described in the Policy.

Illustration of Option A -- For purposes of this illustration, assume that the Insured is under Attained Age 40, the GPT was elected, and there is no Policy loan outstanding.

Under Option A, a Policy with a Face Amount of \$200,000 will generally have an Unadjusted Death Benefit of \$200,000. The specified percentage for an Insured under Attained Age 40 on the Policy Anniversary prior to the date of death is 250% under the GPT. Because the Unadjusted Death Benefit must be equal to or greater than 2.50 times the Accumulated Value, any time the Accumulated Value exceeds \$80,000 the Unadjusted Death Benefit will exceed the Face Amount. Each additional dollar added to the Accumulated Value will increase the Unadjusted Death Benefit by \$2.50. Thus, a 35 year old Insured with an Accumulated Value of \$90,000 will have an Unadjusted Death Benefit of \$225,000 ($2.50 \times \$90,000$), and an Accumulated Value of \$150,000 will have an Unadjusted Death Benefit of \$375,000 ($2.50 \times \$150,000$). Similarly, any time the Accumulated Value exceeds \$80,000, each dollar taken out of the Accumulated Value will reduce the Unadjusted Death Benefit by \$2.50. If at any time, however, the Accumulated Value multiplied by the specified percentage is less than the Face Amount, the Unadjusted Death Benefit will be the Face Amount of the Policy.

Option B. The Unadjusted Death Benefit is equal to the greater of:

- (a) the Face Amount of the Policy plus the Accumulated Value, and
- (b) the Accumulated Value multiplied by the same factor that applies to option A.

Illustration of Option B -- For purposes of this illustration, assume that the Insured is under Attained Age 40, the GPT was elected, and there is no Policy loan outstanding.

Under Option B, a Policy with a Face Amount of \$200,000 will generally have an Unadjusted Death Benefit of \$200,000 plus the Accumulated Value. Thus, for example, a Policy with a \$50,000 Accumulated Value will have an Unadjusted Death Benefit of \$250,000 (\$200,000 plus \$50,000). Because the specified percentage is 250% under the GPT, the Unadjusted Death Benefit will be at least 2.50 times the Accumulated Value. As a result, if the Accumulated Value exceeds \$133,333, the Unadjusted Death Benefit will be greater than the Face Amount plus the Accumulated Value. Each additional dollar added to the Accumulated Value above \$133,333 will increase the

Unadjusted Death Benefit by \$2.50. An Insured with an Accumulated Value of \$150,000 will have an Unadjusted Death Benefit of \$375,000 (2.50 x \$150,000), and an Accumulated Value of \$200,000 will yield an Unadjusted Death Benefit of \$500,000 (2.50 x \$200,000). Similarly, any time the Accumulated Value exceeds \$133,333, each dollar taken out of the Accumulated Value will reduce the Unadjusted Death Benefit by \$2.50. If at any time, however, the Accumulated Value multiplied by the specified percentage is less than the Face Amount plus the Accumulated Value, the Unadjusted Death Benefit will be the Face Amount plus the Accumulated Value.

Please note that payment of any amount in excess of Accumulated Value is subject to the financial strength and claims-paying ability of National Life.

Which Death Benefit Option to Choose. If you prefer to have premium payments and favorable investment performance reflected partly in the form of an increasing Death Benefit, you may wish to choose Option B. If you are satisfied with the amount of the Insured's existing insurance coverage and prefer to have premium payments and favorable investment performance reflected to the maximum extent in the Accumulated Value, you may wish to choose Option A.

Change in Death Benefit Option. After the first Policy Year, you may change the Death Benefit option in effect by sending us a written request. There is no charge to change the Death Benefit option. The effective date of a change will be the Monthly Policy Date on or next following the date we receive the written request. Only one change in Death Benefit option is permitted in any one Policy Year.

On the effective date of a change in Death Benefit option, the Face Amount is adjusted so that there will be no change in the Death Benefit or the Net Amount at Risk. In the case of a change from Option B to Option A, the Face Amount must be increased by the Accumulated Value. In the case of a change from Option A to Option B, the Face Amount must be decreased by the Accumulated Value. The change from Option A to Option B will not be allowed if it would reduce the Face Amount to less than the Minimum Face Amount.

On the effective date of the change, the Death Benefit, Accumulated Value and Net Amount at Risk (and therefore the cost of insurance charges) are unchanged. However, after the effective date of the change, the pattern of future Death Benefits, Accumulated Value, Net Amount at Risk and cost of insurance charges will be different than if the change had not been made. Also, we will recompute the minimum monthly premium to reflect the change in Death Benefit Option. In determining whether a change is appropriate for you, the considerations described in "Which Death Benefit Option to Choose" above will apply.

If a change in the Death Benefit option would result in cumulative premiums exceeding the maximum premium limitations under the Internal Revenue Code for life insurance, we will not effect the change. You may only change the Death Benefit Option before the Insured's Attained Age 121.

A change in the Death Benefit option may have Federal income tax consequences. (See "Federal Tax Considerations - Tax Treatment of Policy Benefits," below)

How the Death Benefit May Vary. The amount of the Death Benefit may vary with the Accumulated Value. The Death Benefit under Option A will vary with the Accumulated Value whenever the specified percentage of Accumulated Value exceeds the Face Amount of the Policy. The Death Benefit under Option B will always vary with the Accumulated Value because the Unadjusted Death Benefit equals the greater of (a) the Face Amount plus the Accumulated Value and (b) the Accumulated Value multiplied by the specified percentage.

Ability to Adjust Face Amount

You may, at any time after the first Policy Year, increase or decrease the Policy's Face Amount by submitting a written application to us. There are some limits on your ability to effect increases or decreases, which are discussed below. The effective date of an increase will be the Monthly Policy Date on or next following our approval of your request. The effective date of a decrease is the Monthly Policy Date on or next following the date that we receive your written request in good form. Employee benefit plan Policies may adjust the Face Amount even in Policy Year 1. An increase or decrease in Face Amount may have federal tax consequences. Consult a tax advisor before

increasing or decreasing the Face Amount. The effect of changes in Face Amount on Policy charges, as well as other considerations, is described below.

Increase. A request for an increase in Face Amount may not be for less than \$25,000, or such lesser amount required in a particular state (except that the minimum for employee benefit plans is \$2,000). You may not increase the Face Amount after the Insured's Attained Age 85. To obtain the increase, you must submit an application for the increase and provide evidence satisfactory to us of the Insured's insurability.

On the effective date of an increase, and taking the increase into account, the Cash Surrender Value must be at least equal to the Monthly Deductions then due. If the Cash Surrender Value is not sufficient, the increase will not take effect until you pay a sufficient additional premium payment to increase the Cash Surrender Value.

An increase in the Face Amount will generally affect the total Net Amount at Risk. This will normally increase the monthly cost of insurance charges. In addition, the Insured may be in a different Rate Class as to the increase in insurance coverage. An increase in premium payment or frequency may be appropriate after an increase in Face Amount. (See "Cost of Insurance Charge," below).

Each increase in Face Amount will begin a new period of Surrender Charges in effect for 10 years from the date of the increase. This additional Surrender Charge is based on the Face Amount of the increase only. We describe this additional Surrender Charge in detail in the "Surrender Charge" section, below.

Decrease. During the first 10 Policy Years, the amount of the Face Amount after a decrease cannot be less than 75% of the largest Face Amount in force at any time in the 12 months immediately preceding our receipt of your request for the decrease. The Face Amount after any decrease may not be less than the Minimum Face Amount, which is currently \$50,000. If a decrease in the Face Amount would result in cumulative premiums exceeding the maximum premium limitations applicable for life insurance under the Internal Revenue Code, we will not allow the decrease. You may only make a Face Amount decrease before the Insured's Attained Age 121.

A decrease in the Face Amount generally will decrease the total Net Amount at Risk, which will decrease your monthly cost of insurance charges.

For purposes of determining the cost of insurance charge, any decrease in the Face Amount will reduce the Face Amount in the following order:

- (a) first, the increase in Face Amount provided by the most recent increase;
- (b) then, the next most recent increases, in inverse chronological order; and
- (c) finally, the Initial Face Amount.

Payment of Policy Benefits

You may decide the form in which we pay Death Benefit proceeds. During the Insured's lifetime, you may arrange for the Death Benefit to be paid in a lump sum or under a settlement option. These choices are also available upon surrender of the Policy for its Cash Surrender Value. If you do not make an election, payment will be made in a lump sum. The Beneficiary may also arrange for payment of the Death Benefit in a lump sum or under a settlement option. If paid in a lump sum, we will ordinarily pay the Death Benefit (by sending the checkbook referred to below, unless the Beneficiary elects to receive a National Life check) to the Beneficiary within seven days after we receive proof of the Insured's death at our Home Office, and all other requirements are satisfied. If paid under a settlement option, we will apply the Death Benefit to the settlement option within seven days after we receive proof of the Insured's death at our Home Office, and all other requirements are satisfied.

We will pay interest on the Death Benefit from the date of death until interest begins to accrue on the account accessed by the checkbook referred to below. The interest rate will be the highest of (a) 3% per annum, (b) any higher rate we declare, or (c) any higher rate required by law.

If you or your Beneficiary elects to receive proceeds in a lump sum payment, unless the Beneficiary requests a National Life check, we will deposit the payment into an interest bearing special account maintained by a financial institution and retained by us in our General Account. In that case, we will provide you or your Beneficiary with a checkbook to access those funds from the special account. We will send the payee the checkbook within seven days of when we deposited the payment into that account, and the payee will receive any interest on the proceeds deposited in that account.

We will normally pay proceeds of a surrender, Withdrawal, or Policy loan within seven days of when we receive your written request at our Home Office in a form satisfactory to us. However, in cases where you surrender your Policy within 30 days of making a premium payment by check or through a check-o-matic payment option (i.e., automatic scheduled withdrawals from a bank account), and we are unable to confirm that such payment has cleared, we may withhold an amount equal to such payment from your surrender proceeds until we are able to confirm that the payment item has cleared, but for no more than 30 days from our receipt of the payment item. You may avoid the possibility of this holdback by making premium payments by unconditional means, such as by certified check or wire transfer of immediately available funds.

We will generally determine the amount of a payment on the Valuation Day we receive at our Home Office all required documents. However, we may defer the determination or payment of such amounts if the date for determining such amounts falls within any period during which:

- (1) the disposal or valuation of a subaccount's assets is not reasonably practicable because the New York Stock Exchange is closed or conditions are such that, under the SEC's rules and regulations, trading is restricted or an emergency is deemed to exist; or
- (2) except for Policies issued in New York, the SEC by order permits postponement of such actions for the protection of our policyholders.

We also may defer the determination or payment of amounts from the General Account for up to six months. If we defer such payment for more than 30 days, we will pay interest at a rate of not less than ____% or as required by state law. For Policies issued in New York, if we do not mail or deliver the amounts owed to you within ten days of when we receive your request for payment, we will pay interest on the amount at the rate then in effect under Payment Option 1 – Payment of Interest Only, from the date of our receipt of your request for payment to the date we actually make the payment.

Transactions will not be processed on days that the New York Stock Exchange is customarily closed for trading. In 2008, these days are New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day. Please remember that we must receive a transaction request before the close of regular trading on the New York Stock Exchange, which is usually 4:00 p.m. Eastern Time, to process the transaction on that Valuation Day.

If mandated under applicable law, we may be required to reject a Premium Payment. We may also be required to provide additional information about your account to government regulators. We may be required to block an Owner's account and thereby refuse to honor any request for transfers, Withdrawals, surrenders, loans or Death Benefits, until instructions are received from the appropriate regulator.

Settlement Options

There are several ways of receiving proceeds under the Death Benefit and surrender provisions of the Policy, other than in a lump sum. None of these options vary with the investment performance of the Separate Account. More detailed information concerning these settlement options is available in your Policy, upon request from our Home Office, and by referring to the Statement of Additional Information. Even if the Death Benefit under the Policy is excludible from income, payments under Settlement Options may not be excludible in full. This is because earnings on the Death Benefit after the Insured's death are taxable and payments under the Settlement Options generally include such earnings. You should consult a tax adviser as to the tax treatment of payments under the Settlement Options.

POLICY LOANS

General. You may at any time after the first year (and during the first year where required by law) borrow money from us using the Policy as the only security for the loan. The maximum amount you may borrow is the Policy's Cash Surrender Value on the date we receive your loan request, minus three times the Monthly Deduction for the most recent Monthly Policy Date. You may repay all or a portion of a loan and accrued interest at any time, while the Insured is alive. To take a loan, you should send us a written request at our Home Office. If you have elected the telephone transaction privilege, you may also request a loan over the telephone. We limit the amount of a Policy loan you can take by telephone to \$25,000. We will normally pay loan proceeds within seven days of a valid loan request.

Currently, we are extending your policy's loan privileges to allow loans in the first policy year. This is more favorable to you than what is guaranteed in the contracts. We may decide to discontinue this privilege in the future without notice. First year loans are subject to all the loan requirements and restrictions as stated above.

Interest Rate Charged. We charge interest on Policy loans at the fixed rate of 5% per year. We charge interest from the date of the loan and add it to the loan balance at the end of the Policy Year. When this interest is added to the loan balance, it bears interest at the same rate.

Allocation of Loans and Collateral. When you take a Policy loan, we hold Accumulated Value in the General Account as Collateral for the Policy loan. You may specify how you would like the Accumulated Value to be taken from the subaccounts of the Separate Account to serve as Collateral. If you do not so specify, we will allocate the Policy loan to the subaccounts in proportion to the Accumulated Value in the subaccounts. If the Accumulated Value in one or more of the subaccounts is insufficient to carry out your instructions, we will not process the loan until we receive further instructions from you. Non-loaned Accumulated Value in the General Account will become Collateral for a loan only to the extent that the Accumulated Value in the Separate Account is insufficient. Please note that if your Policy is participating in the Illuminations program described under "Optional 'Illuminations' Investment Advisory Service", above, and you allocate the loan pro rata among the subaccounts in the Policy, the proportionate allocations recommended by FundQuest for your Policy will not be disturbed. If, on the other hand, you allocate the loan to specific funds, the Policy will depart from the recommended allocations. However, if the Policy remains in the Illuminations program, at the next semi-annual rebalancing date the remaining Accumulated Value will be rebalanced back to the recommended model.

The Collateral for a Policy loan will initially be the loan amount. Loan interest will be added to the Policy loan. We will take additional Collateral for the loan interest pro rata from the subaccounts of the Separate Account, and then, if the amounts in the Separate Account are insufficient, from the non-loaned portion of the General Account. At any time, the amount of the outstanding loan under a Policy equals the sum of all loans (including due and unpaid interest added to the loan balance) minus any loan repayments.

Interest Credited to Amounts Held as Collateral. As long as the Policy is in force, we will credit the amount held in the General Account as Collateral with interest at effective annual rates we declare, but not less than 3% or such higher minimum rate required under state law. We currently intend to credit the amount held in the General Account as Collateral for Policy Loans at a fixed rate of 5% per year, but this is not guaranteed.

Effect of Policy Loan. Policy loans, whether or not repaid, will have a permanent effect on the Accumulated Value and the Cash Surrender Value, and may permanently affect the Death Benefit of your Policy. The effect on the Accumulated Value and Death Benefit could be favorable or unfavorable. It will depend on whether the investment performance of the subaccounts, and the interest credited to the non-loaned Accumulated Value in the General Account, is less than or greater than the interest being credited on the amounts held as Collateral in the General Account. Compared to a Policy under which no loan is made, values under a Policy will be lower when the credited interest rate on Collateral is less than the investment experience of assets held in the Separate Account and interest credited to the non-loaned Accumulated Value in the General Account. The longer a loan is outstanding, the greater the effect a Policy loan is likely to have. The Death Benefit will be reduced by the amount of any outstanding Policy loan.

Loan Repayments. We will assume that any payments you make while there is an outstanding Policy loan are premium payments, rather than loan repayments, unless you specify in writing that a payment is a loan repayment. In the event of a loan repayment, the amount held as Collateral in the General Account will be reduced by an amount equal to the repayment, and such amount will be transferred to the subaccounts of the Separate Account and to the non-loaned portion of the General Account based on the Net Premium allocations in effect at the time of the repayment.

Lapse With Loans Outstanding. The amount of an outstanding loan under a Policy plus any accrued interest on outstanding loans is not part of Cash Surrender Value. Therefore, the larger the amount of an outstanding loan, the more likely it is that the Policy could lapse. (See “Risk of Lapse,” above and “Lapse and Reinstatement,” below.) In addition, if the Policy is not a Modified Endowment Policy, lapse of the Policy with outstanding loans may result in adverse federal income tax consequences. (See “Federal Tax Considerations - Tax Treatment of Policy Benefits,” below.)

IRC § 1035 Exchanges of Policies with Existing Policy Loans. We will accept transfers of existing policy loans on Policies that qualify as § 1035 exchanges. The loan will be limited to 50% of the Accumulated Value of the transfer. The Accumulation Value held as Collateral for the loan will be placed in the General Account.

Tax Considerations. Any loans taken from a “Modified Endowment Contract” will be treated as a taxable distribution. In addition, with certain exceptions, a 10% additional income tax penalty will be imposed on the portion of any loan taken from a Modified Endowment Contract that is included in income. (See “Federal Tax Considerations – Tax Treatment of Policy Benefits - Distributions Other Than Death Benefits from Modified Endowment Contracts,” below.)

SURRENDERS AND WITHDRAWALS

You may surrender your Policy for its Cash Surrender Value at any time before the death of the Insured. The Cash Surrender Value is the Accumulated Value minus any Policy loan and accrued interest and less any Surrender Charge. We will calculate the Cash Surrender Value on the Valuation Day we receive, at our Home Office, your signed written surrender request deemed by us to be in good order, and the Policy. You may not request a surrender over the telephone or by facsimile. Coverage under the Policy will end on the day you mail or otherwise send your written surrender request and the Policy to us. We will ordinarily mail surrender proceeds to you within seven days of when we receive your request in good order. However, in cases where you surrender your Policy within 30 days of making a premium payment by check or through a check-o-matic payment option (i.e., automatic scheduled withdrawals from a bank account), and we are unable to confirm that such payment has cleared, we may withhold an amount equal to such payment from your surrender proceeds until we are able to confirm that the payment item has cleared, but for no more than 30 days from our receipt of the payment item. You may avoid the possibility of this holdback by making premium payments by unconditional means, such as by certified check or wire transfer of immediately available funds.

A surrender may have Federal income tax consequences. (See “Federal Tax Considerations - Tax Treatment of Policy Benefits,” below).

You may also withdraw a portion of your Policy’s Cash Surrender Value at any time before the death of the Insured and, except for employee benefit plans, after the first Policy Anniversary, by writing us at our Home Office. The minimum amount which you may withdraw is \$500, except for employee benefit plans, where the minimum is \$100. The maximum Withdrawal is the Cash Surrender Value on the date of receipt of the Withdrawal request, minus three times the Monthly Deduction for the most recent Monthly Policy Date. A Withdrawal Charge of \$25 may be deducted from the amount of the Withdrawal. For a discussion of the Withdrawal Charge, see “Charges and Deductions - Withdrawal Charge”, below.

You may specify how you would like us to take a Withdrawal from the subaccounts of the Separate Account. If you do not so specify, we will take the Withdrawal from the subaccounts in proportion to the Accumulated Value in each subaccount. If the Accumulated Value in one or more subaccounts is insufficient to carry out your instructions, we will not process the Withdrawal until we receive further instructions from you. You may take Withdrawals from the General Account only after the Accumulated Value in the Separate Account has been exhausted. If your Policy is

participating in the Illuminations program described under “Optional ‘Illuminations’ Investment Advisory Service”, above, and you allocate the Withdrawal pro rata among the subaccounts in the Policy, the proportionate allocations recommended by FundQuest for your Policy will not be disturbed. If, on the other hand, you allocate the Withdrawal to specific funds, the Policy will depart from the recommended allocations. However, if the Policy remains in the Illuminations program, at the next semi-annual rebalancing date the remaining Accumulated Value will be rebalanced back to the recommended model.

The effect of a Withdrawal on the Death Benefit and Face Amount will vary depending upon the Death Benefit option in effect and whether the Unadjusted Death Benefit is based on the applicable percentage of Accumulated Value. (See “Death Benefit Options,” above.)

Option A. A Withdrawal will reduce the Face Amount of the Policy by the amount of the Withdrawal. Examples of the effect of a Withdrawal on the Face Amount and Unadjusted Death Benefit under Option A are described as follows:

For the purposes of the following examples, assume that the Attained Age of the Insured is under 40, the GPT was elected, and there is no indebtedness. The applicable percentage is 250% for an Insured with an Attained Age under 40.

Under Option A, a Policy with a Face Amount of \$300,000 and an Accumulated Value of \$30,000 will have an Unadjusted Death Benefit of \$300,000. Assume that you take a Withdrawal of \$10,000. The Withdrawal will reduce the Accumulated Value to \$20,000 ($\$30,000 - \$10,000$) and the Face Amount to \$290,000 ($\$300,000 - \$10,000$). As a result, the Unadjusted Death Benefit following the Withdrawal will be \$290,000 (i.e., a reduction of \$10,000).

If the Unadjusted Death Benefit immediately prior to the Withdrawal is based on the applicable percentage of Accumulated Value, the Unadjusted Death Benefit will be reduced to equal the greater of (a) the Face Amount after deducting the amount of the Withdrawal and (b) the applicable percentage of Accumulated Value after deducting the amount of the Withdrawal.

Under Option A, a Policy with a Face Amount of \$300,000 and an Accumulated Value of \$150,000 will have an Unadjusted Death Benefit of \$375,000 ($\$150,000 \times 2.50$). Assume that you take a Withdrawal of \$10,000. The Withdrawal will reduce the Accumulated Value to \$140,000 ($\$150,000 - \$10,000$) and the Face Amount to \$290,000 ($\$300,000 - \$10,000$). The Unadjusted Death Benefit following the Withdrawal is equal to the greater of (a) the Face Amount, or \$290,000, and (b) the applicable percentage of the Accumulated Value, or \$350,000 ($\$140,000 \times 2.50$). Therefore, the Unadjusted Death Benefit will be \$350,000 following the Withdrawal (i.e., a reduction of \$25,000).

Option B. The Face Amount will never be decreased by a Withdrawal. A Withdrawal will, however, always decrease the Death Benefit.

If the Unadjusted Death Benefit equals the Face Amount plus the Accumulated Value, a Withdrawal will reduce the Accumulated Value by the amount of the Withdrawal and thus the Unadjusted Death Benefit will also be reduced by the amount of the Withdrawal.

For the purposes of the following examples, assume that the Attained Age of the Insured is under 40, the GPT was elected, and there is no indebtedness. The applicable percentage is 250% for an Insured with an Attained Age under 40.

Under Option B, a Policy with a Face Amount of \$300,000 and an Accumulated Value of \$90,000 will have an Unadjusted Death Benefit of \$390,000 ($\$300,000 + \$90,000$). Assume you take a Withdrawal of \$20,000. The Withdrawal will reduce the Accumulated Value to \$70,000 ($\$90,000 - \$20,000$). As a result, the Unadjusted Death Benefit will be \$370,000 (i.e., a reduction of \$20,000). The Face Amount is unchanged.

If the Unadjusted Death Benefit immediately prior to the Withdrawal is based on the applicable percentage of Accumulated Value, the Unadjusted Death Benefit will be reduced to equal the greater of (a) the Face Amount plus the Accumulated Value after deducting the amount of the Withdrawal and (b) the applicable percentage of Accumulated Value after deducting the amount of the Withdrawal.

Under Option B, a Policy with a Face Amount of \$300,000 and an Accumulated Value of \$210,000 will have an Unadjusted Death Benefit of \$525,000 ($\$210,000 \times 2.50$). Assume you take a Withdrawal of \$60,000. The Withdrawal will reduce the Accumulated Value to \$150,000 ($\$210,000 - \$60,000$), and the Unadjusted Death Benefit to the greater of (a) the Face Amount plus the Accumulated Value, or \$450,000 ($\$300,000 + \$150,000$) and (b) the applicable percentage of the Accumulated Value, or \$375,000 ($\$150,000 \times 2.50$). Therefore, the Unadjusted Death Benefit will be \$450,000 (i.e., a reduction of \$75,000). The Face Amount is unchanged.

Any decrease in Face Amount due to a Withdrawal will first reduce the most recent increase in Face Amount, then the most recent increases, successively, and lastly, the Initial Face Amount.

Because a Withdrawal can affect the Face Amount and the Unadjusted Death Benefit as described above, a Withdrawal may also affect the Net Amount at Risk which is used to calculate the cost of insurance charge under the Policy. (See "Cost of Insurance Charge," above.) Because a Withdrawal reduces the Accumulated Value, the Cash Surrender Value of the Policy is reduced, thereby increasing the likelihood that the Policy will lapse. (See "Lapse and Reinstatement," below.) A request for Withdrawal may not be allowed if such Withdrawal would reduce the Face Amount below the Minimum Face Amount for the Policy. Also, if a Withdrawal would result in cumulative premiums exceeding the maximum premium limitations applicable under the Code for life insurance, we will not allow the Withdrawal.

You may request a Withdrawal only by sending a signed written request to us at our Home Office or, partial Withdrawals, by facsimile. You may not request a Withdrawal over the telephone. We will ordinarily pay a Withdrawal within seven days of receiving at our Home Office a valid Withdrawal request.

A Withdrawal of Cash Surrender Value may have Federal income tax consequences. (See "Federal Tax Considerations - Tax Treatment of Policy Benefits," below.)

Owners of Policies being used in qualified retirement plans should be aware that the Policy does not contain any provision for a refund of premium in the event that premiums in excess of those permitted by the "incidental insurance" rules are paid. In the event that a Withdrawal is necessary to bring a Policy into compliance with the "incidental insurance" rules, we will waive any Withdrawal Charge in connection with such Withdrawal. However, such Owners should be aware that it is possible that the Cash Surrender Value of the Policy will not be sufficient to permit a Withdrawal in the amount necessary to bring the Policy into compliance.

LAPSE AND REINSTATEMENT

If on any Monthly Policy Date the Cash Surrender Value is insufficient to pay the Monthly Deduction due, a Grace Period shall start, unless:

1. the Policy is within the Policy Protection Period; and
2. the Accumulated Value less any debt is greater than the Monthly Deduction and any other charges due; and
3. the cumulative premiums paid since the Policy's Issue Date, less any Withdrawals and less any debt are greater than or equal to the cumulative Minimum Monthly Premiums due since the Policy's Issue Date.

The Policy will not enter a Grace Period solely due to the failure to make a premium payment.

The Grace Period shall be 61 days, and the Policy shall remain in force during the Grace Period. We will mail you a notice of the premium required to keep the Policy in force.

During the Policy Protection Period, the premium needed to keep the Policy in force beyond a Grace Period shall equal the greater of 1) the premium which will be sufficient to produce an Accumulated Value, net of debt, equal to three times the Monthly Deduction due at the beginning of the Grace Period, or 2) an amount equal to the sum of

- the cumulative Minimum Monthly Premiums due at the start of the Grace Period; plus
- three times the Minimum Monthly Premium in effect at the beginning of the Grace Period; plus
- all Withdrawals; plus
- any debt; less
- all premiums paid,

but not more than the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deductions due at the start of the Grace Period.

The premium needed to keep the policy in force beyond a Grace Period which ends after the Policy Protection Period shall be the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due at the start of the Grace Period.

If the premium needed to keep the policy in force is not paid by the later of the last day of the Grace Period or the 61st day after the lapse pending notice is sent, the Policy shall terminate without value. However, we will not terminate the Policy at the end of the Grace Period if a claim begins under the waiver of Monthly Deductions rider.

The Policy Protection Period corresponds to the first five Policy Years.

Reinstatement. A Policy that lapses without value may be reinstated at any time within five years (or any longer period required in a particular state) after the beginning of the Grace Period. To do so, you must submit evidence of the Insured's insurability satisfactory to us and pay a sufficient reinstatement premium. The effective date of reinstatement, unless otherwise required by state law, will be the Monthly Policy Date on or next following the date your reinstatement application is approved. Upon reinstatement, the Accumulated Value will be equal to the Accumulated Value on the date the Grace Period began; less two times the Monthly Deduction due on the date the Grace Period Began; plus the net premium paid to reinstate the Policy; less the Monthly Deduction due on the reinstatement date. The Policy will be reinstated with the same Date of Issue as it had prior to the lapse.

If reinstatement occurs during a Policy Protection Period, the required payment shall be an amount equal to the greater of 1) the premium which will be sufficient to produce an Accumulated Value, net of debt, equal to four times the Monthly Deduction due on the date the Grace Period began, or 2) the sum of:

1. the cumulative Minimum Monthly Premiums due at the start of the Grace Period, plus
2. three times the Minimum Monthly Premium due at the start of the Grace Period, plus
3. all Withdrawals; plus
4. any debt; less
5. all premiums paid,

but not more than the premium which will make the Cash Surrender Value sufficient to provide:

1. two times the Monthly Deduction due on the date the Grace Period began; plus
2. three times the Monthly Deduction due on the date of reinstatement.

If reinstatement occurs after the Policy Protection Period, the required payment shall be a premium which will make the Cash Surrender Value sufficient to provide:

1. two times the Monthly Deduction due on the date the Grace Period began; plus
2. three times the Monthly Deduction due on the date of reinstatement.

The duration of a reinstated policy will be computed without regard to the period between the final lapse date and the reinstatement date for the purpose of assigning Surrender Charges and Monthly Expense Charges.

CHARGES AND DEDUCTIONS

We deduct the charges described below from your premium payments or your Policy Value. Certain of the charges depend on a number of variables. The charges are for the services and benefits provided, costs and expenses incurred and risks assumed by us under the Policy. We intend to profit from these charges.

Services and benefits we provide include:

- the death benefits, cash and loan benefits provided by the Policy;
- the funding choices, including net premium allocations, dollar-cost averaging programs, and automatic asset rebalancing programs, and Illuminations investment advisory service;
- the administration of various elective options under the Policy (including any riders); and
- the distribution of various reports to Owners.

Costs and Expenses we incur include:

- those associated with underwriting applications and changes in Face Amount and any riders;
- various overhead and other expenses associated with providing the services and benefits provided by the Policy (and any riders);
- sales and marketing expenses;
- other costs of doing business, such as complying with federal and state regulatory requirements.

Risks we assume include the risks that:

- insureds may die sooner than estimated, resulting in the payment of greater death benefits than expected; and
- the costs of providing the services and benefits under the Policy (and any riders) will exceed the charges deducted.

Percent of Premium Expense Charge

We will deduct 6% from each premium payment prior to allocation of Net Premiums, to cover state premium taxes, the federal DAC Tax, and certain sales and marketing expenses. The federal DAC Tax is a tax attributable to certain “policy acquisition expenses” under Internal Revenue Code Section 848. Section 848 in effect accelerates the realization of income we receive from the Policies, and therefore the payment of federal income taxes on that income. The economic consequence of Section 848 is, therefore, an increase in the tax burden borne by us that is attributable to the Policies.

Surrender Charge

We impose a Surrender Charge if the Policy is surrendered or lapses at any time before the end of the tenth Policy Year following issue or a Face Amount increase.

The first year Surrender Charges are presented in Appendix B to this prospectus for all states except New York and Appendix C to this prospectus for New York. Both Appendix B and C express the Surrender Charge as a dollar amount per \$1,000 of Initial Face Amount. There will be a Surrender Charge associated with the Initial Face Amount as well as with each subsequent Face Amount increase. Each such portion of the Surrender Charge will have a duration of ten Policy Years as measured from the issue date of the corresponding Face Amount. Each portion of the Surrender Charge will be level during each Policy Year and decrease every year through year 10. Surrender Charges in all states except New York decrease linearly by policy year until the end of the tenth Policy Year with some rounding. The Surrender Charge schedule applicable to policies issued in New York is amortized such that the surrender charge is zero beginning in Policy Year 11. New York surrender charges are limited to an expense allowance less the cumulative renewal Monthly Expense Charges due through the end of the Policy Year. There will be no reduction in Surrender Charges upon a Decrease in Face Amount.

Monthly Deductions

We will deduct charges from the Accumulated Value on the Date of Issue and on each Monthly Policy Date. The Monthly Deduction consists of five components:

- (a) the cost of insurance charge;
- (b) the Monthly Policy Fee;
- (c) the Monthly Expense Charge;
- (d) the Monthly Account Value Charge; and
- (e) the cost of any additional benefits provided by rider. The monthly charges will be specified in the applicable rider.

Because portions of the Monthly Deduction (such as the cost of insurance charge) vary from policy month to policy month, the Monthly Deduction will also vary. We will take the Monthly Deduction on a pro rata basis from the subaccounts of the Separate Account and the General Account, unless you have requested at the time of application, or later request in writing, that we take the Monthly Deductions from the Money Market Subaccount. If we cannot take a Monthly Deduction from the Money Market Subaccount, where you have so asked, we will take the amount of the deduction in excess of the Accumulated Value available in the Money Market Subaccount on a pro rata basis from Accumulated Value in the subaccounts of the Separate Account and the General Account. If your Policy is participating in the Illuminations investment advisory service, we will require that the Monthly Deduction be taken from your Policy on a pro rata basis from the subaccounts of the Separate Account and the General Account.

Cost of Insurance Charge. We will deduct a monthly cost of insurance charge from the Accumulated Value on the Date of Issue and each Monthly Policy Date until the Insured reaches Attained Age 121 as part of the Monthly Deduction. The cost of insurance charge is the primary charge for the death benefit provided by your Policy. We calculate the monthly cost of insurance charge by multiplying the applicable cost of insurance rate or rates by the Net Amount at Risk for each policy month. Because both the Net Amount at Risk and the variables that determine the cost of insurance rate, such as the age of the Insured and the Duration of the Policy, may vary, the cost of insurance charge will likely be different from month to month. We expect to profit from this charge and may use the charge for lawful purpose, including covering distribution expenses.

Net Amount at Risk. The Net Amount at Risk on any Monthly Policy Date is approximately the amount by which the Unadjusted Death Benefit on that Monthly Policy Date exceeds the Accumulated Value. It measures the amount National Life would have to pay in excess of the Policy's value if the Insured died. The actual calculation uses the Unadjusted Death Benefit divided by 1.00246627, to take into account assumed monthly earnings at an annual rate of 3%. We calculate the Net Amount at Risk separately for the Initial Face Amount and any increases in Face Amount. In determining the Net Amount at Risk for each increment of Face Amount, we first consider the Accumulated Value part of the Initial Face Amount. If the Accumulated Value exceeds the Initial Face Amount, we consider it as part of any increases in Face Amount in the order such increases took effect.

Any change in the Net Amount at Risk will affect the total cost of insurance charges paid by the Owner.

Guaranteed Maximum Cost of Insurance Rates. The guaranteed maximum cost of insurance rates will be set forth in your Policy, and will be based on:

- the Insured's Attained Age,
- the Insured's sex,
- the Insured's Rate Class, and
- the 2001 Commissioners Standard Ordinary (M/F) Smoker/Non smoker U ANB Mortality Tables.

For Policies issued in states which require "unisex" policies or in conjunction with employee benefit plans, the guaranteed maximum cost of insurance rate will be based on the 2001 Commissioners Standard Ordinary (80) Smoker/Non smoker U ANB Mortality Tables, which are gender blended tables.

Current Cost of Insurance Rates and How They are Determined. The actual cost of insurance rates used ("current rates") will depend on:

- the Insured's Issue Age,
- the Insured's sex,
- the Insured's Rate Class, and
- the Policy's Duration.

We periodically review the adequacy of our current cost of insurance rates and may adjust their level. However, the current rates will never exceed guaranteed maximum cost of insurance rates. Any such modification will be made on a class basis based on the classes initially identified when policies are issued.

We use separate cost of insurance rates for the Initial Face Amount and any increases in Face Amount. For the Initial Face Amount we use the rate for the Insured's Rate Class on the Date of Issue. For each increase in Face Amount, we use the rate for the Insured's Rate Class at the time of the increase. If the Unadjusted Death Benefit is calculated as the Accumulated Value times the specified percentage, we use the rate for the Rate Class for the Initial Face Amount for the amount of the Unadjusted Death Benefit in excess of the total Face Amount for Option A, and in excess of the total Face Amount plus the Accumulated Value for Option B.

We may also issue Policies on a guaranteed issue basis, where no medical underwriting is required prior to issuance of a Policy. Current cost of insurance rates for Policies issued on a guaranteed issue basis may be higher than current cost of insurance rates for healthy Insureds who undergo medical underwriting.

Rate Class. The Rate Class of the Insured will affect both the guaranteed and current cost of insurance rates. We currently place Insureds into the following Rate Classes:

- elite preferred nonsmoker,
- preferred nonsmoker,
- standard nonsmoker,
- preferred smoker,
- standard smoker, and
- substandard.

Smoker and substandard classes reflect higher mortality risks. In an otherwise identical Policy, an Insured in an elite, preferred or standard class will have a lower cost of insurance rate than an Insured in a substandard class with higher mortality risks. Nonsmoking Insureds will generally incur lower cost of insurance rates than Insureds who are classified as smokers.

Insureds with Issue Ages less than 20 will be placed in the standard nonsmoker class. If the Insured is a known smoker a substandard rating will be added to the Policy.

Monthly Policy Fee. We will deduct a Monthly Policy Fee of \$7.50 from the Accumulated Value on the Date of Issue and each Monthly Policy Date until the Insured reaches Attained Age 121 as part of the Monthly Deduction.

Monthly Expense Charge. We will deduct a Monthly Expense Charge from the Accumulated Value on the Date of Issue and each Monthly Policy Date as part of the Monthly Deduction. The Monthly Expense Charge is calculated as an amount per thousand of insurance which is determined based on the Initial Face Amount plus any increase in Face Amount. The Monthly Expense Charge rate varies based on the Issue Age, sex, and Rate Class of the Insured and the Initial Face Amount of the Policy.

The Monthly Expense Charge rates will vary with the Initial Face Amount of the Policy in the following bands:

- those with Initial Face Amounts less than \$250,000;
- those with Initial Face Amounts between \$250,000 and \$999,999, inclusive; and
- those with Initial Face Amounts of \$1,000,000 and greater.

On both a current and guaranteed basis the Monthly Expense Charge will apply during the first ten years following the Date of Issue for the Monthly Expense Charge associated with the Initial Face Amount and during the first ten

years following each increase in Face Amount for the Monthly Expense Charge associated with each increase in Face Amount. Appendix D shows the Monthly Expense Charge per \$1,000 for each Issue Age, sex, and Rate Class.

There will be no reduction in the Monthly Expense Charge upon a decrease in Face Amount.

Monthly Account Value Charge. Monthly Account Value Charge. We reserve the right to deduct a Monthly Account Value charge as part of the monthly deduction on each Monthly Policy Date. We currently do not plan to assess a charge of this type. The maximum charge we could charge in the future is 0.04% of Policy Value each month.

Optional Benefit Charges. The Monthly Deduction will include charges for any additional benefits added to the Policy. The monthly charges are specified in the applicable rider and are set forth in the “Fee Table” section above. The available riders are listed under “Optional Benefits”. We discuss the charges for certain of the riders below.

The charge for the accelerated care rider includes an amount per \$1,000 of Net Amount at Risk and an amount per dollar of Monthly Deduction.

There is a monthly charge for the balance sheet benefit rider of an amount per \$1,000 of Policy Face Amount.

There is a monthly charge for the children’s term rider of \$0.4625 per \$1,000 of rider Face Amount while the rider is in force regardless of the number of children covered.

There is a monthly charge for the other insured rider set as a rate per \$1,000 of rider Face Amount for each Other Insured, which varies based on the Issue Age, sex, and Rate Class of each Other Insured and the duration of the rider.

There is a monthly charge for the waiver of specified premium rider equal to the applicable rate times the monthly waiver benefit while the rider is in force.

Withdrawal Charge

Although we do not currently assess such a charge, we may assess on each Withdrawal a charge of \$25. If assessed, we will deduct this Withdrawal Charge from the Withdrawal amount.

Transfer Charge

Although we do not currently assess such a charge, we may assess a transfer fee of \$25 if the number of transfers exceeds 12 in a given Policy Year. We may also pass through any fees charged by a portfolio as a result of the transfer, including a short-term trading or redemption fee.

Projection Report Charge

Although we do not currently assess such a charge, we may impose a charge (not to exceed \$25 for Policies issued in New York) for each projection report you request. This report will project future values and future Death Benefits for the Policy. We will notify you in advance of the amount of the charge. You may elect to pay the charge in advance. If not paid in advance, we will deduct this charge from the subaccounts of the Separate Account and/or the General Account in proportion to their Accumulated Values on the date of the deduction.

Other Charges

The Separate Account purchases shares of the portfolios at net asset value. The net asset value of those shares reflects management fees and expenses already deducted from the assets of the portfolios. Historical expense ratio information for the portfolios is presented in the “Fee Tables” section, above. More detailed information is contained in the portfolios’ prospectuses which accompany this prospectus.

We sell the Policies through registered representatives of broker dealers. These registered representatives are also appointed and licensed as our insurance agents. We pay commissions to the broker-dealers for selling the Policies. You do not directly pay these commissions. We do. We intend to recoup commissions and other sales expenses through fees and charges imposed under the Policies.

OPTIONAL BENEFITS

You may add additional benefits to your Policy by purchasing optional riders. Election of any of these riders involves an additional cost. The riders are subject to the restrictions and limitations set forth in the applicable Policy riders. The following riders are available under the Policy.

- Waiver of Monthly Deductions Rider
- Accidental Death Benefit Rider
- Guaranteed Insurability Option Rider
- Accelerated Care Rider
- Chronic Care Protection Rider
- Accelerated Benefit Rider
- Overloan Protection Rider
- Balance Sheet Benefit Rider
- Children's Term Rider
- Other Insured Rider
- Qualified Plan Exchange Privilege Rider
- Waiver of Specified Premium Rider

Any one of these riders may not be available in your state and the terms of the rider may vary by state. We describe certain of the riders below. More information about the riders is available from your agent and in the Statement of Additional Information.

Accelerated Care Rider

We offer an optional accelerated care rider, under which we will make periodic partial prepayments to you of all or a portion of your Death Benefit if the Insured becomes "chronically ill". If you exercise this rider, any participation in the Illuminations program will terminate. A full description of the accelerated care rider is provided in the Statement of Additional Information.

Chronic Care Protection Rider

We also offer an optional chronic care protection rider, which provides benefits to pay for expenses incurred by an Insured for qualified long-term care services beyond the date on which payments under an accelerated care rider would terminate because the entire Death Benefit of the Policy has been accelerated. A full description of the chronic care protection rider is also provided in the Statement of Additional Information.

Accelerated Benefit Rider

This rider provides an accelerated Death Benefit prior to the death of the Insured in certain circumstances where a terminal illness or chronic illness creates a need for access to the Death Benefit. Accelerated Death Benefits paid under this rider are discounted. There is no cost for this rider. Again, a full description of the Accelerated Benefit rider is provided in the Statement of Additional Information.

Overloan Protection Rider

If you elect the overloan protection rider, we will guarantee that the Policy will not lapse if you meet the conditions to exercise and exercise the rider before the Policy lapses. There is no charge for electing the rider, but you will be charged if the rider is exercised. See Appendix E for more information about the rider.

Availability. This rider is available only if the GPT is elected for determining compliance with the federal definition of life insurance.

Mechanics of the Rider. As described in your rider, the rider may be exercised if all the following conditions are met:

1. the Attained Age of the Insured is greater than or equal to 75; and
2. the Policy to which the rider is attached has been in force for at least fifteen years from the Policy Date of Issue; and
3. outstanding debt on the Policy must exceed the total Face Amount of the Policy; and
4. the outstanding debt divided by the excess of the Accumulated Value over the Surrender Charge exceeds 0.95.

We will send you a notification when these conditions have been met. The rider must be exercised within sixty days of the date we mail notification. If it is not, the rider will terminate.

Other Effects of Exercise. All values from the Separate Account will be transferred to the General Account. No further transfers from the General Account to the Separate Account may be made. No additional premiums may be paid into the policy. Withdrawals will no longer be allowed. Monthly Deductions will cease. Any additional benefit riders whose monthly cost was included in the Monthly Deductions will terminate. The policy Death Benefit Options will be switched to Option A if Option B is in effect. No adjustments will be made to the policy Face Amount. No further change in Death Benefit Option and no further loans will be permitted.

Other Possible Products. Features similar to the overloan protection rider are available in other products that do not offer subaccount options, including National Life's Ultra Select and AssurePlus Protector policies. If you do not plan on making use of the subaccounts offered in Investor Select, then another non-variable universal life policy may be more cost effective for you.

Termination. This rider will terminate on the earliest of:

- the date that your Policy terminates or matures (depending on the state of issue);
- 60 days following our mailing of notification that the conditions for exercising this rider have been met; or
- the Monthly Policy Date following the receipt of your request to terminate this rider.

If the overloan protection rider is in force at the time your Policy lapses, you may reinstate the rider when you reinstate your Policy.

Tax matters. With the overloan protection rider, this Policy may be purchased with the intention of accumulating cash value on a tax-free basis for some period (such as, until retirement) and then periodically borrowing from the Policy without allowing the Policy to lapse. Anyone contemplating the purchase of the Policy with the intention of pursuing this strategy or otherwise exercising the "overloan protection" provided under the rider should be aware that, among other risks, it has not been ruled on by the IRS or the courts and it may be subject to challenge by the IRS, because it is possible that the loans will be treated as taxable distributions when the rider causes the Policy to convert into a fixed Policy.

Additional information relating to the overloan protection rider is provided in the Statement of Additional Information.

Balance Sheet Benefit Rider

We offer an optional balance sheet benefit rider, which can be used to increase the Cash Surrender Value of the Policy during periods when Surrender Charges apply. There is a monthly cost for the rider that will reduce the Policy's Accumulated Value and long term Cash Surrender Value relative to a similar Policy without the rider. Thus, careful consideration should be given before electing this rider. A full description of the balance sheet benefit rider is provided in the Statement of Additional Information.

Children's Term Rider

We offer an optional children's term rider that provides term insurance for the Face Amount of the rider on all of the Insured's Dependent Children. There is a monthly charge for this rider. A more complete description of this rider is available in the Statement of Additional Information.

Other Insured Rider

We offer an optional other insured rider that provides annual renewable term insurance on up to five Other Insureds. We assess a monthly charge for this rider. More information about the other insured rider is available in the Statement of Additional Information.

Qualified Plan Exchange Privilege Rider

The qualified plan exchange privilege rider permits the Insured under a policy owned by a Qualified Pension Plan (Qualified Pension and Profit Sharing Plans that have met all the requirements under Internal Revenue Code Section 401) to purchase a new life insurance policy without providing evidence of insurability, subject to the terms of the rider, when the original policy is surrendered by the Plan. There is no charge for this rider. Additional information, including the conditions of the rider, is available in the Statement of Additional Information.

Waiver of Specified Premium Rider

If you elect the waiver of specified premium rider, we will pay the specified waiver benefit as a premium into the Policy on a monthly basis if the Insured becomes totally disabled, subject to certain conditions. There is a monthly charge for this rider. More complete information about this rider is included in the Statement of Additional Information.

FEDERAL TAX CONSIDERATIONS

The following summary provides a general description of the Federal tax considerations associated with the Policy and does not purport to be complete or to cover all tax situations. This discussion is not intended as tax advice. Counsel or other competent tax advisors should be consulted for more complete information. This discussion is based upon our understanding of the present Federal income tax laws. No representation is made as to the likelihood of continuation of the present Federal income tax laws or as to how they may be interpreted by the Internal Revenue Service.

Tax Status of the Policy

In order to qualify as a life insurance contract for Federal income tax purposes and to receive the tax treatment normally accorded life insurance contracts under Federal tax law, a life insurance policy must satisfy certain requirements which are set forth in the Internal Revenue Code. Guidance as to how these requirements are to be applied is limited. Nevertheless, National Life believes that a Policy issued on the basis of a standard rate class should satisfy the applicable requirements. There is less guidance, however, with respect to a policy issued on a substandard basis (i.e., a rate class involving higher than standard mortality risk) and it is not clear whether such a policy will in all cases satisfy the applicable requirements. In addition, in the case of the accelerated death benefit rider, the accelerated care rider, or the chronic care protection rider, the tax qualification consequences of continuing the Policy after a distribution is made are unclear. If it is subsequently determined that a Policy does not satisfy the applicable requirements, National Life may take appropriate steps to bring the Policy into compliance with such requirements and National Life reserves the right to modify the policy as necessary in order to do so.

In some circumstances, owners of variable contracts who retain excessive control over the investment of the underlying separate account assets may be treated as the owners of those assets and may be subject to tax on income produced by those assets. Although published guidance does not address certain aspects of the policies, National Life believes that the owner of a policy should not be treated as the owner of the underlying assets. While National Life believes that the policy does not give Owners investment control over Separate Account assets, we reserve the right to modify the policy as necessary to prevent the Owner from being treated as the owner of the separate account assets supporting the Policy.

In addition, the Code requires that the investments of the Separate Account be “adequately diversified” in order for the policy to be treated as a life insurance contract for Federal income tax purposes. It is intended that the Separate Account, through the portfolios, will satisfy these diversification requirements.

The following discussion assumes that the Policy will qualify as a life insurance contract for Federal tax purposes.

Tax Treatment of Policy Benefits

In General. National Life believes that the death benefit under a Policy should generally be excludible from the gross income of the beneficiary. Federal, state and local estate, inheritance, transfer, and other tax consequences of ownership or receipt of Policy proceeds depend on the circumstances of each Owner or beneficiary. A tax advisor should be consulted on these consequences.

Depending on the circumstances, the exchange of a Policy, an increase or decrease of a Policy’s Face Amount, a change in the Policy’s Death Benefit Option (e.g., a change from Death Benefit Option A to Death Benefit Option B or vice versa), a Policy loan, a Withdrawal, a surrender, a change in ownership, or an assignment of the Policy may have Federal income tax consequences. A tax advisor should be consulted before effecting any of these policy changes.

Generally, as long as you are not subject to the federal corporate Alternative Minimum Tax, you will not be deemed to be in constructive receipt of the Account Value, including increments thereof, until there is a distribution. The tax consequences of distributions from, and loans taken from or secured by a Policy depend upon whether the Policy is classified as a “Modified Endowment Contract”. Whether a Policy is or is not a Modified Endowment Contract, upon a complete surrender or lapse of a Policy, if the amount received plus the amount of indebtedness exceeds the total investment in the Policy, the excess will generally be treated as ordinary income subject to tax.

Modified Endowment Contracts. Under the Internal Revenue Code, certain life insurance contracts are classified as “Modified Endowment Contracts” (“MECs”), with less favorable tax treatment than other life insurance contracts. Due to the flexibility of the Policy as to premiums and benefits, the individual circumstances of each Policy will determine whether it is classified as a MEC. In general a policy will be classified as a MEC if the amount of premiums paid into the policy causes the policy to fail the “7-pay test.” A policy will fail the 7-pay test if at any time in the first seven policy years, the amount paid in the policy exceeds the sum of the level premiums that would have been paid at that point under a policy that provided for paid-up future benefits after the payment of seven level annual payments.

If there is a reduction in the benefits under the policy during the first seven years, the 7-pay test will have to be reapplied as if the policy had originally been issued at the reduced face amount. If there is a “material change” in the policy’s benefits or other terms, the policy may have to be retested as if it were a newly issued policy. A material change may occur, for example, when there is an increase in the death benefit which is due to the payment of an unnecessary premium. Unnecessary premiums are premiums paid into the policy which are not needed in order to provide a death benefit equal to the lowest death benefit that was payable in the first seven policy years. To prevent your policy from becoming a MEC, it may be necessary to limit premium payments or to limit reductions in benefits. A current or prospective Owner should consult a tax advisor to determine whether a policy transaction will cause the Policy to be classified as a MEC.

Distributions Other Than Death Benefits from Modified Endowment Contracts. Policies classified as Modified Endowment Contracts are subject to the following tax rules:

- (1) All distributions other than death benefits from a Modified Endowment Contract, including distributions upon surrender and withdrawals, will be treated first as distributions of gain taxable as ordinary income and as tax-free recovery of the Owner’s investment in the Policy only after all gain has been distributed.
- (2) Loans taken from or secured by a Policy classified as a Modified Endowment Contract are treated as distributions and taxed accordingly.

- (3) A 10 percent additional income tax is imposed on the amount subject to tax except where the distribution or loan is made when the Owner has attained age 59½ or is disabled, or where the distribution is part of a series of substantially equal periodic payments for the life (or life expectancy) of the Owner or the joint lives (or joint life expectancies) of the Owner and the Owner's beneficiary or designated beneficiary.

If a Policy becomes a modified endowment contract, all distributions that occur during the Policy Year in which the policy becomes a modified endowment contract and all subsequent distributions will be taxed as distributions from a modified endowment contract. In addition, distributions from a Policy within two years before it becomes a modified endowment contract may be taxed in this manner. This means that a distribution made from a Policy that is not a modified endowment contract could later become taxable as a distribution from a modified endowment contract.

Distributions Other Than Death Benefits from Policies that are not Modified Endowment Contracts. Distributions other than death benefits from a Policy that is not classified as a Modified Endowment Contract are generally treated first as a recovery of the Owner's investment in the policy and only after the recovery of all investment in the policy as taxable income. However, certain distributions which must be made in order to enable the Policy to continue to qualify as a life insurance contract for Federal income tax purposes if Policy benefits are reduced during the first 15 Policy Years may be treated in whole or in part as ordinary income subject to tax.

Loans from or secured by a Policy that is not classified as a Modified Endowment Contract are generally not treated as distributions. However, the tax consequences associated with loans (like the loans permitted under the policy) with little or no interest rate spread (e.g., wash loans) are less clear and a tax advisor should be consulted about such loans.

Finally, neither distributions from nor loans from or secured by a Policy that is not a Modified Endowment Contract are subject to the 10 percent additional income tax.

Investment in the Policy. Your investment in the Policy is generally your aggregate premium payments. When a distribution is taken from the Policy, your investment in the Policy is reduced by the amount of the distribution that is tax-free.

Policy Loans. In general, interest paid on any loan under a Policy will not be deductible. If a Policy loan is outstanding when a Policy is canceled or lapses, the amount of the outstanding indebtedness will be added to the amount distributed and will be taxed accordingly. Before taking out a Policy loan, you should consult a tax adviser as to the tax consequences.

Overloan Protection Rider. Anyone contemplating the purchase of the Policy with the overloan protection rider should be aware that the tax consequences of the overloan protection rider have not been ruled on by the IRS or the courts and it is possible that the IRS could assert that the outstanding loan balance should be treated as a taxable distribution when the overloan protection rider causes the Policy to be converted into a fixed Policy. You should consult a tax adviser as to the tax risks associated with the overloan protection rider. See Appendix C for more information about the rider

Withholding. To the extent that Policy distributions are taxable, they are generally subject to withholding for the recipient's federal income tax liability. Recipients can generally elect, however, not to have tax withheld from distributions.

Exchanges. Generally, there are no tax consequences when you exchange one life insurance policy for another, so long as the same person is being insured (a change of the insured is a taxable event). Paying additional premiums under the new policy may cause it to be treated as a modified endowment contract. The new policy may also lose any "grandfathering" privilege, where you would be exempt from certain legislative or regulatory changes made after your original policy was issued, if you exchange your policy. Distributions made as part of an exchange, or for a certain period before and after an exchange, may be treated as earnings regardless of the status of the Policy. You should consult with a tax advisor if you are considering exchanging any life insurance policy.

Life Insurance Purchases by Nonresident Aliens and Foreign Corporations. The discussion above provides general information regarding U.S. federal income tax consequences to life insurance purchasers that are U.S. citizens or residents. Purchasers that are not U.S. citizens or residents will generally be subject to U.S. federal withholding tax on taxable distributions from life insurance policies at a 30% rate, unless a lower treaty rate applies. In addition, purchasers may be subject to state and/or municipal taxes and taxes that may be imposed by the purchaser's country of citizenship or residence. Prospective purchasers are advised to consult with a qualified tax adviser regarding U.S. state, and foreign taxation with respect to a life insurance policy purchase. The Policy is not for sale outside of the U.S.

Multiple Policies. All Modified Endowment Contracts that are issued by National Life (or its affiliates) to the same Owner during any calendar year are treated as one Modified Endowment Contract for purposes of determining the amount includible in the Owner's income when a taxable distribution occurs.

Business Uses of the Policy. Businesses can use the Policy in various arrangements, including nonqualified deferred compensation or salary continuance plans, split dollar insurance plans, executive bonus plans, tax exempt and nonexempt welfare benefit plans, retiree medical benefit plans and others. The tax consequences of such plans may vary depending on the particular facts and circumstances. If you are purchasing the Policy for any arrangement the value of which depends in part on its tax consequences, you should consult a qualified tax adviser. In recent years, moreover, Congress has adopted new rules relating to life insurance owned by businesses and the IRS has recently issued guidance regarding split dollar insurance. Any business contemplating the purchase of a new Policy or a change in an existing Policy should consult a tax adviser.

Employer-owned life insurance contracts. Pursuant to recently enacted section 101(j) of the Code, unless certain eligibility, notice and consent requirements are satisfied, the amount excludible as a death benefit payment under an employer-owned life insurance contract will generally be limited to the premiums paid for such contract (although certain exceptions may apply in specific circumstances). An employer-owned life insurance contract is a life insurance contract owned by an employer that insures an employee of the employer and where the employer is a direct or indirect beneficiary under such contract. It is the employer's responsibility to verify the eligibility of the intended insured under employer-owned life insurance contracts and to provide the notices and obtain the consents required by section 101(j). These requirements generally apply to employer-owned life insurance contracts issued or materially modified after August 17, 2006. A tax adviser should be consulted by anyone considering the purchase or modification of an employer-owned life insurance contract.

Non-Individual Owners and Business Beneficiaries of Policies. If a Policy is owned or held by a corporation, trust or other non-natural person, this could jeopardize some (or all) of such entity's interest deduction under Code Section 264, even where such entity's indebtedness is in no way connected to the Policy. In addition, if a business (other than a sole proprietorship) is directly or indirectly a beneficiary of a Policy, this Policy could be treated as held by the business for purposes of the Section 264(f) entity-holder rules. Therefore, it would be advisable to consult with a qualified tax advisor before any non-natural person is made an owner or holder of a Policy, or before a business (other than a sole proprietorship) is made a beneficiary of a Policy.

Split Dollar Arrangements. The IRS and the Treasury Department have issued guidance that substantially affects split-dollar arrangements. Consult a qualified tax adviser before entering into or paying additional premiums with respect to such arrangements.

Additionally, on July 30, 2002, President Bush signed into law significant accounting and corporate governance reform legislation, known as the Sarbanes-Oxley Act of 2002 (the "Act"). The Act prohibits, with limited exceptions, publicly traded companies, including non-U.S. companies that have securities listed on exchanges in the United States, from extending, directly or through a subsidiary, many types of personal loans to their directors or executive officers. It is possible that this prohibition may be interpreted as applying to split-dollar life insurance policies for directors and executive officers of such companies, because such insurance arguably can be viewed as involving a loan from the employer for at least some purposes.

Although the prohibition on loans is generally effective as of July 30, 2002, there is an exception for loans outstanding as of the date of enactment, as long as there is no material modification to the loan terms and the loan is

not renewed after July 30, 2002. Any affected business contemplating the payment of a premium on an existing Policy, or the purchase of a new Policy, in connection with a split-dollar life insurance arrangement should consult legal counsel.

Alternative Minimum Tax. There may be an indirect tax upon the income in the Policy or the proceeds of a Policy under the federal corporate alternative minimum tax, if the Owner is subject to that tax.

Estate, Gift and Generation-Skipping Transfer Taxes. The transfer of the policy or designation of a beneficiary may have federal, state, and/or local transfer and inheritance tax consequences, including the imposition of gift, estate, and generation-skipping transfer taxes. For example, when the Insured dies, the death proceeds will generally be includable in the Owner's estate for purposes of federal estate tax if the Insured owned the policy. If the Owner was not the Insured, the fair market value of the Policy would be included in the Owner's estate upon the Owner's death. The Policy would not be includable in the Insured's estate if the Insured neither retained incidents of ownership at death nor had given up ownership within three years before death.

Moreover, under certain circumstances, the Code may impose a "generation skipping transfer tax" when all or part of a life insurance Policy is transferred to, or a death benefit is paid to, an individual two or more generations younger than the Owner. Regulations issued under the Code may require us to deduct the tax from your Policy, or from any applicable payment, and pay it directly to the IRS.

Qualified tax advisers should be consulted concerning the estate and gift tax consequences of Policy ownership and distributions under federal, state and local law. The individual situation of each owner or beneficiary will determine the extent, if any, to which federal, state, and local transfer and inheritance taxes may be imposed and how ownership or receipt of policy proceeds will be treated for purposes of federal, state and local estate, inheritance, generation skipping and other taxes.

Economic Growth and Tax Relief Reconciliation Act of 2001. The Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") repeals the federal estate tax and replaces it with a carryover basis income tax regime effective for estates of decedents dying after December 31, 2009. EGTRRA also repeals the generation skipping transfer tax, but not the gift tax, for transfers made after December 31, 2009. EGTRRA contains a sunset provision, which essentially returns the federal estate, gift and generation-skipping transfer taxes to their pre-EGTRRA form, beginning in 2011. Congress may or may not enact permanent repeal between now and then.

During the period prior to 2010, EGTRRA provides for periodic decreases in the maximum estate tax rate coupled with periodic increases in the estate tax exemption. For 2008, the maximum estate tax rate is 45% and the estate tax exemption is \$2,000,000.

The complexity of the new tax law, along with uncertainty as to how it might be modified in coming years, underscores the importance of seeking guidance from a qualified advisor to help ensure that your estate plan adequately addresses your needs and that of your beneficiaries under all possible scenarios.

Tax Consequences Associated with Accelerated Death Benefit, Accelerated Care and Chronic Care Protection Riders. For a discussion of the tax consequences associated with these riders, see the detailed discussion for each of these riders in the SAI.

Continuation Beyond Age 100. The tax consequences of continuing the Policy beyond the Insured's 100th year are unclear. You should consult a tax adviser if you intend to keep the Policy in force beyond the Insured's 100th year.

Foreign Tax Credits. We may benefit from any foreign tax credits attributable to taxes paid by certain portfolios to foreign jurisdictions to the extent permitted under federal tax law.

Possible Tax Law Changes

Although the likelihood of legislative changes is uncertain, there is always the possibility that the tax treatment of the policy could change by legislation or otherwise. Consult a tax adviser with respect to legislative developments and their effect on the Policy.

Possible Charges for National Life's Taxes

At the present time, National Life makes no charge for any Federal, state or local taxes (other than the charge for state premium taxes and the DAC tax) that may be attributable to the subaccounts or to the policies. National Life reserves the right to charge the subaccounts for any future taxes or economic burden National Life may incur.

LEGAL MATTERS

National Life, like other life insurance companies, is involved in lawsuits, from time to time. Although we cannot predict the outcome of any litigation with certainty, National Life believes that at the present time, there are no pending or threatened lawsuits that are reasonably likely to have a material adverse impact on it or the Separate Account.

DISTRIBUTION OF THE POLICIES

We have entered into a distribution agreement with ESI, our affiliate, for the distribution and sale of the Policies. Pursuant to this agreement, ESI serves as principal underwriter for the Policies. ESI sells the Policies through its registered representatives. ESI has also entered into selling agreements with other broker-dealers who in turn sell the Policies through their registered representatives. ESI is registered as a broker-dealer under the SEC under the Securities Exchange Act of 1934, as well as with the securities commissions in the states in which it operates, and is a member of Financial Industry Regulatory Authority, Inc. ("FINRA").

ESI's registered representatives who sell the Policy are registered with the FINRA and with the states in which they do business. More information about ESI and its registered representatives is available at www.finra.org or by calling 1-800-289-9999. You also can obtain an investor brochure from FINRA through its BrokerCheck program.

National Life pays ESI commissions and other forms of compensation for sales of the Policies. The maximum commissions payable to ESI are: during the first Policy Year, 50% of the premiums paid up to a target amount (which is a function of Face Amount, and which is used primarily to determine commission payments) and 3% of the premiums paid in excess of that amount; and for Policy Years 2 through 10, 4% of the premiums paid up to the target amount and 3% of premiums paid in excess of that amount. For Policy Year 11 and after, commissions payable to ESI will be 1.5% of all premiums paid. For premiums received in the year following an increase in Face Amount and attributable to the increase, the maximum commissions that National Life will pay to ESI will be 48.5% up to the target amount for the increase. The commission schedule will vary from the above if the Owner chooses to include the Balance Sheet Benefit Rider in the Policy, but in this case the present value of total commissions will not exceed the above schedule.

National Life general agents also receive compensation on Policies sold through ESI registered representatives. National Life general agents may also receive fees from ESI relating to sales of the Policies by broker-dealers other than ESI, where the selling registered representative has a relationship with such general agent's National Life agency; such compensation may be as much as 14% of the first year premium up to the target amount.

Most retail broker-dealers, other than ESI, will receive gross dealer concessions during the first Policy Year of 85% of the premiums paid up to the target amount and 4% of the premiums paid in excess of that amount. In the case of a few retail broker-dealers, ESI has negotiated a higher dealer concession of 90% of first year premiums up to the target amount. For Policy Years 2 through 10, the maximum gross dealer concession will be 4% of the premiums paid. For Policy Year 11 and after, the gross dealer concession will be 1.5% of all premiums paid. For premiums received in the year following an increase in Face Amount and attributable to the increase, the maximum gross dealer concession will be 50% up to the target amount for the increase. A portion of the payments made to selling firms by ESI may be passed on to their registered representatives in accordance with their internal compensation programs. Those programs may also include other types of cash and non-cash compensation and other benefits. You may ask your registered representative for further information about what your registered representative and the selling firm for which he or she works may receive in connection with your purchase of a Policy.

National Life may provide loans to unaffiliated broker-dealers who sell the Policy. Those unaffiliated broker-dealers may in turn provide such loans to their registered representatives, to finance business development. National Life may then provide further loans to the broker-dealers, or may forgive outstanding loans based on specified business criteria, including sales of the Policies, and the broker-dealers may again in turn provide such further loans or forgiveness of outstanding loans to their registered representatives.

From time to time we may offer specific sales incentives to selling broker-dealers and registered representatives. These incentives may take the form of cash bonuses for reaching certain sales levels or for attaining a high ranking among registered representatives based on sales levels. These incentive programs may also include sales of National Life's or their affiliates' other products. To the extent, if any, that such bonuses are attributable to the sale of variable products, including the Policies, such bonuses will be paid through the agent's broker-dealer.

National Life, ESI and/or their affiliates may contribute amounts to various non-cash and cash incentives paid by ESI to its registered representatives the amounts of which may be based in whole or in part on the sales of the Policies, including (1) sponsoring educational programs, (2) contributing to sales contests and/or promotions in which participants receive prizes such as travel, merchandise, hardware and/or software; (3) paying for occasional meals, lodging and/or entertainment; (4) making cash payments in lieu of business expense reimbursements; (5) making loans and forgiving such loans and/or (6) health and welfare benefit programs.

Commissions and other incentives or payments described above are not charged directly to Policy owners or to the Separate Account. We intend to recoup commissions and other sales expenses through fees and charges deducted under the Policy.

[] make payments to ESI under their 12b-1 plans in consideration of services provided by ESI in distributing shares of these portfolios. In each case these payments amount to []% of Separate Account assets invested in the particular portfolio.

See "Distribution of the Policies" in the Statement of Additional Information for more information about compensation paid for the sale of the Policies.

OTHER POLICY PROVISIONS

Incontestability. The Policy will be incontestable after it has been in force during the Insured's lifetime for two years from the Date of Issue (or such other date as required by state law). Similar incontestability will apply to an increase in Face Amount or reinstatement after it has been in force during the Insured's lifetime for two years from its effective date.

Before such times, however, we may contest the validity of the Policy (or changes) based on material misstatements in the initial or any subsequent application.

Misstatement of Age and Sex. If a misstatement of the age or sex of the Insured is discovered, we will adjust the Face Amount based on the monthly Deduction for the most recent Monthly Policy Date before the date we received proof to our satisfaction of such misstatement. There will be no adjustment to the Accumulated Value, future cost of insurance charges will be based on the revised age and sex, and going forward there will be no change in the Face Amount of the Policy.

If the Insured is still alive when such a misstatement is discovered, it will not actually be necessary to compute the past coverage amounts. If the Insured is dead when such a misstatement is discovered, the past coverage amount will only be computed for the policy month in which the Insured died.

FINANCIAL STATEMENTS

The financial statements of National Life and of the Separate Account are included in the Statement of Additional Information. The financial statements of National Life should be distinguished from the financial statements of the Separate Account and should be considered only as bearing upon National Life's ability to meet its obligations under the Policies.

GLOSSARY

Accumulated Value	The sum of the Policy's values in the Separate Account and the General Account.
Attained Age	The Issue Age of the Insured plus the number of full Policy Years which have passed since the Date of Issue.
Beneficiary	The person(s) or entity(ies) designated to receive all or some of the Death Benefit when the Insured dies. The Beneficiary is designated in the application or if subsequently changed, as shown in the latest change filed with National Life. The interest of any Beneficiary who dies before the Insured shall vest in the Owner unless otherwise stated.
Cash Surrender Value	The Accumulated Value minus any applicable Surrender Charge, and minus any outstanding Policy loans and accrued interest on such loans.
Collateral	The portion of the Accumulated Value in the General Account which secures the amount of any Policy loan.
DAC Tax	A tax attributable to Specified Policy Acquisition Expenses under Internal Revenue Code Section 848.
Date of Issue	The date on which the Policy is issued, which is set forth in the Policy. It is used to determine Policy Years, policy months and Monthly Policy Dates, as well as to measure suicide and contestable periods.
Death Benefit	The Policy's Unadjusted Death Benefit, plus any relevant additional benefits provided by a supplementary benefit rider, less any outstanding Policy loan and accrued interest, and less any unpaid Monthly Deductions.
Dollar Cost Averaging	Permits you to automatically transfer funds from the Money Market Subaccount to any other subaccounts on a monthly basis
Duration	The number of full years the insurance has been in force; for the Initial Face Amount, measured from the Date of Issue; for any increase in Face Amount, measured from the effective date of such increase.
Face Amount	The Initial Face Amount plus any increases in Face Amount and minus any decreases in Face Amount.
General Account	The account which holds the assets of National Life which are available to support its insurance and annuity obligations.
Grace Period	<p>A 61-day period measured from the date on which notice of pending lapse is sent by National Life, during which the Policy will not lapse and insurance coverage continues. To prevent lapse, the Owner must during the Grace Period make a premium payment which is determined as follows.</p> <p>During the Policy Protection Period, the premium needed to keep the Policy in force beyond a Grace Period shall equal the greater of 1) the premium which will be sufficient to produce an Accumulated Value, net of debt, equal to three times the Monthly Deduction due at the beginning of the Grace Period, or 2) an amount equal to the sum of</p>

- the cumulative Minimum Monthly Premiums due at the start of the Grace Period; plus
- three times the Minimum Monthly Premium in effect at the beginning of the Grace Period; plus
- all Withdrawals; plus
- any debt; less
- all premiums paid,

but not more than the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deductions due at the start of the Grace Period.

The premium needed to keep the policy in force beyond a Grace Period which ends after the Policy Protection Period shall be the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due at the start of the Grace Period.

Home Office	National Life's Home Office at National Life Drive, Montpelier, Vermont 05604.
Initial Face Amount	The Face Amount of the Policy on the Date of Issue. The Face Amount may be increased or decreased after the first Policy Year.
Insured	The person upon whose life the Policy is issued.
Issue Age	The age of the Insured at his or her birthday nearest the Date of Issue. The Issue Age is stated in the Policy.
Minimum Face Amount	The Minimum Face Amount is generally \$50,000. However, exceptions may be made in employee benefit plan cases.
Minimum Guarantee Premium	The sum of the Minimum Monthly Premiums in effect on each Monthly Policy Date since the Date of Issue (including the current month), plus all Withdrawals and outstanding Policy loans and accrued interest.
Minimum Initial Premium	The minimum premium required to issue a Policy. It is equal to the Minimum Monthly Premium.
Minimum Monthly Premium	The monthly amount used to determine the Minimum Guarantee Premium. This amount, which includes any substandard charges and any applicable rider charges, is determined separately for each Policy, based on the requested Initial Face Amount, and the Issue Age, sex and Rate Class of the Insured, and the Death Benefit option and any optional benefits selected. It is stated in each Policy.
Monthly Account Value Charge	A monthly charge of 0.04% of Policy Value per month included in the Monthly Deduction.
Monthly Deduction	The amount deducted from the Accumulated Value on each Monthly Policy Date. It includes the Monthly Policy Fee, the cost of insurance charge, the Monthly Expense Charge, the Monthly Account Value Charge, and the monthly cost of any benefits provided by riders.
Monthly Expense Charge	The Monthly Expense Charge is computed as the product of the original Face Amount of the Policy and the appropriate Monthly Expense Charge rate. A separate Monthly Expense Charge will apply to each increase in Face Amount.

The Monthly Expense Charge rate varies based on the issue age, sex, and Rate Class of the Insured and the Face Amount of the Policy at Issue.

Monthly Policy Date	The day in each calendar month which is the same day of the month as the Date of Issue, or the last day of any month having no such date, except that whenever the Monthly Policy Date would otherwise fall on a date other than a Valuation Day, the Monthly Policy Date will be deemed to be the next Valuation Day.
Monthly Policy Fee	A charge of \$7.50 per month included in the Monthly Deduction, which is intended to reimburse National Life for ordinary administrative expenses.
Net Amount at Risk	The amount by which the Unadjusted Death Benefit exceeds the Accumulated Value.
Net Premium	The remainder of a premium after the deduction of the Percent of Premium Expense Charge.
Owner	The person(s) or entity(ies) entitled to exercise the rights granted in the Policy.
Planned Periodic Premium	The premium amount which the Owner plans to pay at the frequency selected. The Owner may request a reminder notice and may change the amount of the Planned Periodic Premium. The Owner is not required to pay the designated amount.
Policy Anniversary	The same day and month as the Date of Issue in each later year.
Policy Protection Period	The first 60 months following the Date of Issue during which this policy remains continuously in force is referred to as the Policy Protection Period. An increase in coverage does not initiate a new Policy Protection Period.
Policy Year	A year that starts on the Date of Issue or on a Policy Anniversary.
Portfolio Rebalancing	Permits you to automatically rebalance the value in the subaccounts on a semi-annual basis, based on your premium allocation percentages in effect at the time of the rebalancing.
Percent of Premium Expense Charge	A charge deducted from each premium payment to cover the cost of state and local premium taxes, and the federal DAC Tax, and certain sales and marketing expenses.
Rate Class	The classification of the Insured for cost of insurance purposes. The Rate Classes are: elite preferred nonsmoker; preferred nonsmoker; standard nonsmoker; preferred smoker; standard smoker; juvenile; and substandard.
Riders	Optional benefits that an Owner may elect to add to the Policy at an additional cost.
Separate Account	National Variable Life Insurance Account.
Surrender Charge	The amount deducted from the Accumulated Value of the Policy upon lapse or surrender during the first ten Policy Years or the first ten years following an increase in coverage. The Surrender Charge is shown in the Policy.
Unadjusted Death Benefit	Under Option A, the greater of the Face Amount or the applicable percentage of the Accumulated Value on the date of death; under Option B, the greater of the

Face Amount plus the Accumulated Value on the date of death, or the applicable percentage of the Accumulated Value on the date of death. The Death Benefit option is selected at time of application but may be later changed.

Valuation Day

A Valuation Day is each day that the New York Stock Exchange is customarily open for trading, except for any day on which trading is restricted by directive of the Securities and Exchange Commission. A Valuation Day ends at the close of regular trading on the New York Stock Exchange, which is usually 4:00 p.m. Eastern Time.

Valuation Period

The time between two successive Valuation Days. Each Valuation Period includes a Valuation Day and any non-Valuation Day or consecutive non-Valuation Days immediately preceding it.

Withdrawal

A payment made at the request of the Owner pursuant to the right in the Policy to withdraw a portion of the Cash Surrender Value of the Policy. The Withdrawal Charge will be deducted from the Withdrawal Amount

APPENDIX A: Illustration of Death Benefits, Accumulated Values and Cash Surrender Values

The following tables illustrate how the Death Benefits, Accumulated Values and Cash Surrender Values of a Policy may change with the investment experience of the Separate Account. The tables show how the Death Benefits, Accumulated Values and Cash Surrender Values of a Policy issued to an Insured of a given age, sex and Rate Class would vary over time if the investment return on the assets held in each portfolio were a uniform, gross, annual rate of 0%, 6% and 8%. These gross rates of return do not include the deduction of the charges and expenses of the underlying Portfolios.

The tables on pages A-2 to A-7 illustrate a Policy issued to a male Insured, Age 45 in the Standard Nonsmoker Rate Class with a Face Amount of \$250,000, Death Benefit Option A, GPT, and Planned Periodic Premiums of \$3,000, paid at the beginning of each Policy Year. The Death Benefits, Accumulated Values and Cash Surrender Values would be lower if the Insured was in a smoker or substandard class because the cost of insurance charges are higher for these classes. Also, the values would be different from those shown if the gross annual investment returns averaged 0%, 6% and 8% over a period of years, but fluctuated above and below those averages during individual Policy Years. The net annual rate of return shown in the tables is the gross annual rate reduced to reflect the average investment advisory fee and average operating expenses of the portfolios before reimbursement.

The second column of the tables shows the amount to which the premiums would accumulate if an amount equal to those premiums were invested to earn interest, after taxes, at 5% compounded annually. The columns shown under the heading "Guaranteed" assume that throughout the life of the Policy, the Monthly Deductions are based on the maximum level permitted under the Policy; the columns under the heading "Current" assume that throughout the life of the Policy, the Monthly Deductions are based on the rates currently in effect.

The amounts shown in all tables reflect an averaging of certain other asset charges described below that may be assessed under the Policy, depending on how premiums are allocated. The total of the asset charges reflected in the Current and Guaranteed illustrations, is 0.728%. This total charge is based on an assumption that an Owner allocates the Policy values equally among the Subaccounts of the Separate Account.

These asset charges reflect an investment advisory fee of []%, which represents a simple average of the fees incurred by the Portfolios during 2007, []% for 12b-1 fees, which represents the simple average of the 12b-1 fees incurred by the Portfolios in 2007, and expenses of []%, which is based on a simple average of the actual expenses incurred by the Portfolios during 2007. These expenses have not been adjusted to take into account expense reimbursement arrangements. If the reimbursement arrangements were reflected, the Accumulated Values and Cash Surrender Values of a Policy which allocates Policy values equally among the Subaccounts would be higher than those shown in the following tables. For information on portfolio expenses, see the prospectuses for the portfolios accompanying this prospectus.

The tables also reflect the fact that no charges for Federal or state income taxes are currently made against the Separate Accounts. If such a charge is made in the future, it would take a higher gross annual rate of return to produce the same Policy values.

The tables illustrate the Policy values that would result based upon the hypothetical investment rates of return if premiums are paid and allocated as indicated, no amounts are allocated to the General Account, and no Policy loans are made. The tables are also based on the assumption that the Owner has not requested an increase or decrease in the Face Amount, that no Withdrawals have been made and no transfers have been made in any Policy Year.

Please note: Actual returns will fluctuate over time and likely will be both positive and negative. The actual values under the Policy could be significantly different from those shown even if actual returns averaged 0%, 6% and 8%, but fluctuated over and under those averages throughout the years shown. Depending on the timing and degree of fluctuation, the actual values could be substantially less than those shown, and may, under certain circumstances, result in the lapse of the Policy unless the owner pays more than the stated premium.

Upon request, National Life will provide a comparable illustration based upon the proposed Insured's Age and Rate Class, the Death Benefit Option, Face Amount, Planned Periodic Premiums and Riders requested.

NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

\$250,000 FACE AMOUNT
DEATH BENEFIT OPTION A

MALE INSURED ISSUE AGE 45
ANNUAL PREMIUM \$3,000

STANDARD
NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 0%
(NET ANNUAL RATE OF RETURN -0.728%)

End of Policy Year	Premiums Accumulated at 5% Interest Per Year	Guaranteed			Current		
		Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	3,150	\$ 1,249	\$ -	\$ 250,000	\$ 1,722	\$ -	\$ 250,000
2	6,458	2,433	-	250,000	3,403	-	250,000
3	9,930	3,553	-	250,000	5,015	-	250,000
4	13,577	4,638	-	250,000	6,587	1,334	250,000
5	17,406	5,661	1,159	250,000	8,120	3,617	250,000
6	21,426	6,621	2,869	250,000	9,586	5,833	250,000
7	25,647	7,520	4,520	250,000	10,986	7,986	250,000
8	30,080	8,330	6,080	250,000	12,321	10,071	250,000
9	34,734	9,051	7,551	250,000	13,565	12,065	250,000
10	39,620	9,626	8,876	250,000	14,746	13,996	250,000
11	44,751	10,959	10,959	250,000	16,766	16,766	250,000
12	50,139	12,149	12,149	250,000	18,666	18,666	250,000
13	55,796	13,167	13,167	250,000	20,448	20,448	250,000
14	61,736	14,045	14,045	250,000	22,169	22,169	250,000
15	67,972	14,755	14,755	250,000	23,804	23,804	250,000
16	74,521	15,297	15,297	250,000	25,272	25,272	250,000
17	81,397	15,590	15,590	250,000	26,604	26,604	250,000
18	88,617	15,604	15,604	250,000	27,775	27,775	250,000
19	96,198	15,312	15,312	250,000	28,760	28,760	250,000
20	104,158	14,682	14,682	250,000	29,587	29,587	250,000
25	150,340	5,723	5,723	250,000	31,045	31,045	250,000
30	209,282	-	-	-	23,941	23,941	250,000

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RESULTS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RESULTS. ACTUAL INVESTMENT RESULTS MAY BE MORE OR LESS THAN THOSE SHOWN. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6% OR 8% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THAT AVERAGE THROUGHOUT INDIVIDUAL POLICY YEARS. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE WOULD ALSO BE DIFFERENT FROM THOSE SHOWN, DEPENDING ON THE INVESTMENT ALLOCATIONS MADE TO THE SUBACCOUNTS OF THE SEPARATE ACCOUNT AND THE DIFFERENT RATES OF RETURN OF THE SUBACCOUNTS IF THE ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6%, OR 8%, BUT VARIED ABOVE OR BELOW THAT AVERAGE FOR PARTICULAR SUBACCOUNTS. NO REPRESENTATIONS CAN BE MADE THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

\$250,000 FACE AMOUNT
DEATH BENEFIT OPTION A

MALE INSURED ISSUE AGE 45
ANNUAL PREMIUM \$3,000

STANDARD
NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 6%
(NET ANNUAL RATE OF RETURN 5.23%)

End of Policy Year	Premiums Accumulated at 5% Interest Per Year	Guaranteed			Current		
		Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	3,150	\$ 1,367	\$ -	\$ 250,000	\$ 1,856	\$ -	\$ 250,000
2	6,458	2,749	-	250,000	3,779	-	250,000
3	9,930	4,146	-	250,000	5,744	-	250,000
4	13,577	5,590	338	250,000	7,783	2,530	250,000
5	17,406	7,054	2,552	250,000	9,901	5,398	250,000
6	21,426	8,540	4,788	250,000	12,073	8,320	250,000
7	25,647	10,051	7,051	250,000	14,304	11,304	250,000
8	30,080	11,558	9,308	250,000	16,597	14,347	250,000
9	34,734	13,062	11,562	250,000	18,929	17,429	250,000
10	39,620	14,508	13,758	250,000	21,331	20,581	250,000
11	44,751	16,823	16,823	250,000	24,739	24,739	250,000
12	50,139	19,130	19,130	250,000	28,224	28,224	250,000
13	55,796	21,404	21,404	250,000	31,794	31,794	250,000
14	61,736	23,674	23,674	250,000	35,512	35,512	250,000
15	67,972	25,915	25,915	250,000	39,360	39,360	250,000
16	74,521	28,127	28,127	250,000	43,273	43,273	250,000
17	81,397	30,233	30,233	250,000	47,284	47,284	250,000
18	88,617	32,202	32,202	250,000	51,381	51,381	250,000
19	96,198	34,004	34,004	250,000	55,550	55,550	250,000
20	104,158	35,607	35,607	250,000	59,826	59,826	250,000
25	150,340	39,739	39,739	250,000	82,993	82,993	250,000
30	209,282	31,657	31,657	250,000	107,612	107,612	250,000

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RESULTS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RESULTS. ACTUAL INVESTMENT RESULTS MAY BE MORE OR LESS THAN THOSE SHOWN. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6% OR 8% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THAT AVERAGE THROUGHOUT INDIVIDUAL POLICY YEARS. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE WOULD ALSO BE DIFFERENT FROM THOSE SHOWN, DEPENDING ON THE INVESTMENT ALLOCATIONS MADE TO THE SUBACCOUNTS OF THE SEPARATE ACCOUNT AND THE DIFFERENT RATES OF RETURN OF THE SUBACCOUNTS IF THE ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6%, OR 8%, BUT VARIED ABOVE OR BELOW THAT AVERAGE FOR PARTICULAR SUBACCOUNTS. NO REPRESENTATIONS CAN BE MADE THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

\$250,000 FACE AMOUNT
DEATH BENEFIT OPTION A

MALE INSURED ISSUE AGE 45
ANNUAL PREMIUM \$3,000

STANDARD
NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 8%
(NET ANNUAL RATE OF RETURN 7.21%)

End of Policy Year	Premiums Accumulated at 5% Interest Per Year	Guaranteed			Current		
		Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	3,150	\$ 1,407	\$ -	\$ 250,000	\$ 1,900	\$ -	\$ 250,000
2	6,458	2,858	-	250,000	3,908	-	250,000
3	9,930	4,356	-	250,000	6,001	-	250,000
4	13,577	5,936	684	250,000	8,216	2,963	250,000
5	17,406	7,576	3,073	250,000	10,563	6,061	250,000
6	21,426	9,279	5,526	250,000	13,024	9,271	250,000
7	25,647	11,051	8,051	250,000	15,606	12,606	250,000
8	30,080	12,870	10,620	250,000	18,321	16,071	250,000
9	34,734	14,741	13,241	250,000	21,152	19,652	250,000
10	39,620	16,609	15,859	250,000	24,137	23,387	250,000
11	44,751	19,419	19,419	250,000	28,227	28,227	250,000
12	50,139	22,306	22,306	250,000	32,515	32,515	250,000
13	55,796	25,252	25,252	250,000	37,019	37,019	250,000
14	61,736	28,294	28,294	250,000	41,813	41,813	250,000
15	67,972	31,416	31,416	250,000	46,896	46,896	250,000
16	74,521	34,630	34,630	250,000	52,219	52,219	250,000
17	81,397	37,867	37,867	250,000	57,833	57,833	250,000
18	88,617	41,112	41,112	250,000	63,744	63,744	250,000
19	96,198	44,347	44,347	250,000	69,962	69,962	250,000
20	104,158	47,554	47,554	250,000	76,543	76,543	250,000
25	150,340	62,959	62,959	250,000	116,153	116,153	250,000
30	209,282	74,566	74,566	250,000	170,218	170,218	250,000

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RESULTS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RESULTS. ACTUAL INVESTMENT RESULTS MAY BE MORE OR LESS THAN THOSE SHOWN. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6% OR 8% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THAT AVERAGE THROUGHOUT INDIVIDUAL POLICY YEARS. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE WOULD ALSO BE DIFFERENT FROM THOSE SHOWN, DEPENDING ON THE INVESTMENT ALLOCATIONS MADE TO THE SUBACCOUNTS OF THE SEPARATE ACCOUNT AND THE DIFFERENT RATES OF RETURN OF THE SUBACCOUNTS IF THE ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6%, OR 8%, BUT VARIED ABOVE OR BELOW THAT AVERAGE FOR PARTICULAR SUBACCOUNTS. NO REPRESENTATIONS CAN BE MADE THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

\$250,000 FACE AMOUNT
 DEATH BENEFIT OPTION B

MALE INSURED ISSUE AGE 45
 ANNUAL PREMIUM \$3,000

STANDARD
 NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 0%
 (NET ANNUAL RATE OF RETURN -0.728%)

End of Policy Year	Premiums Accumulated at 5% Interest Per Year	Guaranteed			Current		
		Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	3,150	\$ 1,245	\$ -	\$ 251,245	\$ 1,722	\$ -	\$ 251,722
2	6,458	2,421	-	252,421	3,401	-	253,401
3	9,930	3,528	-	253,528	5,008	-	255,008
4	13,577	4,598	-	254,598	6,574	1,322	256,574
5	17,406	5,601	1,098	255,601	8,099	3,596	258,099
6	21,426	6,536	2,784	256,536	9,553	5,800	259,553
7	25,647	7,406	4,406	257,406	10,937	7,937	260,937
8	30,080	8,179	5,929	258,179	12,251	10,001	262,251
9	34,734	8,858	7,358	258,858	13,466	11,966	263,466
10	39,620	9,382	8,632	259,382	14,612	13,862	264,612
11	44,751	10,653	10,653	260,653	16,590	16,590	266,590
12	50,139	11,765	11,765	261,765	18,434	18,434	268,434
13	55,796	12,690	12,690	262,690	20,145	20,145	270,145
14	61,736	13,460	13,460	263,460	21,785	21,785	271,785
15	67,972	14,045	14,045	264,045	23,323	23,323	273,323
16	74,521	14,447	14,447	264,447	24,671	24,671	274,671
17	81,397	14,578	14,578	264,578	25,860	25,860	275,860
18	88,617	14,410	14,410	264,410	26,862	26,862	276,862
19	96,198	13,915	13,915	263,915	27,648	27,648	277,648
20	104,158	13,067	13,067	263,067	28,249	28,249	278,249
25	150,340	3,039	3,039	253,039	28,152	28,152	278,152
30	209,282	-	-	-	18,554	18,554	268,554

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RESULTS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RESULTS. ACTUAL INVESTMENT RESULTS MAY BE MORE OR LESS THAN THOSE SHOWN. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6% OR 8% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THAT AVERAGE THROUGHOUT INDIVIDUAL POLICY YEARS. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE WOULD ALSO BE DIFFERENT FROM THOSE SHOWN, DEPENDING ON THE INVESTMENT ALLOCATIONS MADE TO THE SUBACCOUNTS OF THE SEPARATE ACCOUNT AND THE DIFFERENT RATES OF RETURN OF THE SUBACCOUNTS IF THE ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6%, OR 8%, BUT VARIED ABOVE OR BELOW THAT AVERAGE FOR PARTICULAR SUBACCOUNTS. NO REPRESENTATIONS CAN BE MADE THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

\$250,000 FACE AMOUNT
 DEATH BENEFIT OPTION B

MALE INSURED ISSUE AGE 45
 ANNUAL PREMIUM \$3,000

STANDARD
 NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 6%
 (NET ANNUAL RATE OF RETURN 5.23%)

End of Policy Year	Premiums Accumulated at 5% Interest Per Year	Guaranteed			Current		
		Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	3,150	\$ 1,363	\$ -	\$ 251,363	\$ 1,855	\$ -	\$ 251,855
2	6,458	2,735	-	252,735	3,776	-	253,776
3	9,930	4,117	-	254,117	5,736	-	255,736
4	13,577	5,541	289	255,541	7,768	2,515	257,768
5	17,406	6,978	2,476	256,978	9,875	5,372	259,875
6	21,426	8,429	4,677	258,429	12,031	8,278	262,031
7	25,647	9,894	6,894	259,894	14,238	11,238	264,238
8	30,080	11,343	9,093	261,343	16,498	14,248	266,498
9	34,734	12,776	11,276	262,776	18,785	17,285	268,785
10	39,620	14,130	13,380	264,130	21,130	20,380	271,130
11	44,751	16,328	16,328	266,328	24,464	24,464	274,464
12	50,139	18,488	18,488	268,488	27,849	27,849	277,849
13	55,796	20,576	20,576	270,576	31,288	31,288	281,288
14	61,736	22,620	22,620	272,620	34,845	34,845	284,845
15	67,972	24,586	24,586	274,586	38,496	38,496	288,496
16	74,521	26,470	26,470	276,470	42,153	42,153	292,153
17	81,397	28,176	28,176	278,176	45,848	45,848	295,848
18	88,617	29,663	29,663	279,663	49,552	49,552	299,552
19	96,198	30,890	30,890	280,890	53,234	53,234	303,234
20	104,158	31,813	31,813	281,813	56,924	56,924	306,924
25	150,340	30,642	30,642	280,642	75,081	75,081	325,081
30	209,282	13,390	13,390	263,390	87,620	87,620	337,620

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RESULTS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RESULTS. ACTUAL INVESTMENT RESULTS MAY BE MORE OR LESS THAN THOSE SHOWN. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6% OR 8% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THAT AVERAGE THROUGHOUT INDIVIDUAL POLICY YEARS. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE WOULD ALSO BE DIFFERENT FROM THOSE SHOWN, DEPENDING ON THE INVESTMENT ALLOCATIONS MADE TO THE SUBACCOUNTS OF THE SEPARATE ACCOUNT AND THE DIFFERENT RATES OF RETURN OF THE SUBACCOUNTS IF THE ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6%, OR 8%, BUT VARIED ABOVE OR BELOW THAT AVERAGE FOR PARTICULAR SUBACCOUNTS. NO REPRESENTATIONS CAN BE MADE THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

\$250,000 FACE AMOUNT
 DEATH BENEFIT OPTION B

MALE INSURED ISSUE AGE 45
 ANNUAL PREMIUM \$3,000

STANDARD
 NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 8%
 (NET ANNUAL RATE OF RETURN 7.21%)

End of Policy Year	Premiums Accumulated at 5% Interest Per Year	Guaranteed			Current		
		Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	3,150	\$ 1,402	\$ -	\$ 251,402	\$ 1,899	\$ -	\$ 251,899
2	6,458	2,843	-	252,843	3,905	-	253,905
3	9,930	4,326	-	254,326	5,993	-	255,993
4	13,577	5,885	632	255,885	8,200	2,948	258,200
5	17,406	7,494	2,991	257,494	10,536	6,033	260,536
6	21,426	9,157	5,404	259,157	12,977	9,225	262,977
7	25,647	10,878	7,878	260,878	15,533	12,533	265,533
8	30,080	12,629	10,379	262,629	18,211	15,961	268,211
9	34,734	14,414	12,914	264,414	20,989	19,489	270,989
10	39,620	16,172	15,422	266,172	23,906	23,156	273,906
11	44,751	18,839	18,839	268,839	27,908	27,908	277,908
12	50,139	21,544	21,544	271,544	32,074	32,074	282,074
13	55,796	24,256	24,256	274,256	36,416	36,416	286,416
14	61,736	27,009	27,009	277,009	41,010	41,010	291,010
15	67,972	29,775	29,775	279,775	45,842	45,842	295,842
16	74,521	32,553	32,553	282,553	50,836	50,836	300,836
17	81,397	35,252	35,252	285,252	56,035	56,035	306,035
18	88,617	37,835	37,835	287,835	61,423	61,423	311,423
19	96,198	40,263	40,263	290,263	66,983	66,983	316,983
20	104,158	42,494	42,494	292,494	72,757	72,757	322,757
25	150,340	49,505	49,505	299,505	104,983	104,983	354,983
30	209,282	42,977	42,977	292,977	139,252	139,252	389,252

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

IT IS EMPHASIZED THAT THE HYPOTHETICAL INVESTMENT RESULTS ARE ILLUSTRATIVE ONLY AND SHOULD NOT BE DEEMED A REPRESENTATION OF PAST OR FUTURE INVESTMENT RESULTS. ACTUAL INVESTMENT RESULTS MAY BE MORE OR LESS THAN THOSE SHOWN. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE FOR A POLICY WOULD BE DIFFERENT FROM THOSE SHOWN IF ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6% OR 8% OVER A PERIOD OF YEARS, BUT ALSO FLUCTUATED ABOVE OR BELOW THAT AVERAGE THROUGHOUT INDIVIDUAL POLICY YEARS. THE DEATH BENEFIT, ACCUMULATED VALUE AND CASH SURRENDER VALUE WOULD ALSO BE DIFFERENT FROM THOSE SHOWN, DEPENDING ON THE INVESTMENT ALLOCATIONS MADE TO THE SUBACCOUNTS OF THE SEPARATE ACCOUNT AND THE DIFFERENT RATES OF RETURN OF THE SUBACCOUNTS IF THE ACTUAL RATES OF INVESTMENT RETURN APPLICABLE TO THE POLICY AVERAGED 0%, 6%, OR 8%, BUT VARIED ABOVE OR BELOW THAT AVERAGE FOR PARTICULAR SUBACCOUNTS. NO REPRESENTATIONS CAN BE MADE THAT THESE HYPOTHETICAL RATES OF RETURN CAN BE ACHIEVED FOR ANY ONE YEAR OR SUSTAINED OVER ANY PERIOD OF TIME.

APPENDIX B: First Year Surrender Charge Non - New York

NS = Nonsmoker

S = Smoker

(Annual rates per \$1,000 of Face Amount)

Issue Age	Male		Female	
	NS	S	NS	S
0	14.11	n/a	13.59	n/a
1	14.21	n/a	13.69	n/a
2	14.33	n/a	13.80	n/a
3	14.47	n/a	13.93	n/a
4	14.62	n/a	14.06	n/a
5	14.78	n/a	14.20	n/a
6	14.95	n/a	14.34	n/a
7	15.12	n/a	14.49	n/a
8	15.30	n/a	14.64	n/a
9	15.48	n/a	14.80	n/a
10	15.68	n/a	14.96	n/a
11	15.88	n/a	15.14	n/a
12	16.09	n/a	15.31	n/a
13	16.30	n/a	15.50	n/a
14	16.53	n/a	15.69	n/a
15	16.76	n/a	15.89	n/a
16	16.99	n/a	16.09	n/a
17	17.23	n/a	16.30	n/a
18	17.47	n/a	16.52	n/a
19	17.72	n/a	16.75	n/a
20	17.97	19.85	16.98	18.76
21	18.25	20.20	17.24	19.09
22	18.54	20.56	17.49	19.43
23	18.84	20.94	17.77	19.78
24	19.15	21.34	18.05	20.15
25	19.48	21.75	18.35	20.54
26	19.83	22.17	18.65	20.92
27	20.18	22.58	18.97	21.33
28	20.53	23.03	19.29	21.75
29	20.91	23.50	19.64	22.19
30	21.31	23.98	20.00	22.65
31	21.72	24.47	20.36	23.13
32	22.15	25.02	20.75	23.63
33	22.61	25.58	21.16	24.15
34	23.09	26.18	21.58	24.72
35	23.59	26.81	22.03	25.29
36	24.10	27.42	22.48	25.89
37	24.64	28.10	22.95	26.50
38	25.20	28.81	23.43	27.14
39	25.78	29.55	23.94	27.81
40	26.41	30.33	24.47	28.53
41	27.05	31.13	25.03	29.25
42	27.76	31.99	25.61	30.02

Issue Age	Male		Female	
	NS	S	NS	S
43	28.46	32.87	26.21	30.85
44	29.21	33.82	26.86	31.71
45	30.02	34.81	27.54	32.61
46	30.85	35.86	28.26	33.59
47	31.75	36.94	29.01	34.60
48	32.68	38.07	29.78	35.66
49	33.67	39.30	30.61	36.79
50	34.75	40.61	31.50	37.97
51	35.84	42.00	32.43	39.22
52	37.01	43.50	33.39	40.53
53	38.28	45.07	34.43	41.91
54	39.63	46.76	35.48	43.34
55	41.07	48.54	36.64	44.79
56	42.53	50.36	37.84	46.34
57	44.08	52.29	39.11	47.94
58	45.72	53.55	40.45	49.62
59	47.50	53.22	41.86	51.36
60	49.56	52.70	43.35	53.12
61	51.50	52.28	44.86	54.38
62	53.58	51.86	46.49	54.04
63	53.46	51.35	48.25	53.70
64	53.12	50.83	50.14	53.34
65	52.77	50.32	51.93	52.93
66	52.23	49.54	53.71	52.54
67	51.68	48.79	53.89	51.96
68	51.12	48.57	53.38	51.31
69	50.56	48.24	52.86	50.63
70	50.00	48.05	52.35	49.87
71	49.49	47.84	51.79	49.11
72	49.16	47.61	51.22	48.42
73	48.85	47.49	50.66	47.99
74	48.67	47.26	50.09	47.86
75	48.48	47.02	49.53	47.70
76	48.21	46.69	49.14	47.54
77	47.93	46.37	48.96	47.33
78	47.77	45.97	48.69	47.10
79	47.61	45.55	48.39	46.81
80	47.42	45.06	48.05	46.51
81	47.17	44.47	47.89	46.18
82	46.85	43.77	47.72	45.77
83	46.41	42.79	47.46	45.08
84	45.88	41.60	47.08	44.09
85	45.25	40.03	46.54	42.67

Unisex policies will have Surrender Charges and Monthly Administrative Charges that are higher than those for females above but lower than those for males.

APPENDIX C: First Year Surrender Charge New York

(Annual rates per \$1,000 of Face Amount)

NS = Nonsmoker

S = Smoker

Issue Age	Male		Female	
	NS	S	NS	S
0	13.40	n/a	12.90	n/a
1	13.49	n/a	13.00	n/a
2	13.62	n/a	13.11	n/a
3	13.75	n/a	13.23	n/a
4	13.89	n/a	13.35	n/a
5	14.05	n/a	13.48	n/a
6	14.21	n/a	13.62	n/a
7	14.37	n/a	13.76	n/a
8	14.54	n/a	13.91	n/a
9	14.72	n/a	14.06	n/a
10	14.91	n/a	14.22	n/a
11	15.10	n/a	14.39	n/a
12	15.30	n/a	14.56	n/a
13	15.51	n/a	14.74	n/a
14	15.73	n/a	14.92	n/a
15	15.95	n/a	15.11	n/a
16	16.17	n/a	15.31	n/a
17	16.40	n/a	15.51	n/a
18	16.63	n/a	15.72	n/a
19	16.87	n/a	15.94	n/a
20	17.12	18.94	16.17	17.89
21	17.39	19.28	16.41	18.20
22	17.67	19.63	16.66	18.53
23	17.96	19.99	16.92	18.88
24	18.27	20.38	17.20	19.23
25	18.58	20.77	17.49	19.61
26	18.92	21.19	17.78	19.98
27	19.26	21.59	18.09	20.37
28	19.60	22.03	18.40	20.78
29	19.97	22.48	18.74	21.21
30	20.35	22.95	19.08	21.66
31	20.76	23.43	19.43	22.13
32	21.18	23.97	19.82	22.61
33	21.62	24.51	20.21	23.12
34	22.09	25.10	20.62	23.67
35	22.58	25.71	21.05	24.23
36	23.08	26.32	21.50	24.81
37	23.60	26.99	21.95	25.41
38	24.15	27.68	22.42	26.04
39	24.72	28.40	22.92	26.69
40	25.33	29.17	23.43	27.40
41	25.97	29.96	23.98	28.11
42	26.66	30.80	24.55	28.87

Issue Age	Male		Female	
	NS	S	NS	S
43	27.35	31.67	25.14	29.67
44	28.09	32.61	25.77	30.52
45	28.88	33.58	26.44	31.41
46	29.70	34.61	27.14	32.37
47	30.58	35.69	27.87	33.36
48	31.50	36.81	28.63	34.40
49	32.48	38.02	29.45	35.51
50	33.54	39.31	30.32	36.68
51	34.62	40.70	31.23	37.91
52	35.78	42.18	32.18	39.20
53	37.04	43.61	33.21	40.56
54	38.37	43.47	34.24	41.98
55	39.80	43.33	35.38	43.42
56	41.25	43.12	36.57	44.48
57	42.79	42.94	37.82	44.34
58	43.78	42.72	39.15	44.19
59	43.60	42.44	40.55	44.00
60	43.58	41.99	42.03	43.74
61	43.30	41.63	43.53	43.50
62	43.02	41.26	44.50	43.22
63	42.75	40.81	44.40	42.93
64	42.47	40.36	44.33	42.63
65	42.19	39.90	44.02	42.29
66	41.72	39.19	43.58	41.96
67	41.25	38.51	43.14	41.45
68	40.77	38.36	42.69	40.86
69	40.28	38.09	42.25	40.24
70	39.80	37.96	41.81	39.55
71	39.35	37.81	41.32	38.85
72	39.09	37.64	40.83	38.23
73	38.84	37.57	40.34	37.85
74	38.73	37.40	39.84	37.76
75	38.59	37.20	39.35	37.65
76	38.39	36.93	39.03	37.55
77	38.16	36.65	38.91	37.38
78	38.05	36.29	38.71	37.20
79	37.93	35.90	38.47	36.96
80	37.78	35.45	38.19	36.71
81	37.57	34.88	38.08	36.41
82	37.28	34.20	37.96	36.02
83	36.87	33.25	37.75	35.36
84	36.36	32.09	37.42	34.40
85	35.75	30.52	36.91	33.00

Unisex policies will have Surrender Charges and Monthly Administrative Charges that are higher than those for females above but lower than those for males.

APPENDIX D: Monthly Expense Charge Per \$1,000 of Initial Face Amount

EPNS = Elite Preferred Nonsmoker
 PNS = Preferred Nonsmoker
 SNS = Standard Nonsmoker

PS = Preferred Smoker
 SS = Standard Smoker

Issue Age	Male					Female				
	EPNS	PNS	SNS	PS	SS	EPNS	PNS	SNS	PS	SS
0	N/A	N/A	0.0935	N/A	N/A	N/A	N/A	0.0788	N/A	N/A
1	N/A	N/A	0.0954	N/A	N/A	N/A	N/A	0.0804	N/A	N/A
2	N/A	N/A	0.0973	N/A	N/A	N/A	N/A	0.0820	N/A	N/A
3	N/A	N/A	0.0992	N/A	N/A	N/A	N/A	0.0836	N/A	N/A
4	N/A	N/A	0.1012	N/A	N/A	N/A	N/A	0.0853	N/A	N/A
5	N/A	N/A	0.1032	N/A	N/A	N/A	N/A	0.0870	N/A	N/A
6	N/A	N/A	0.1053	N/A	N/A	N/A	N/A	0.0887	N/A	N/A
7	N/A	N/A	0.1074	N/A	N/A	N/A	N/A	0.0905	N/A	N/A
8	N/A	N/A	0.1095	N/A	N/A	N/A	N/A	0.0923	N/A	N/A
9	N/A	N/A	0.1117	N/A	N/A	N/A	N/A	0.0941	N/A	N/A
10	N/A	N/A	0.1139	N/A	N/A	N/A	N/A	0.0960	N/A	N/A
11	N/A	N/A	0.1162	N/A	N/A	N/A	N/A	0.0979	N/A	N/A
12	N/A	N/A	0.1185	N/A	N/A	N/A	N/A	0.0999	N/A	N/A
13	N/A	N/A	0.1209	N/A	N/A	N/A	N/A	0.1019	N/A	N/A
14	N/A	N/A	0.1233	N/A	N/A	N/A	N/A	0.1039	N/A	N/A
15	N/A	N/A	0.1258	N/A	N/A	N/A	N/A	0.1060	N/A	N/A
16	N/A	N/A	0.1283	N/A	N/A	N/A	N/A	0.1081	N/A	N/A
17	N/A	N/A	0.1309	N/A	N/A	N/A	N/A	0.1103	N/A	N/A
18	N/A	N/A	0.1335	N/A	N/A	N/A	N/A	0.1125	N/A	N/A
19	N/A	N/A	0.1362	N/A	N/A	N/A	N/A	0.1148	N/A	N/A
20	0.1349	0.1359	0.1389	0.1593	0.1607	0.1148	0.1152	0.1171	0.1259	0.1270
21	0.1366	0.1376	0.1406	0.1617	0.1631	0.1161	0.1165	0.1183	0.1272	0.1283
22	0.1384	0.1394	0.1424	0.1641	0.1655	0.1190	0.1198	0.1205	0.1289	0.1296
23	0.1402	0.1412	0.1442	0.1666	0.1680	0.1200	0.1210	0.1219	0.1307	0.1315
24	0.1420	0.1430	0.1460	0.1691	0.1705	0.1218	0.1228	0.1231	0.1330	0.1342
25	0.1438	0.1448	0.1478	0.1716	0.1731	0.1235	0.1245	0.1251	0.1336	0.1350
26	0.1456	0.1466	0.1496	0.1742	0.1757	0.1265	0.1275	0.1279	0.1389	0.1401
27	0.1495	0.1505	0.1535	0.1792	0.1832	0.1295	0.1305	0.1307	0.1407	0.1440
28	0.1549	0.1559	0.1589	0.1847	0.1877	0.1314	0.1324	0.1339	0.1454	0.1487
29	0.1583	0.1593	0.1623	0.1919	0.1934	0.1353	0.1363	0.1368	0.1498	0.1531
30	0.1644	0.1653	0.1672	0.1976	0.2015	0.1383	0.1388	0.1396	0.1550	0.1566
31	0.1717	0.1717	0.1723	0.2055	0.2108	0.1425	0.1435	0.1450	0.1604	0.1622
32	0.1760	0.1770	0.1780	0.2133	0.2173	0.1458	0.1474	0.1478	0.1649	0.1684
33	0.1800	0.1811	0.1841	0.2228	0.2268	0.1470	0.1480	0.1509	0.1709	0.1741
34	0.1892	0.1903	0.1906	0.2334	0.2354	0.1522	0.1532	0.1552	0.1754	0.1773
35	0.1957	0.1958	0.1971	0.2428	0.2439	0.1572	0.1588	0.1594	0.1800	0.1841
36	0.2058	0.2068	0.2074	0.2575	0.2608	0.1600	0.1612	0.1642	0.1874	0.1908
37	0.2169	0.2170	0.2171	0.2711	0.2733	0.1680	0.1690	0.1720	0.1974	0.1998
38	0.2241	0.2251	0.2281	0.2857	0.2878	0.1782	0.1786	0.1801	0.2071	0.2101
39	0.2362	0.2372	0.2407	0.3013	0.3047	0.1855	0.1861	0.1882	0.2190	0.2200
40	0.2468	0.2478	0.2523	0.3162	0.3203	0.1938	0.1943	0.1969	0.2236	0.2288
41	0.2606	0.2631	0.2658	0.3361	0.3414	0.2037	0.2041	0.2054	0.2388	0.2429
42	0.2722	0.2732	0.2762	0.3542	0.3604	0.2139	0.2149	0.2155	0.2521	0.2566

Monthly Expense Charges shown assume an Initial Face Amount less than \$250,000. Higher Initial Face Amounts will result in lower Monthly Expense Charges per \$1,000 of Initial Face Amount.

Issue Age	Male					Female				
	EPNS	PNS	SNS	PS	SS	EPNS	PNS	SNS	PS	SS
43	0.2898	0.2902	0.2930	0.3734	0.3838	0.2246	0.2266	0.2274	0.2625	0.2692
44	0.3026	0.3036	0.3085	0.3945	0.4031	0.2352	0.2363	0.2386	0.2788	0.2827
45	0.3181	0.3201	0.3227	0.4123	0.4252	0.2426	0.2436	0.2484	0.2915	0.2991
46	0.3330	0.3364	0.3384	0.4368	0.4462	0.2545	0.2582	0.2591	0.3066	0.3110
47	0.3482	0.3492	0.3527	0.4601	0.4706	0.2687	0.2703	0.2716	0.3212	0.3271
48	0.3658	0.3658	0.3693	0.4839	0.4959	0.2824	0.2833	0.2863	0.3352	0.3446
49	0.3795	0.3830	0.3851	0.5046	0.5195	0.2925	0.2950	0.2986	0.3507	0.3588
50	0.3952	0.3952	0.3996	0.5294	0.5441	0.3035	0.3045	0.3096	0.3639	0.3751
51	0.4142	0.4165	0.4229	0.5523	0.5692	0.3145	0.3179	0.3214	0.3786	0.3899
52	0.4356	0.4364	0.4445	0.5781	0.5941	0.3279	0.3307	0.3350	0.3915	0.4040
53	0.4533	0.4535	0.4639	0.6071	0.6233	0.3406	0.3431	0.3451	0.4042	0.4187
54	0.4734	0.4744	0.4838	0.6294	0.6487	0.3553	0.3583	0.3630	0.4247	0.4365
55	0.4947	0.4965	0.5035	0.6533	0.6740	0.3624	0.3683	0.3723	0.4437	0.4611
56	0.5228	0.5266	0.5332	0.6877	0.7100	0.3724	0.3809	0.3847	0.4646	0.4833
57	0.5491	0.5554	0.5633	0.7224	0.7423	0.3824	0.3935	0.3971	0.4896	0.5092
58	0.5803	0.5835	0.5940	0.7552	0.7789	0.3924	0.4061	0.4095	0.5161	0.5355
59	0.6082	0.6121	0.6234	0.7940	0.8239	0.4024	0.4187	0.4219	0.5426	0.5682
60	0.6154	0.6176	0.6263	0.8634	0.9002	0.4125	0.4312	0.4342	0.5837	0.6143
61	0.6623	0.6647	0.6740	0.9207	0.9619	0.4365	0.4563	0.4595	0.6183	0.6550
62	0.7092	0.7118	0.7217	0.9879	1.0270	0.4557	0.4764	0.4797	0.6583	0.7032
63	0.7561	0.7589	0.7694	1.0627	1.1071	0.4711	0.4924	0.4959	0.7037	0.7517
64	0.8030	0.8060	0.8171	1.1400	1.1866	0.4834	0.5052	0.5088	0.7500	0.8028
65	0.8499	0.8530	0.8650	1.2165	1.2654	0.5325	0.5566	0.5605	0.7981	0.8604
66	0.9277	0.9309	0.9440	1.3318	1.3854	0.6026	0.6298	0.6343	0.8512	0.9152
67	1.0055	1.0088	1.0230	1.4396	1.4985	0.6727	0.7030	0.7081	0.9400	1.0017
68	1.0833	1.0867	1.1020	1.4541	1.5239	0.7428	0.7762	0.7819	1.0395	1.0996
69	1.1611	1.1646	1.1810	1.4688	1.5648	0.8129	0.8494	0.8557	1.1442	1.2033
70	1.2389	1.2426	1.2600	1.4946	1.5847	0.8829	0.9228	0.9293	1.2539	1.3184
71	1.2916	1.2979	1.3317	1.5253	1.6073	0.9607	1.0042	1.0113	1.3606	1.4368
72	1.3329	1.3419	1.3771	1.5647	1.6376	1.0385	1.0856	1.0933	1.4577	1.5425
73	1.3677	1.3770	1.4179	1.5718	1.6475	1.1163	1.1670	1.1753	1.4780	1.6057
74	1.3719	1.3882	1.4343	1.5906	1.6732	1.1941	1.2484	1.2573	1.5010	1.6221
75	1.3794	1.3981	1.4533	1.6092	1.7031	1.2721	1.3297	1.3391	1.5376	1.6399
76	N/A	1.4151	1.4837	1.6389	1.7445	N/A	1.3520	1.3908	1.5650	1.6563
77	N/A	1.4355	1.5178	1.6677	1.7875	N/A	1.3647	1.4085	1.5800	1.6826
78	N/A	1.4667	1.5339	1.7076	1.8461	N/A	1.3822	1.4397	1.5983	1.7111
79	N/A	1.5041	1.5530	1.7557	1.9124	N/A	1.4081	1.4753	1.6166	1.7479
80	N/A	1.5202	1.5758	1.8131	1.9876	N/A	1.4413	1.5183	1.6432	1.7870
81	N/A	1.5468	1.6121	1.8914	2.0847	N/A	1.4938	1.5370	1.6892	1.8435
82	N/A	1.5753	1.6589	1.9761	2.1959	N/A	1.5155	1.5607	1.7447	1.9161
83	N/A	1.6302	1.7241	2.0961	2.3517	N/A	1.5416	1.5935	1.8196	2.0319
84	N/A	1.7020	1.8072	2.2390	2.5432	N/A	1.5826	1.6483	1.9288	2.1972
85	N/A	1.7905	1.9110	2.4234	2.8067	N/A	1.6484	1.7330	2.0824	2.4345

Monthly Expense Charges shown assume an Initial Face Amount less than \$250,000. Higher Initial Face Amounts will result in lower Monthly Expense Charges per \$1,000 of Initial Face Amount.

APPENDIX E: Overloan Protection Rider

Male, Nonsmoker, Attained Age = 75, Option
A Death Benefit

20 Year Projection after Overloan Protection Rider Exercise

Form 8566(0108)

Crediting rate on unloaned Accumulated Value 6%
Loan Rate 5%

Policy Values before Overloan Protection Rider exercise:		Year	Attained Age	End of Year AV	End of Year Outstanding Loan	End of Year Cash Surrender Value	End of Year Death Benefit
Face Amount	\$ 75,000	1	75	101,536	100,275	1,261	106,613
Accumulated Value	\$ 100,000	2	76	106,626	105,289	1,337	111,957
GPT Corridor Factor	1.05	3	77	111,970	110,553	1,417	117,569
Death Benefit	\$ 105,000	4	78	117,583	116,081	1,502	123,462
Outstanding Loan	\$ 95,500	5	79	123,477	121,885	1,592	129,651
		6	80	129,667	127,979	1,688	136,151
		7	81	136,167	134,378	1,789	142,976
Exercise Charge Percentage	3.31%	8	82	142,994	141,097	1,897	150,143
Exercise Charge	\$3,310	9	83	150,162	148,152	2,010	157,670
		10	84	157,691	155,559	2,131	165,575
Policy Values after Overloan Protection Rider exercise:		11	85	165,596	163,337	2,259	173,876
Face Amount	\$ 75,000	12	86	173,899	171,504	2,395	182,594
Accumulated Value	\$ 96,690	13	87	182,618	180,079	2,538	191,749
GPT Corridor Factor	1.05	14	88	191,774	189,083	2,690	201,363
Death Benefit	\$ 101,690	15	89	201,390	198,538	2,852	211,459
Outstanding Loan	\$ 95,500	16	90	211,488	208,465	3,023	219,947
		17	91	222,092	218,888	3,204	228,755
		18	92	233,229	229,832	3,397	237,893
		19	93	244,924	241,324	3,600	247,373
		20	94	257,206	253,390	3,816	259,778

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Statement of Additional Information

The Statement of Additional Information contains further information about the Policies and is incorporated by reference (legally considered to be part of this prospectus). A table of contents for the Statement of Additional Information is on the last page of this prospectus. You may request a free copy by writing to National Life Insurance Company, National Life Drive, Montpelier, Vermont 05604 or by calling 1-800-732-8939. Please contact your registered representative or National Life if you have any questions or would like to request other information about the Policies such as personalized illustrations of an Insured's Death Benefit, Cash Surrender Value and Policy Values.

The Statement of Additional Information is also available at National Life's website at www.nationallife.com. Information about the Policy (including the Statement of Additional Information) can also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Call 1-202-551-8090 for information on the operation of the public reference room. This information is also available on the SEC's Internet site at <http://www.sec.gov>, and copies may be obtained, upon payment of a duplicating fee, by writing to the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549.

You should rely only on the information contained in this prospectus. No one is authorized to provide you with information that is different.

National Life Insurance Company
Statement of Variability
Forms 8566(1008) and 8567(1008)
June 13, 2008

The policy covers and Data Pages within the submitted policies contain brackets, used to designate variable items that may be unique to each policyholder or issue of the submitted policy.

- EFFECTIVE DATE:** This represents the effective date of the policy or the date an increase in coverage became effective and can take the dates from January 1st to December 31st. If the policy is backdated, the effective date will be prior to the date of issue.
- DATE OF ISSUE:** This provides the Issue Date of the policy or an increase in coverage and represents the date the coverage has been approved and a policy has been issued. It can take the dates from January 1st to December 31st.
- POLICY NUMBER:** This 7-digit number is the unique policy number by which we distinguish each policy issued on this form. The number appears on the Cover and on the Data Pages.
- FACE AMOUNT** This amount will be unique to the policy and is based on each individual situation and appears on both the cover and in the Data Section. There is a minimum face amount requirement, but there is no maximum face amount.
- INSURED:** This is the Insured's name and will be unique to each Insured. This appears on the Cover and within the Data Pages.
- ISSUE AGE:** This is the issue age of the named Insured and appears on the policy cover and within the Data Pages. The issue ages for these policies are: 0-85.
- OWNER:** This is the Owner's name and will be unique to each Owner. This appears on the policy cover and within the Data Pages. The statement "As stated in the application unless later changed" may appear to identify the Owner, unless or until a revised Data Page is prepared to specify a new Owner. In these circumstances, the name of the new Owner will be stated, such name being unique to each Owner.
- BENEFICIARY:** The statement "As stated in the application unless later changed" will appear to identify the Beneficiary, unless or until a revised Data Page is prepared to specify a new Beneficiary. In these circumstances, the name of the new Beneficiary will be stated, such name being unique to each Beneficiary.
- DEATH BENEFIT OPTION:** This can take the variables of "A" or "B".
- MONTHLY POLICY DATE:** This can take the variables of "1st" through the "31st".
- MINIMUM MONTHLY PREMIUM:** This is the minimum premium amount the applicant must pay. The minimum monthly premium is unique to each policy.
- POLICY PROTECTION PERIOD:** This represents the first 60 months following the Date of Issue of the policy and will vary with each policy depending on the policy Date of Issue.
- PLANNED PERIODIC PREMIUM:** This is the premium that the applicant has requested be billed. It's value is unique to the interest of each applicant.

National Life Insurance Company
Statement of Variability
Forms 8566(1008) and 8567(1008)
June 13, 2008

PREMIUM INTERVAL:	This denotes the number of premiums payable each year, as requested by the applicant in establishing his or her planned periodic premium and premium interval and can take the values of "AT ISSUE", "ANNUALLY", "SEMI-ANNUALLY", "QUARTERLY", "MONTHLY" or "CHECK-O-MATIC".
FOR PREMIUM PAYMENT PERIOD:	This date varies with the Effective Date of the policy.
CHAIRMAN, PRESIDENT & CEO, SECRETARY, REGISTRAR	These are subject to variability only upon a change of officer status.
MINIMUM FACE AMOUNT:	The minimum face amount for an individual policy is \$50,000. If the policy is issued as part of a pension case, the minimum face amount for a standard rate class is \$5,000 and \$50,000 for a preferred rate class.
THE INSURED HAS BEEN CLASSIFIED:	This may take the variables of "ELITE PREFERRED", "PREFERRED NON-SMOKER", "NON-SMOKER", "PREFERRED SMOKER" and "SMOKER".
INITIAL ALLOCATION OF MONTHLY DEDUCTIONS:	This variable may take the values "FROM THE MONEY MARKET SUB-ACCOUNT" or "IN A PRO-RATA DISTRIBUTION."
DEFINITION OF LIFE INSURANCE TEST:	This may take the variables of "GUIDELINE PREMIUM TEST" or "CASH VALUE ACCUMULATION TEST."
GUIDELINE SINGLE PREMIUM & GUIDELINE LEVEL PREMIUM:	This text will only appear if the "GUIDELINE PREMIUM TEST" is used for the policy.
MONTHLY EXPENSE CHARGE:	The Monthly Expense Charge varies by issue age, sex, rate class and face amount. The tables of monthly expense charges are provided in Appendix 2 of the Actuarial Memorandums.
SURRENDER CHARGES:	The SURRENDER CHARGE column may take the values as shown in Appendix 5 of the submitted Actuarial Memorandums. The values for the TWELVE MONTH PERIOD BEGINNING column will depend on the Effective Date of the policy.



NATIONAL LIFE

Investor Select

Annual Report

Variable Universal Life Insurance

Statement Date: May 31, 2009

Report Year: June 1, 2008 to May 31, 2009

#BWNCDPH

ETHAN ALLEN
1 MAIN STREET
MONTPELIER, VT 05604

Policy Coverage

Policy Number:	NL1234567	Insured Name:	Ethan Allen
Policy Effective Date:	June 1, 2008	Current Face Amount:	\$100,000
Current Death Benefit Option:	A (Level)	Current Death Benefit:*	\$100,000
Additional Benefits:			

Cash Surrender Value *

Ending Loan Information

Beginning Cash Surrender Value:	\$0.00	Loan Principal:	\$0.00
Ending Accumulated Value:	\$577.36	(Plus) Accrued Interest:	\$0.00
(Minus) Applicable Surrender Charge:	\$2,359.00	(Equals) Ending Debt:	\$0.00
(Minus) Ending Debt:	\$0.00		
Ending Cash Surrender Value:	\$0.00		

Additional Information

*The Accumulated Value, Cash Surrender Value and Current Death Benefit may vary with the investment experience of the Sub-Accounts of the Separate Account and/or with changes in the interest rate credited on the General Account, and are re-computed on each Valuation Date. Values may be reduced by any past due monthly deduction.

The Monthly Deduction is currently deducted from the Sub-Accounts of the Separate Account and the unloaned portion of the General Account in proportion to the Accumulated Value in those accounts.

Variable Universal Life Insurance Annual Report – Continued

Report Year: June 1, 2008 to May 31, 2009
 Policy Number: NL1234567
 Insured: Ethan Allen

Policy Subaccount Performance and Values

	Current Premium Allocation Designation	Value as of 06/01/2008	Accumulated Value Unit Value as of 05/31/2009	Number as of 05/31/2009	Accumulated Values as of 05/31/2009	Net Return
Sentinel						
Common Stock	50%	\$24.289467	\$24.930562	13.8008	\$344.06	2.64%
Mid Cap Growth	0%	\$23.162030	\$24.377260	.0000	.0000	5.25%
Small Company	0%	\$41.983707	\$41.245420	.0000	.0000	-1.76%
Balanced	0%	\$20.136426	\$20.444915	.0000	.0000	1.53%
Bond	0%	\$16.511660	\$17.456304	.0000	.0000	5.72%
Money Market	0%	\$13.601911	\$14.027257	.0000	.0000	3.13%
Alger American						
Leveraged Allcap	50%	\$11.513589	\$12.308852	18.9536	\$233.30	6.91%
Growth	0%	\$21.702909	\$22.158919	.0000	.0000	2.10%
Small Capitalization	0%	\$15.962361	\$14.930903	.0000	.0000	-6.46%
AllianceBernstein						
Value	0%	\$12.709548	\$12.593359	.0000	.0000	-0.91%
Small/Mid Cap Value	0%	\$8.234282	\$7.937998	.0000	.0000	-3.60%
International Value	0%	\$12.010342	\$9.865775	.0000	.0000	-17.86%
International Growth	0%	\$11.143265	\$11.194981	.0000	.0000	0.46%
American Century						
Value	0%	\$21.390185	\$18.703705	.0000	.0000	-12.56%
Vista	0%	\$13.858454	\$15.721335	.0000	.0000	13.44%
International	0%	\$16.875376	\$17.537493	.0000	.0000	3.92%
Inflation Protection	0%	\$10.933134	\$11.997490	.0000	.0000	9.74%
DWS						
Small Mid Cap Value VIP	0%	\$14.295415	\$12.939078	.0000	.0000	-9.49%
Small Cap Index VIP	0%	\$16.912376	\$15.452471	.0000	.0000	-8.63%

Variable Universal Life Insurance Annual Report – Continued

Report Year: June 1, 2008 to May 31, 2009
 Policy Number: NL1234567
 Insured: Ethan Allen

Policy Subaccount Performance and Values

	Current Premium Allocation Designation	Value as of 06/01/2008	Accumulated Value Unit Value as of 05/31/2009	Number as of 05/31/2009	Accumulated Values as of 05/31/2009	Net Return
Fidelity						
Equity-Income	0%	\$54.684908	\$50.151570	.0000	\$0.00	-8.29%
Index 500	0%	\$37.300054	\$35.619514	.0000	\$0.00	-4.51%
Growth	0%	\$44.967099	\$49.562387	.0000	\$0.00	10.22%
Contrafund	0%	\$27.436730	\$28.583798	.0000	\$0.00	4.18%
Value Strategies	0%	\$17.038651	\$17.537490	.0000	\$0.00	2.93%
Mid Cap	0%	\$34.793973	\$35.033206	.0000	\$0.00	0.69%
Overseas	0%	\$13.735943	\$13.989037	.0000	\$0.00	1.84%
Investment Grade Bond	0%	\$31.815831	\$31.272862	.0000	\$0.00	-1.71%
High Income	0%	\$10.933134	\$11.997490	.0000	\$0.00	9.74%
Franklin Templeton						
Mutual Shares	0%	\$14.961882	\$13.550640	.0000	\$0.00	-9.43%
Small Cap Value	0%	\$15.994395	\$14.787071	.0000	\$0.00	-7.55%
Small-Mid Cap Growth	0%	\$13.243556	\$12.481629	.0000	\$0.00	-5.75%
Foreign Securities	0%	\$16.141853	\$16.329283	.0000	\$0.00	1.16%
Mutual Discovery	0%	\$16.511660	\$17.456304	.0000	\$0.00	5.72%
Us Government	0%	\$13.601911	\$14.027257	.0000	\$0.00	3.13%
Janus Aspen						
Forty	0%	\$16.947356	\$17.265443	.0000	\$0.00	1.88%
Mid Cap Value	0%	\$16.224922	\$15.985763	.0000	\$0.00	-1.47%
International Growth	0%	\$12.241181	\$10.963311	.0000	\$0.00	-10.44%
Global Technology	0%	10.536083	\$10.208885	.0000	\$0.00	-3.11%
MFS						
Value	0%	\$10.254018	\$9.436208	.0000	\$0.00	-7.98%
Research Bond	0%	\$4.771920	\$4.436656	.0000	\$0.00	-7.03%
Utilities	0%	\$11.027343	\$10.505306	.0000	\$0.00	-4.73%

Variable Universal Life Insurance Annual Report – Continued

Report Year: June 1, 2008 to May 31, 2009
 Policy Number: NL1234567
 Insured: Ethan Allen

Policy Subaccount Performance and Values

	Current Premium Allocation Designation	Value as of 06/01/2008	Accumulated Value Unit Value as of 05/31/2009	Number as of 05/31/2009	Accumulated Values as of 05/31/2009	Net Return
Neuberger Berman						
Partners	0%	\$16.947356	\$17.265443	.0000	\$0.00	1.88%
Social Responsive	0%	\$12.241181	\$10.963311	.0000	\$0.00	-10.44%
Mid-Cap Growth	0%	\$16.224922	\$15.985763	.0000	\$0.00	-1.47%
Short Duration	0%	\$10.536083	\$10.208885	.0000	\$0.00	-3.11%
Oppenheimer						
Small Cap	0%	\$20.494973	\$19.872178	.0000	\$0.00	-3.04%
Balanced	0%	\$15.975160	\$16.117417	.0000	\$0.00	0.89%
Strategic	0%	\$14.295415	\$12.939078	.0000	\$0.00	-9.49%
T. Rowe Price						
Equity Income	0%	\$14.236327	\$13.251072	.0000	\$0.00	-6.92%
Blue Chip Growth	0%	\$12.785630	\$12.565826	.0000	\$0.00	-1.72%
Capital Appreciation	0%	\$13.525231	\$13.248610	.0000	\$0.00	-2.05%
Health Sciences	0%			.0000	\$0.00	
Van Eck						
Emerging Markets	0%	\$14.961882	\$13.550640	.0000	.0000	-9.43%
Bond	0%	\$15.994395	\$14.787071	.0000	.0000	-7.55%
Real Estate	0%	\$13.243556	\$12.481629	.0000	.0000	-5.75%
Hard Assets	0%	\$16.141853	\$16.329283	.0000	.0000	1.16%
National Life Insurance Company						
General Account	0%					

Variable Universal Life Insurance Annual Report – Continued

Report Year: June 1, 2008 to May 31, 2009
 Policy Number: NL1234567
 Insured: Ethan Allen

Summary of Transactions

Accumulated Value at End of Prior Reporting Period: \$0.00

Month Ending	Net Premium	Monthly Deductions	Transfer/Projection Charges	Withdrawals	Change in Accum. Value due to Invest. Experience	Ending Accumulated Value
06/30/2008	893.94	29.19	0.00	0.00	3.37	868.12
07/31/2008	0.00	29.19	0.00	0.00	3.27	842.20
08/31/2008	0.00	29.19	0.00	0.00	3.17	816.18
09/30/2008	0.00	29.19	0.00	0.00	3.07	790.06
10/31/2008	0.00	29.19	0.00	0.00	2.96	763.83
11/30/2008	0.00	29.19	0.00	0.00	2.86	737.50
12/31/2008	0.00	29.19	0.00	0.00	2.76	711.07
01/31/2009	0.00	29.19	0.00	0.00	2.66	684.54
02/29/2009	0.00	29.19	0.00	0.00	2.55	657.90
03/31/2009	0.00	29.19	0.00	0.00	2.45	631.16
04/30/2009	0.00	29.19	0.00	0.00	2.34	604.31
05/31/2009	0.00	29.19	0.00	0.00	2.24	577.36
Total	\$893.94	\$350.28	\$0.00	\$0.00	\$33.70	\$577.36

The Accumulated Value varies with the investment experience of the Subaccounts of the Separate Account and/or with changes in the interest rate credited on the General Account, and is re-computed on each Valuation Date.

Variable Universal Life Insurance Annual Report – Continued

Report Year: June 1, 2008 to May 31, 2009
Policy Number: NL1234567
Insured: Ethan Allen

Forecast Information

The following one-year projection of values is mandated by state insurance regulation. The assumptions used in the projection comply with state requirements and are shown below. The projection demonstrates results under one possible set of assumptions and **is not** a prediction of future policy values.

Assumptions used in the forecast:

• 0% Net Investment Return	Projection Date:	May 31, 2010
• Guaranteed Maximum Charges	Projected Death Benefit:	\$100,000.00
• Payment of Planned Periodic Premiums	Projected Accumulated Value:	\$1,026.57
• No Loan Repayments	Projected Cash Surrender Value:	\$0.00
• Loan Interest paid in cash when due		
• No Acceleration of Proceeds		

IMPORTANT POLICYOWNER NOTICE: You should consider requesting more detailed information about your policy to understand how it may perform in the future. You should not consider replacement of your policy or make changes in your coverage without requesting a current illustration. You may annually request, without charge, such an illustration by contacting National Life or your agent. If you do not receive a current illustration of your policy within 30 days from your request, you should contact your state insurance department.

Report Definitions

Accumulated Value:	The sum of the Policy's value in the Separate Account and the General Account
Accumulated Value Unit:	The unit measure used to track the performance of the Subaccount.
Monthly Deduction:	The current monthly cost of pure insurance protection for your policy (including any substandard charges), additional benefit charges, monthly policy fee, monthly expense charges and monthly account value charges. Monthly expense charges per \$1,000 of coverage vary by Face Amount.
Net Premium:	The premium paid less any taxes attributable to specified policy acquisition expenses under Internal Revenue Code Section 848.
Net Return:	The Net Return rates shown reflect the gross rates of return less charges against the Subaccounts, including the mortality and expense risk charge. The Subaccounts purchase shares at net asset values, which reflects management fees and expenses deducted from the assets of the funds.
Projection Charge:	The fee imposed for the production of a Projection Report.
Transfer Charge:	The fee imposed for transfers (in excess of allowable free transfers during any policy year) of Accumulated Value among Subaccounts of the Separate Account and/or the General Account.
Withdrawals:	The amount of surrender value that was withdrawn from the policy at your request. Withdrawals reduce the Accumulated Value, Cash Surrender Value and death Benefit of your policy.

Variable Universal Life Insurance Annual Report – Continued

Report Year: June 1, 2008 to May 31, 2009
Policy Number: NL1234567
Insured: Ethan Allen



For Service Contact:	Or Your Broker/Dealer:
JOHN DOE 1 CIRCLE STREET BURLINGTON, VT 05641 802-111-2222	JD SERVICES 1 CIRCLE STREET BURLINGTON, VT 05641 802-111-2323

Policy Information Available on the Web

Customers can access policy information from the National Life Group website at www.nationallife.com.

By registering at the website, you can log in for secure policy information, including: Policy Values, Coverage and Features, Daily Unit Values, Loan Balances, Change of Address, and Electronic Document Distribution.

If you need immediate assistance or have questions, please contact Customer Services directly through the web.

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

Agent address:
1 National Life Drive
Montpelier, VT 05604
802 229-3333

The purpose of this illustration is to show how the performance of the underlying investment accounts could affect the policy's cash value and death benefit.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur and actual results will be more or less favorable than those shown. The illustration shows how the policy accumulated values, cash surrender values, and death benefits change with the (1) investment experience of the contract based on hypothetical gross annual investment return assumptions and (2) guaranteed versus current charges and deductions.

The illustrated values assume a premium allocation strategy of:

Sentinel VPT Common Stock Fund	50%
Alger American Leveraged Allcap Portfolio	50%

Annual Planned Payments have been assumed.

All policy values illustrated are end of year values.

The policy as proposed with a Gross Return of 8.00% and current policy charges will provide coverage for 86 years.

The policy as proposed with a Gross Return of 8.00% and guaranteed policy charges will provide coverage for 86 years.

The policy as proposed with a Gross Return of 0% and guaranteed policy charges will provide coverage for 35 years.

Variable contracts are sold by prospectus. For more complete information, including charges and expenses, please request a prospectus from your registered representative or call (802) 229-3900. Please read it and consider carefully the Fund's objectives, risks and charges before you invest or send money. The prospectus contains this and other information about the investment company.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

May 28, 2008
TC41157(0508)

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Page 1 of 18

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

The illustrated Current Return is 8.00% (7.14% Net) with Current Mortality and Current Policy Charges.

Policy Year	Planned Premium	Accum Value End Yr	Cash Surr Value End Yr	Death Benefit
1	\$ 951	\$ 594	\$ 0	\$ 100,000
2	951	1,231	0	100,000
3	951	1,901	14	100,000
4	951	2,619	968	100,000
5	951	3,377	1,962	100,000
6	951	4,189	3,010	100,000
7	951	5,048	4,105	100,000
8	951	5,969	5,262	100,000
9	951	6,945	6,474	100,000
10	951	7,979	7,744	100,000
	\$ 9,510			
11	951	9,323	9,323	100,000
12	951	10,753	10,753	100,000
13	951	12,265	12,265	100,000
14	951	13,876	13,876	100,000
15	951	15,594	15,594	100,000
16	951	17,417	17,417	100,000
17	951	19,364	19,364	100,000
18	951	21,434	21,434	100,000
19	951	23,638	23,638	100,000
20	951	25,977	25,977	100,000
	\$ 19,020			

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

This illustration is not valid without all pages. v8.2
NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

The illustrated Current Return is 8.00% (7.14% Net) with Current Mortality and Current Policy Charges.

Policy Year	Planned Premium	Accum Value End Yr	Cash Surr Value End Yr	Death Benefit
21	\$ 951	\$ 28,471	\$ 28,471	\$ 100,000
22	951	31,126	31,126	100,000
23	951	33,946	33,946	100,000
24	951	36,964	36,964	100,000
25	951	40,180	40,180	100,000
26	951	43,598	43,598	100,000
27	951	47,246	47,246	100,000
28	951	51,140	51,140	100,000
29	951	55,299	55,299	100,000
30	951	59,746	59,746	100,000
	\$ 28,530			
31	951	64,514	64,514	100,000
32	951	69,637	69,637	100,000
33	951	75,157	75,157	100,000
34	951	81,116	81,116	100,000
35	951	87,560	87,560	101,569
36	951	94,473	94,473	108,644
37	951	101,876	101,876	115,119
38	951	109,807	109,807	121,886
39	951	118,311	118,311	128,959
40	951	127,439	127,439	136,359
	\$ 38,040			

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

The illustrated Current Return is 8.00% (7.14% Net) with Current Mortality and Current Policy Charges.

Policy Year	Planned Premium	Accum Value End Yr	Cash Surr Value End Yr	Death Benefit
41	\$ 951	\$ 137,249	\$ 137,249	\$ 144,112
42	951	147,731	147,731	155,117
43	951	158,923	158,923	166,870
44	951	170,870	170,870	179,414
45	951	183,616	183,616	192,797
46	951	197,209	197,209	207,069
47	951	211,698	211,698	222,283
48	951	227,139	227,139	238,496
49	951	243,584	243,584	255,763
50	951	261,083	261,083	274,137
	\$ 47,550			
51	951	279,684	279,684	293,668
52	951	299,425	299,425	314,396
53	951	320,357	320,357	336,375
54	951	342,534	342,534	359,661
55	951	366,018	366,018	384,319
56	951	390,871	390,871	410,414
57	951	417,649	417,649	434,355
58	951	446,606	446,606	460,004
59	951	478,012	478,012	487,573
60	951	512,306	512,306	517,429
	\$ 57,060			

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

The illustrated Current Return is 8.00% (7.14% Net) with Current Mortality and Current Policy Charges.

Policy Year	Planned Premium	Accum Value End Yr	Cash Surr Value End Yr	Death Benefit
61	\$ 951	\$ 548,910	\$ 548,910	\$ 554,399
62	951	587,983	587,983	593,863
63	951	629,719	629,719	636,016
64	951	674,309	674,309	681,052
65	951	721,937	721,937	729,156
66	951	772,868	772,868	780,596
67	951	827,331	827,331	835,604
68	951	885,572	885,572	894,427
69	951	947,851	947,851	957,330
70	951	1,014,450	1,014,450	1,024,595
	\$ 66,570			
71	951	1,085,668	1,085,668	1,096,524
72	951	1,161,825	1,161,825	1,173,443
73	951	1,243,263	1,243,263	1,255,696
74	951	1,330,350	1,330,350	1,343,653
75	951	1,423,476	1,423,476	1,437,711
76	951	1,523,061	1,523,061	1,538,292
77	951	1,629,553	1,629,553	1,645,848
78	951	1,743,430	1,743,430	1,760,864
79	951	1,865,204	1,865,204	1,883,856
80	951	1,995,424	1,995,424	2,015,378
	\$ 76,080			

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

This illustration is not valid without all pages. v8.2
NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

The illustrated Current Return is 8.00% (7.14% Net) with Current Mortality and Current Policy Charges.

Policy Year	Planned Premium	Accum Value End Yr	Cash Surr Value End Yr	Death Benefit
81	\$ 951	\$ 2,134,675	\$ 2,134,675	\$ 2,156,022
82	951	2,283,584	2,283,584	2,306,420
83	951	2,442,820	2,442,820	2,467,248
84	951	2,613,100	2,613,100	2,639,231
85	951	2,795,188	2,795,188	2,823,140
	\$ 80,835			

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

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Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Planned Premium	Current Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 0.00% Gross Return -0.80% Net Return	
		Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit
1	\$ 951	\$ 0	\$ 100,000	\$ 0	\$ 100,000	\$ 0	\$ 100,000
2	951	0	100,000	0	100,000	0	100,000
3	951	14	100,000	0	100,000	0	100,000
4	951	968	100,000	528	100,000	79	100,000
5	951	1,962	100,000	1,391	100,000	724	100,000
6	951	3,010	100,000	2,285	100,000	1,353	100,000
7	951	4,105	100,000	3,211	100,000	1,965	100,000
8	951	5,262	100,000	4,173	100,000	2,562	100,000
9	951	6,474	100,000	5,160	100,000	3,132	100,000
10	951	7,744	100,000	6,176	100,000	3,675	100,000
	\$ 9,510						
11	951	9,323	100,000	7,478	100,000	4,439	100,000
12	951	10,753	100,000	8,595	100,000	4,939	100,000
13	951	12,265	100,000	9,767	100,000	5,411	100,000
14	951	13,876	100,000	11,009	100,000	5,868	100,000
15	951	15,594	100,000	12,316	100,000	6,298	100,000
16	951	17,417	100,000	13,692	100,000	6,701	100,000
17	951	19,364	100,000	15,143	100,000	7,079	100,000
18	951	21,434	100,000	16,664	100,000	7,420	100,000
19	951	23,638	100,000	18,263	100,000	7,726	100,000
20	951	25,977	100,000	19,924	100,000	7,974	100,000
	\$ 19,020						

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

This illustration is not valid without all pages. v8.2
NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Planned Premium	Current Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 0.00% Gross Return -0.80% Net Return	
		Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit
21	\$ 951	\$ 28,471	\$ 100,000	\$ 21,656	\$ 100,000	\$ 8,166	\$ 100,000
22	951	31,126	100,000	23,464	100,000	8,302	100,000
23	951	33,946	100,000	25,349	100,000	8,372	100,000
24	951	36,964	100,000	27,326	100,000	8,387	100,000
25	951	40,180	100,000	29,397	100,000	8,337	100,000
26	951	43,598	100,000	31,572	100,000	8,222	100,000
27	951	47,246	100,000	33,837	100,000	8,009	100,000
28	951	51,140	100,000	36,196	100,000	7,687	100,000
29	951	55,299	100,000	38,654	100,000	7,245	100,000
30	951	59,746	100,000	41,219	100,000	6,671	100,000
	\$ 28,530						
31	951	64,514	100,000	43,900	100,000	5,950	100,000
32	951	69,637	100,000	46,715	100,000	5,082	100,000
33	951	75,157	100,000	49,684	100,000	4,062	100,000
34	951	81,116	100,000	52,826	100,000	2,875	100,000
35	951	87,560	101,569	56,159	100,000	1,504	100,000
36	951	94,473	108,644	59,704	100,000	0	0
37	951	101,876	115,119	63,481	100,000	0	0
38	951	109,807	121,886	67,506	100,000	0	0
39	951	118,311	128,959	71,824	100,000	0	0
40	951	127,439	136,359	76,490	100,000	0	0
	\$ 38,040						

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Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Planned Premium	Current Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 0.00% Gross Return -0.80% Net Return	
		Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit
41	\$ 951	\$ 137,249	\$ 144,112	\$ 81,565	\$ 100,000	\$ 0	\$ 0
42	951	147,731	155,117	87,134	100,000	0	0
43	951	158,923	166,870	93,291	100,000	0	0
44	951	170,870	179,414	100,066	105,069	0	0
45	951	183,616	192,797	107,247	112,609	0	0
46	951	197,209	207,069	114,843	120,585	0	0
47	951	211,698	222,283	122,869	129,012	0	0
48	951	227,139	238,496	131,344	137,911	0	0
49	951	243,584	255,763	140,284	147,298	0	0
50	951	261,083	274,137	149,703	157,188	0	0
	\$ 47,550						
51	951	279,684	293,668	159,611	167,591	0	0
52	951	299,425	314,396	170,017	178,518	0	0
53	951	320,357	336,375	180,929	189,975	0	0
54	951	342,534	359,661	192,351	201,969	0	0
55	951	366,018	384,319	204,290	214,504	0	0
56	951	390,871	410,414	216,749	227,587	0	0
57	951	417,649	434,355	230,216	239,425	0	0
58	951	446,606	460,004	244,855	252,201	0	0
59	951	478,012	487,573	260,864	266,081	0	0
60	951	512,306	517,429	278,482	281,266	0	0
	\$ 57,060						

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Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Planned Premium	Current Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 0.00% Gross Return -0.80% Net Return	
		Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit
61	\$ 951	\$ 548,910	\$ 554,399	\$ 297,189	\$ 300,161	\$ 0	\$ 0
62	951	587,983	593,863	317,054	320,225	0	0
63	951	629,719	636,016	338,142	341,524	0	0
64	951	674,309	681,052	360,522	364,127	0	0
65	951	721,937	729,156	384,265	388,107	0	0
66	951	772,868	780,596	409,444	413,538	0	0
67	951	827,331	835,604	436,157	440,519	0	0
68	951	885,572	894,427	464,490	469,135	0	0
69	951	947,851	957,330	494,529	499,475	0	0
70	951	1,014,450	1,024,595	526,368	531,632	0	0
	\$ 66,570						
71	951	1,085,668	1,096,524	560,104	565,705	0	0
72	951	1,161,825	1,173,443	595,835	601,793	0	0
73	951	1,243,263	1,255,696	633,664	640,001	0	0
74	951	1,330,350	1,343,653	673,696	680,433	0	0
75	951	1,423,476	1,437,711	716,040	723,201	0	0
76	951	1,523,061	1,538,292	760,807	768,415	0	0
77	951	1,629,553	1,645,848	808,109	816,190	0	0
78	951	1,743,430	1,760,864	858,061	866,642	0	0
79	951	1,865,204	1,883,856	910,778	919,885	0	0
80	951	1,995,424	2,015,378	966,375	976,039	0	0
	\$ 76,080						

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

The allocation of premium among the separate accounts affects the illustrated values, since the daily asset charge varies with the account(s) illustrated.

Fund Asset charges

Sentinel VPT Common Stock Fund	0.66%
Alger American Leveraged Allcap Portfolio	0.93%

The total of the asset charges reflected in both the Current and Guaranteed illustrations is 0.80% which reflects an averaging of the daily asset charges. This total is based on the current level of charges for investment management fees and expenses charged against the portfolios of the Funds which are indirectly borne by the separate accounts chosen.

The columns under both the headings "Guaranteed Charges" and "Current Charges" assume that throughout the illustration a percent of premium expense charge of 6.00%, a monthly expense charge per \$1,000 of initial face amount and a monthly policy fee of \$7.50 will be assessed. In addition, the monthly charge for cost of insurance under the "Guaranteed Charges" assumes the maximum permitted. The monthly charge for cost of insurance under the "Current Charges" column assumes the current cost of insurance rates. There is a 0.04% monthly account value charge deducted in all years under the "Guaranteed Charges" scenario. There is no account value charge under the "Current Charges" scenario.

Illustrations must be accompanied or preceded by a current prospectus which contains more complete information. There is no assurance that any portfolio will achieve its stated investment objective and you should carefully consider the investment objectives, risks, charges and expenses of the investment companies. Please read the prospectus carefully before sending money.

The illustrated rates of return are hypothetical and should not be deemed a representation of past or future rates of return. Actual rates of return may be more or less than those shown and will depend on a number of factors, including the premium allocation chosen by the policy holder and the investment performance of the elected separate accounts. Accordingly, the cash value available for loans and the value of Accumulated Units, when redeemed, may be worth more or less than their original cost. No representation can be made by National Life Insurance Company or Equity Services, Inc. that these rates of return can be achieved for any one year or sustained over any period of time.

Please Note: The illustrated values that make up this ledger proposal should not be regarded as an offer nor as a contract to insure. If the presentation, of which this ledger is a part, results in a policy being issued with different illustrated values than those in this ledger, the actual policy values illustrated with the policy shall control.

Minimum Annual Premium: \$628.08
Target Premium: \$951.00

Investor Select VUL, form series 8566(1008)/ 8567(1008) is underwritten by National Life and distributed by Equity Services, Inc., Registered Broker/Dealer Affiliate of National Life Insurance Company, One National Life Drive, Montpelier, Vermont 05604. (802)229-3900

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
1	\$100,000	\$1,237	\$14,568	\$14,568	\$951	\$3,286
2	100,000	2,474	14,568	14,568	1,902	6,573
3	100,000	3,711	14,568	14,568	2,853	9,859
4	100,000	4,948	14,568	14,568	3,804	13,146
5	100,000	6,185	14,568	14,568	4,755	16,432
6	100,000	7,422	14,568	14,568	5,706	19,719
7	100,000	8,659	14,568	14,568	6,657	23,005
8	100,000	9,896	14,568	14,568	7,608	26,292
9	100,000	11,133	14,568	14,568	8,559	29,578
10	100,000	12,370	14,568	14,568	9,510	32,865
11	100,000	13,607	14,568	14,568	10,461	36,151
12	100,000	14,844	14,568	14,844	11,412	39,437
13	100,000	16,081	14,568	16,081	12,363	42,724
14	100,000	17,318	14,568	17,318	13,314	46,010
15	100,000	18,555	14,568	18,555	14,265	49,297
16	100,000	19,792	14,568	19,792	15,216	52,583
17	100,000	21,029	14,568	21,029	16,167	55,870
18	100,000	22,266	14,568	22,266	17,118	59,156
19	100,000	23,503	14,568	23,503	18,069	62,443
20	100,000	24,740	14,568	24,740	19,020	65,729

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
21	\$100,000	\$25,977	\$14,568	\$25,977	\$19,971	\$69,015
22	100,000	27,214	14,568	27,214	20,922	72,302
23	100,000	28,451	14,568	28,451	21,873	75,588
24	100,000	29,688	14,568	29,688	22,824	78,875
25	100,000	30,925	14,568	30,925	23,775	82,161
26	100,000	32,162	14,568	32,162	24,726	85,448
27	100,000	33,399	14,568	33,399	25,677	88,734
28	100,000	34,636	14,568	34,636	26,628	92,021
29	100,000	35,873	14,568	35,873	27,579	95,307
30	100,000	37,110	14,568	37,110	28,530	98,594
31	100,000	38,347	14,568	38,347	29,481	101,880
32	100,000	39,584	14,568	39,584	30,432	105,166
33	100,000	40,821	14,568	40,821	31,383	108,453
34	100,000	42,058	14,568	42,058	32,334	111,739
35	101,569	43,295	14,568	43,295	33,285	115,026
36	108,644	44,532	14,568	44,532	34,236	118,312
37	115,119	45,769	14,568	45,769	35,187	121,599
38	121,886	47,006	14,568	47,006	36,138	124,885
39	128,959	48,243	14,568	48,243	37,089	128,172
40	136,359	49,480	14,568	49,480	38,040	131,458

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
41	\$144,112	\$50,717	\$14,568	\$50,717	\$38,991	\$134,744
42	155,117	51,954	14,568	51,954	39,942	138,031
43	166,870	53,191	14,568	53,191	40,893	141,317
44	179,414	54,428	14,568	54,428	41,844	144,604
45	192,797	55,665	14,568	55,665	42,795	147,890
46	207,069	56,902	14,568	56,902	43,746	151,177
47	222,283	58,139	14,568	58,139	44,697	154,463
48	238,496	59,376	14,568	59,376	45,648	157,750
49	255,763	60,613	14,568	60,613	46,599	161,036
50	274,137	61,850	14,568	61,850	47,550	164,323
51	293,668	63,087	14,568	63,087	48,501	167,609
52	314,396	64,324	14,568	64,324	49,452	170,895
53	336,375	65,561	14,568	65,561	50,403	174,182
54	359,661	66,798	14,568	66,798	51,354	177,468
55	384,319	68,035	14,568	68,035	52,305	180,755
56	410,414	69,272	14,568	69,272	53,256	184,041
57	434,355	70,509	14,568	70,509	54,207	187,328
58	460,004	71,746	14,568	71,746	55,158	190,614
59	487,573	72,983	14,568	72,983	56,109	193,901
60	517,429	74,220	14,568	74,220	57,060	197,187

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

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Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
Non-smoker
Male
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
61	\$554,399	\$75,457	\$14,568	\$75,457	\$58,011	\$200,473
62	593,863	76,694	14,568	76,694	58,962	203,760
63	636,016	77,931	14,568	77,931	59,913	207,046
64	681,052	79,168	14,568	79,168	60,864	210,333
65	729,156	80,405	14,568	80,405	61,815	213,619
66	780,596	81,642	14,568	81,642	62,766	216,906
67	835,604	82,880	14,568	82,880	63,717	220,192
68	894,427	84,117	14,568	84,117	64,668	223,479
69	957,330	85,354	14,568	85,354	65,619	226,765
70	1,024,595	86,591	14,568	86,591	66,570	230,052
71	1,096,524	87,828	14,568	87,828	67,521	233,338
72	1,173,443	89,065	14,568	89,065	68,472	236,624
73	1,255,696	90,302	14,568	90,302	69,423	239,911
74	1,343,653	91,539	14,568	91,539	70,374	243,197
75	1,437,711	92,776	14,568	92,776	71,325	246,484
76	1,538,292	94,013	14,568	94,013	72,276	249,770
77	1,645,848	95,250	14,568	95,250	73,227	253,057
78	1,760,864	96,487	14,568	96,487	74,178	256,343
79	1,883,856	97,724	14,568	97,724	75,129	259,630
80	2,015,378	98,961	14,568	98,961	76,080	262,916

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

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Investor Select VUL Variable Universal Life Insurance Proposal
 Statement of Policy Cost and Benefit Information
 The Client

Form 8566(1008)

Presented by Sample Agent

Age 35
 Non-smoker
 Male
 State - VT

Face Amount \$100,000
 Level Death Benefit Option

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
81	\$2,156,022	\$100,198	\$14,568	\$100,198	\$77,031	\$266,202
82	2,306,420	101,435	14,568	101,435	77,982	269,489
83	2,467,248	102,672	14,568	102,672	78,933	272,775
84	2,639,231	103,909	14,568	103,909	79,884	276,062
85	2,823,140	105,146	14,568	105,146	80,835	279,348

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

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 NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Definitions

Total Level Guideline Premium: The Total Level Guideline Premium for any policy year is the sum of all the guideline level premiums calculated for that year and each prior policy year. The guideline level premium is a level premium calculated at issue based on policy guarantees and an interest rate not less than 4% as specified in IRC Section 7702.

Total Single Guideline Premium: The Total Single Guideline Premium for any policy year is the sum of the guideline single premium calculated for that year and each prior policy year. The guideline single premium is calculated at issue based on policy guarantees and an interest rate not less than 6% as specified in IRC Section 7702.

Total Maximum Guideline Premium: The Total Maximum Guideline Premium is the larger of the numbers in the Total Guideline Level and Total Guideline Single Premium columns. For a policy to qualify as life insurance, the sum of all premiums paid in the current and prior policy years cannot exceed the amount shown in this column for the current year. This must be true in every policy year.

Total Premium: The Total Premium for any policy year is the sum of the premiums paid into the policy in the current and prior policy years that are used to determine the MEC status of the policy.

MEC Total 7 Pay Premium: The MEC Total 7 Pay Premium for any policy year is the sum of the annual payments calculated under IRC Section 7702A (the seven pay premium) for this and all prior policy years that determine whether or not the contract is a modified endowment contract (MEC). Upon the first occurrence of a number in the MEC Total Premium column exceeding the number for the same policy year in this column, the policy will become a MEC. Distributions other than death proceeds from a MEC, including policy loans and partial surrenders of funds will be treated as taxable gain received first and recovery of premium second. In addition to regular income tax, a 10% federal tax penalty is applicable to any taxable distribution from the MEC before the insured reaches age 59 ½. This includes policy terminations.

Modified Endowment Contract (MEC): The IRC Section 7702A establishes a class of life insurance contracts designated as "Modified Endowment Contracts" that applies to policies entered into after June 20, 1988. In general, a policy will be a MEC if the accumulated premiums paid at any time during the first seven policy years exceeds the sum of the net level premiums which would have been paid on or before such time if the policy provided for paid-up future benefits after the payment of seven level annual premiums.

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Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

Agent address:
1 National Life Drive
Montpelier, VT 05604
802 229-3333

The purpose of this illustration is to show how the performance of the underlying investment accounts could affect the policy's cash value and death benefit.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur and actual results will be more or less favorable than those shown. The illustration shows how the policy accumulated values, cash surrender values, and death benefits change with the (1) investment experience of the contract based on hypothetical gross annual investment return assumptions and (2) guaranteed versus current charges and deductions.

The illustrated values assume a premium allocation strategy of:

Sentinel VPT Common Stock Fund	50%
Alger American Leveraged Allcap Portfolio	50%

Annual Planned Payments have been assumed.

All policy values illustrated are end of year values.

The policy as proposed with a Gross Return of 8.00% and current policy charges will provide coverage for 86 years.

The policy as proposed with a Gross Return of 8.00% and guaranteed policy charges will provide coverage for 86 years.

The policy as proposed with a Gross Return of 0% and guaranteed policy charges will provide coverage for 35 years.

Variable contracts are sold by prospectus. For more complete information, including charges and expenses, please request a prospectus from your registered representative or call (802) 229-3900. Please read it and consider carefully the Fund's objectives, risks and charges before you invest or send money. The prospectus contains this and other information about the investment company.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

May 28, 2008
TC41157(0508)

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Page 1 of 18

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

The illustrated Current Return is 8.00% (7.14% Net) with Current Mortality and Current Policy Charges.

Policy Year	Planned Premium	Accum Value End Yr	Cash Surr Value End Yr	Death Benefit
1	\$ 908	\$ 560	\$ 0	\$ 100,000
2	908	1,160	0	100,000
3	908	1,792	0	100,000
4	908	2,468	839	100,000
5	908	3,181	1,785	100,000
6	908	3,945	2,782	100,000
7	908	4,752	3,822	100,000
8	908	5,618	4,920	100,000
9	908	6,534	6,069	100,000
10	908	7,505	7,273	100,000
	\$ 9,080			
11	908	8,771	8,771	100,000
12	908	10,118	10,118	100,000
13	908	11,540	11,540	100,000
14	908	13,055	13,055	100,000
15	908	14,670	14,670	100,000
16	908	16,392	16,392	100,000
17	908	18,220	18,220	100,000
18	908	20,163	20,163	100,000
19	908	22,238	22,238	100,000
20	908	24,439	24,439	100,000
	\$ 18,160			

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

The illustrated Current Return is 8.00% (7.14% Net) with Current Mortality and Current Policy Charges.

Policy Year	Planned Premium	Accum Value End Yr	Cash Surr Value End Yr	Death Benefit
21	\$ 908	\$ 26,785	\$ 26,785	\$ 100,000
22	908	29,278	29,278	100,000
23	908	31,924	31,924	100,000
24	908	34,753	34,753	100,000
25	908	37,765	37,765	100,000
26	908	40,969	40,969	100,000
27	908	44,383	44,383	100,000
28	908	48,021	48,021	100,000
29	908	51,908	51,908	100,000
30	908	56,061	56,061	100,000
	\$ 27,240			
31	908	60,511	60,511	100,000
32	908	65,283	65,283	100,000
33	908	70,415	70,415	100,000
34	908	75,945	75,945	100,000
35	908	81,919	81,919	100,000
36	908	88,381	88,381	101,638
37	908	95,329	95,329	107,721
38	908	102,773	102,773	114,078
39	908	110,754	110,754	120,722
40	908	119,319	119,319	127,671
	\$ 36,320			

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

The illustrated Current Return is 8.00% (7.14% Net) with Current Mortality and Current Policy Charges.

Policy Year	Planned Premium	Accum Value End Yr	Cash Surr Value End Yr	Death Benefit
41	\$ 908	\$ 128,524	\$ 128,524	\$ 134,950
42	908	138,359	138,359	145,277
43	908	148,865	148,865	156,308
44	908	160,082	160,082	168,086
45	908	172,052	172,052	180,654
46	908	184,819	184,819	194,060
47	908	198,432	198,432	208,354
48	908	212,941	212,941	223,588
49	908	228,396	228,396	239,816
50	908	244,846	244,846	257,088
	\$ 45,400			
51	908	262,337	262,337	275,454
52	908	280,908	280,908	294,953
53	908	300,603	300,603	315,633
54	908	321,476	321,476	337,550
55	908	343,583	343,583	360,762
56	908	366,984	366,984	385,333
57	908	392,197	392,197	407,885
58	908	419,455	419,455	432,039
59	908	449,009	449,009	457,989
60	908	481,255	481,255	486,068
	\$ 54,480			

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

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Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

The illustrated Current Return is 8.00% (7.14% Net) with Current Mortality and Current Policy Charges.

Policy Year	Planned Premium	Accum Value End Yr	Cash Surr Value End Yr	Death Benefit
61	\$ 908	\$ 515,673	\$ 515,673	\$ 520,830
62	908	552,407	552,407	557,931
63	908	591,634	591,634	597,550
64	908	633,543	633,543	639,879
65	908	678,311	678,311	685,094
66	908	726,183	726,183	733,445
67	908	777,377	777,377	785,151
68	908	832,122	832,122	840,443
69	908	890,664	890,664	899,571
70	908	953,267	953,267	962,800
	\$ 63,560			
71	908	1,020,213	1,020,213	1,030,415
72	908	1,091,803	1,091,803	1,102,721
73	908	1,168,359	1,168,359	1,180,043
74	908	1,250,226	1,250,226	1,262,728
75	908	1,337,771	1,337,771	1,351,149
76	908	1,431,390	1,431,390	1,445,704
77	908	1,531,503	1,531,503	1,546,818
78	908	1,638,560	1,638,560	1,654,945
79	908	1,753,044	1,753,044	1,770,574
80	908	1,875,469	1,875,469	1,894,223
	\$ 72,640			

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

The illustrated Current Return is 8.00% (7.14% Net) with Current Mortality and Current Policy Charges.

Policy Year	Planned Premium	Accum Value End Yr	Cash Surr Value. End Yr	Death Benefit
81	\$ 908	\$ 2,006,386	\$ 2,006,386	\$ 2,026,450
82	908	2,146,386	2,146,386	2,167,849
83	908	2,296,096	2,296,096	2,319,057
84	908	2,456,192	2,456,192	2,480,754
85	908	2,627,394	2,627,394	2,653,668
	\$ 77,180			

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Planned Premium	Current Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 0.00% Gross Return -0.80% Net Return	
		Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit
1	\$ 908	\$ 0	\$ 100,000	\$ 0	\$ 100,000	\$ 0	\$ 100,000
2	908	0	100,000	0	100,000	0	100,000
3	908	0	100,000	0	100,000	0	100,000
4	908	839	100,000	427	100,000	3	100,000
5	908	1,785	100,000	1,245	100,000	614	100,000
6	908	2,782	100,000	2,090	100,000	1,210	100,000
7	908	3,822	100,000	2,965	100,000	1,791	100,000
8	908	4,920	100,000	3,871	100,000	2,355	100,000
9	908	6,069	100,000	4,813	100,000	2,904	100,000
10	908	7,273	100,000	5,779	100,000	3,428	100,000
	\$ 9,080						
11	908	8,771	100,000	7,018	100,000	4,162	100,000
12	908	10,118	100,000	8,072	100,000	4,636	100,000
13	908	11,540	100,000	9,176	100,000	5,083	100,000
14	908	13,055	100,000	10,345	100,000	5,514	100,000
15	908	14,670	100,000	11,573	100,000	5,918	100,000
16	908	16,392	100,000	12,865	100,000	6,297	100,000
17	908	18,220	100,000	14,225	100,000	6,649	100,000
18	908	20,163	100,000	15,650	100,000	6,965	100,000
19	908	22,238	100,000	17,133	100,000	7,234	100,000
20	908	24,439	100,000	18,680	100,000	7,457	100,000
	\$ 18,160						

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Planned Premium	Current Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 0.00% Gross Return -0.80% Net Return	
		Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit
41	\$ 908	\$ 128,524	\$ 134,950	\$ 74,300	\$ 100,000	\$ 0	\$ 0
42	908	138,359	145,277	79,070	100,000	0	0
43	908	148,865	156,308	84,287	100,000	0	0
44	908	160,082	168,086	90,041	100,000	0	0
45	908	172,052	180,654	96,449	101,272	0	0
46	908	184,819	194,060	103,353	108,521	0	0
47	908	198,432	208,354	110,655	116,187	0	0
48	908	212,941	223,588	118,372	124,290	0	0
49	908	228,396	239,816	126,522	132,848	0	0
50	908	244,846	257,088	135,119	141,875	0	0
	\$ 45,400						
51	908	262,337	275,454	144,179	151,388	0	0
52	908	280,908	294,953	153,715	161,400	0	0
53	908	300,603	315,633	163,733	171,919	0	0
54	908	321,476	337,550	174,244	182,956	0	0
55	908	343,583	360,762	185,259	194,522	0	0
56	908	366,984	385,333	196,794	206,634	0	0
57	908	392,197	407,885	209,260	217,631	0	0
58	908	419,455	432,039	222,783	229,467	0	0
59	908	449,009	457,989	237,517	242,267	0	0
60	908	481,255	486,068	253,655	256,192	0	0
	\$ 54,480						

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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Investor Select VUL Variable Universal Life Insurance Proposal
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Form 8567(1008)

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Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Planned Premium	Current Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 0.00% Gross Return -0.80% Net Return	
		Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit
61	\$ 908	\$ 515,673	\$ 520,830	\$ 270,796	\$ 273,504	\$ 0	\$ 0
62	908	552,407	557,931	289,001	291,891	0	0
63	908	591,634	597,550	308,331	311,414	0	0
64	908	633,543	639,879	328,872	332,161	0	0
65	908	678,311	685,094	350,688	354,195	0	0
66	908	726,183	733,445	373,844	377,582	0	0
67	908	777,377	785,151	398,420	402,404	0	0
68	908	832,122	840,443	424,492	428,737	0	0
69	908	890,664	899,571	452,137	456,658	0	0
70	908	953,267	962,800	481,432	486,247	0	0
	\$ 63,560						
71	908	1,020,213	1,030,415	512,459	517,584	0	0
72	908	1,091,803	1,102,721	545,305	550,758	0	0
73	908	1,168,359	1,180,043	580,059	585,859	0	0
74	908	1,250,226	1,262,728	616,817	622,985	0	0
75	908	1,337,771	1,351,149	655,674	662,231	0	0
76	908	1,431,390	1,445,704	696,730	703,698	0	0
77	908	1,531,503	1,546,818	740,098	747,499	0	0
78	908	1,638,560	1,654,945	785,895	793,754	0	0
79	908	1,753,044	1,770,574	834,254	842,596	0	0
80	908	1,875,469	1,894,223	885,225	894,077	0	0
	\$ 72,640						

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Planned Premium	Current Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 8.00% Gross Return 7.14% Net Return		Guaranteed Charges 0.00% Gross Return -0.80% Net Return	
		Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit	Cash Surr Value End Yr	Death Benefit
81	\$ 908	\$ 2,006,386	\$ 2,026,450	\$ 938,940	\$ 948,329	\$ 0	\$ 0
82	908	2,146,386	2,167,849	995,509	1,005,464	0	0
83	908	2,296,096	2,319,057	1,055,023	1,065,573	0	0
84	908	2,456,192	2,480,754	1,117,624	1,128,801	0	0
85	908	2,627,394	2,653,668	1,183,432	1,195,266	0	0
	\$ 77,180						

Benefits and values are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical investment results shown above do not in any way represent actual results or suggest that such results will be achieved. Policy values which actually arise will differ from those shown whenever the actual investment results differ from the hypothetical rates illustrated.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

The allocation of premium among the separate accounts affects the illustrated values, since the daily asset charge varies with the account(s) illustrated.

Fund Asset charges

Sentinel VPT Common Stock Fund	0.66%
Alger American Leveraged Allcap Portfolio	0.93%

The total of the asset charges reflected in both the Current and Guaranteed illustrations is 0.80% which reflects an averaging of the daily asset charges. This total is based on the current level of charges for investment management fees and expenses charged against the portfolios of the Funds which are indirectly borne by the separate accounts chosen.

The columns under both the headings "Guaranteed Charges" and "Current Charges" assume that throughout the illustration a percent of premium expense charge of 6.00%, a monthly expense charge per \$1,000 of initial face amount and a monthly policy fee of \$7.50 will be assessed. In addition, the monthly charge for cost of insurance under the "Guaranteed Charges" assumes the maximum permitted. The monthly charge for cost of insurance under the "Current Charges" column assumes the current cost of insurance rates. There is a 0.04% monthly account value charge deducted in all years under the "Guaranteed Charges" scenario. There is no account value charge under the "Current Charges" scenario.

Illustrations must be accompanied or preceded by a current prospectus which contains more complete information. There is no assurance that any portfolio will achieve its stated investment objective and you should carefully consider the investment objectives, risks, charges and expenses of the investment companies. Please read the prospectus carefully before sending money.

The illustrated rates of return are hypothetical and should not be deemed a representation of past or future rates of return. Actual rates of return may be more or less than those shown and will depend on a number of factors, including the premium allocation chosen by the policy holder and the investment performance of the elected separate accounts. Accordingly, the cash value available for loans and the value of Accumulated Units, when redeemed, may be worth more or less than their original cost. No representation can be made by National Life Insurance Company or Equity Services, Inc. that these rates of return can be achieved for any one year or sustained over any period of time.

Please Note: The illustrated values that make up this ledger proposal should not be regarded as an offer nor as a contract to insure. If the presentation, of which this ledger is a part, results in a policy being issued with different illustrated values than those in this ledger, the actual policy values illustrated with the policy shall control.

Minimum Annual Premium:	\$613.20
Target Premium:	\$908.00

Investor Select VUL, form series 8567(1008)/ 8567(1008) is underwritten by National Life and distributed by Equity Services, Inc., Registered Broker/Dealer Affiliate of National Life Insurance Company, One National Life Drive, Montpelier, Vermont 05604. (802)229-3900

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Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
1	\$100,000	\$1,205	\$14,184	\$14,184	\$908	\$3,215
2	100,000	2,409	14,184	14,184	1,816	6,430
3	100,000	3,614	14,184	14,184	2,724	9,644
4	100,000	4,818	14,184	14,184	3,632	12,859
5	100,000	6,023	14,184	14,184	4,540	16,074
6	100,000	7,228	14,184	14,184	5,448	19,289
7	100,000	8,432	14,184	14,184	6,356	22,503
8	100,000	9,637	14,184	14,184	7,264	25,718
9	100,000	10,841	14,184	14,184	8,172	28,933
10	100,000	12,046	14,184	14,184	9,080	32,148
11	100,000	13,251	14,184	14,184	9,988	35,363
12	100,000	14,455	14,184	14,455	10,896	38,577
13	100,000	15,660	14,184	15,660	11,804	41,792
14	100,000	16,864	14,184	16,864	12,712	45,007
15	100,000	18,069	14,184	18,069	13,620	48,222
16	100,000	19,274	14,184	19,274	14,528	51,436
17	100,000	20,478	14,184	20,478	15,436	54,651
18	100,000	21,683	14,184	21,683	16,344	57,866
19	100,000	22,887	14,184	22,887	17,252	61,081
20	100,000	24,092	14,184	24,092	18,160	64,296

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

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Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
21	\$100,000	\$25,296	\$14,184	\$25,296	\$19,068	\$67,510
22	100,000	26,501	14,184	26,501	19,976	70,725
23	100,000	27,706	14,184	27,706	20,884	73,940
24	100,000	28,910	14,184	28,910	21,792	77,155
25	100,000	30,115	14,184	30,115	22,700	80,370
26	100,000	31,319	14,184	31,319	23,608	83,584
27	100,000	32,524	14,184	32,524	24,516	86,799
28	100,000	33,729	14,184	33,729	25,424	90,014
29	100,000	34,933	14,184	34,933	26,332	93,229
30	100,000	36,138	14,184	36,138	27,240	96,443
31	100,000	37,342	14,184	37,342	28,148	99,658
32	100,000	38,547	14,184	38,547	29,056	102,873
33	100,000	39,752	14,184	39,752	29,964	106,088
34	100,000	40,956	14,184	40,956	30,872	109,303
35	100,000	42,161	14,184	42,161	31,780	112,517
36	101,638	43,365	14,184	43,365	32,688	115,732
37	107,721	44,570	14,184	44,570	33,596	118,947
38	114,078	45,775	14,184	45,775	34,504	122,162
39	120,722	46,979	14,184	46,979	35,412	125,376
40	127,671	48,184	14,184	48,184	36,320	128,591

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

This illustration is not valid without all pages. v8.2
NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
Statement of Policy Cost and Benefit Information
The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
Non-smoker
Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
41	\$134,950	\$49,388	\$14,184	\$49,388	\$37,228	\$131,806
42	145,277	50,593	14,184	50,593	38,136	135,021
43	156,308	51,798	14,184	51,798	39,044	138,236
44	168,086	53,002	14,184	53,002	39,952	141,450
45	180,654	54,207	14,184	54,207	40,860	144,665
46	194,060	55,411	14,184	55,411	41,768	147,880
47	208,354	56,616	14,184	56,616	42,676	151,095
48	223,588	57,821	14,184	57,821	43,584	154,309
49	239,816	59,025	14,184	59,025	44,492	157,524
50	257,088	60,230	14,184	60,230	45,400	160,739
51	275,454	61,434	14,184	61,434	46,308	163,954
52	294,953	62,639	14,184	62,639	47,216	167,169
53	315,633	63,843	14,184	63,843	48,124	170,383
54	337,550	65,048	14,184	65,048	49,032	173,598
55	360,762	66,253	14,184	66,253	49,940	176,813
56	385,333	67,457	14,184	67,457	50,848	180,028
57	407,885	68,662	14,184	68,662	51,756	183,242
58	432,039	69,866	14,184	69,866	52,664	186,457
59	457,989	71,071	14,184	71,071	53,572	189,672
60	486,068	72,276	14,184	72,276	54,480	192,887

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Age 35
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Unisex
State - VT

Face Amount \$100,000
Level Death Benefit Option

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
61	\$520,830	\$73,480	\$14,184	\$73,480	\$55,388	\$196,102
62	557,931	74,685	14,184	74,685	56,296	199,316
63	597,550	75,889	14,184	75,889	57,204	202,531
64	639,879	77,094	14,184	77,094	58,112	205,746
65	685,094	78,299	14,184	78,299	59,020	208,961
66	733,445	79,503	14,184	79,503	59,928	212,175
67	785,151	80,708	14,184	80,708	60,836	215,390
68	840,443	81,912	14,184	81,912	61,744	218,605
69	899,571	83,117	14,184	83,117	62,652	221,820
70	962,800	84,322	14,184	84,322	63,560	225,035
71	1,030,415	85,526	14,184	85,526	64,468	228,249
72	1,102,721	86,731	14,184	86,731	65,376	231,464
73	1,180,043	87,935	14,184	87,935	66,284	234,679
74	1,262,728	89,140	14,184	89,140	67,192	237,894
75	1,351,149	90,345	14,184	90,345	68,100	241,109
76	1,445,704	91,549	14,184	91,549	69,008	244,323
77	1,546,818	92,754	14,184	92,754	69,916	247,538
78	1,654,945	93,958	14,184	93,958	70,824	250,753
79	1,770,574	95,163	14,184	95,163	71,732	253,968
80	1,894,223	96,368	14,184	96,368	72,640	257,182

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

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NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Investor Select VUL Variable Universal Life Insurance Proposal
 Statement of Policy Cost and Benefit Information
 The Client

Form 8567(1008)

Presented by Sample Agent

Age 35
 Non-smoker
 Unisex
 State - VT

Face Amount \$100,000
 Level Death Benefit Option

Policy Year	Death Benefit End Year	Total Level Guideline Premium	Total Single Guideline Premium	Total Maximum Guideline Premium	Total Premium	MEC Total 7 Pay Premium
81	\$2,026,450	\$97,572	\$14,184	\$97,572	\$73,548	\$260,397
82	2,167,849	98,777	14,184	98,777	74,456	263,612
83	2,319,057	99,981	14,184	99,981	75,364	266,827
84	2,480,754	101,186	14,184	101,186	76,272	270,042
85	2,653,668	102,391	14,184	102,391	77,180	273,256

THE GUIDELINE PREMIUMS SERVE AS A LIMIT ON THE FUNDING OF THIS CONTRACT TO ENSURE QUALIFICATION AS LIFE INSURANCE UNDER SECTION 7702 OF THE INTERNAL REVENUE CODE.

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 NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

Definitions

Total Level Guideline Premium: The Total Level Guideline Premium for any policy year is the sum of all the guideline level premiums calculated for that year and each prior policy year. The guideline level premium is a level premium calculated at issue based on policy guarantees and an interest rate not less than 4% as specified in IRC Section 7702.

Total Single Guideline Premium: The Total Single Guideline Premium for any policy year is the sum of the guideline single premium calculated for that year and each prior policy year. The guideline single premium is calculated at issue based on policy guarantees and an interest rate not less than 6% as specified in IRC Section 7702.

Total Maximum Guideline Premium: The Total Maximum Guideline Premium is the larger of the numbers in the Total Guideline Level and Total Guideline Single Premium columns. For a policy to qualify as life insurance, the sum of all premiums paid in the current and prior policy years cannot exceed the amount shown in this column for the current year. This must be true in every policy year.

Total Premium: The Total Premium for any policy year is the sum of the premiums paid into the policy in the current and prior policy years that are used to determine the MEC status of the policy.

MEC Total 7 Pay Premium: The MEC Total 7 Pay Premium for any policy year is the sum of the annual payments calculated under IRC Section 7702A (the seven pay premium) for this and all prior policy years that determine whether or not the contract is a modified endowment contract (MEC). Upon the first occurrence of a number in the MEC Total Premium column exceeding the number for the same policy year in this column, the policy will become a MEC. Distributions other than death proceeds from a MEC, including policy loans and partial surrenders of funds will be treated as taxable gain received first and recovery of premium second. In addition to regular income tax, a 10% federal tax penalty is applicable to any taxable distribution from the MEC before the insured reaches age 59 ½. This includes policy terminations.

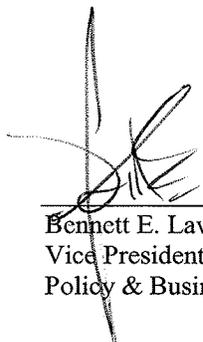
Modified Endowment Contract (MEC): The IRC Section 7702A establishes a class of life insurance contracts designated as "Modified Endowment Contracts" that applies to policies entered into after June 20, 1988. In general, a policy will be a MEC if the accumulated premiums paid at any time during the first seven policy years exceeds the sum of the net level premiums which would have been paid on or before such time if the policy provided for paid-up future benefits after the payment of seven level annual premiums.

CERTIFICATION
STATE OF ARKANSAS

Regarding: 8566AR(1008), Flexible Premium Adjustable Benefit Variable Life Insurance.
8567AR(1008), Flexible Premium Adjustable Benefit Variable Life Insurance. Unisex.
9212AR(1008), Life Insurance Application

I, Bennett E. Law, certify that the above-referenced forms are in compliance with Regulation 33, Articles VI, VII, IX and XI.

National Life Insurance Company



Bennett E. Law, FSA, MAAA
Vice President
Policy & Business Forms Management