

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
Filing Company: National Guardian Life Insurance Company State Tracking Number: 45123  
Company Tracking Number: NFELED2009-GDB2  
TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design  
Product Name: GI- GDB2-GDB3  
Project Name/Number: /

## Filing at a Glance

Company: National Guardian Life Insurance Company

Product Name: GI- GDB2-GDB3

TOI: L071 Individual Life - Whole

Sub-TOI: L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design

Filing Type: Form

SERFF Tr Num: NGLI-126510803 State: Arkansas

SERFF Status: Closed-Approved- Closed State Tr Num: 45123

Co Tr Num: NFELED2009-GDB2 State Status: Approved-Closed

Reviewer(s): Linda Bird

Authors: Peggy Kratz, Kim Bolinder Disposition Date: 03/31/2010

Date Submitted: 03/09/2010 Disposition Status: Approved-Closed

Implementation Date Requested:

State Filing Description:

Implementation Date:

## General Information

Project Name:

Project Number:

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 03/31/2010

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 03/31/2010

Created By: Kim Bolinder

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Kim Bolinder

Filing Description:

Arkansas Department of Insurance

FILED VIA SERFF

Re: National Guardian Life Insurance Company

NAIC # 66583 FEIN# 39-0493780

Life Insurance Policies

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
Filing Company: National Guardian Life Insurance Company State Tracking Number: 45123  
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TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level  
Premium - Any Policy Design

Product Name: GI- GDB2-GDB3

Project Name/Number: /

NFELDB2009-GDB2-AR

NFELDB2009-GDB3-AR

Application

2619A-AR 09-09

Dear Commissioner/Director:

These are individual whole life policy forms with level premiums payable during the lifetime of the insured. One policy has a limited benefit during the first 2 years, and one has a limited benefit during the first 3 years. The limited benefit is an amount equal to 1.1 times the cumulative premiums paid for the policy. After the limited benefit period, the full death benefit is payable.

These forms are new and do not replace any previously approved forms. Licensed agents will sell the policies in the final expense life insurance market. The policies will NOT be illustrated.

Application 2619A-AR 09-09 will be used to solicit the policies. This is a new form and is not intended to replace any previously approved form.

Your approval of these forms would be greatly appreciated. Please contact me at the number or email address listed below.

Sincerely,

Kim Bolinder  
Policy Forms Specialist  
800-548-2962, Ext. 5335  
kabolinder@nglic.com

## Company and Contact

### Filing Contact Information

Kim Bolinder, Policy Forms Specialist kabolinder@nglic.com  
2 East Gilman Street 608-443-5335 [Phone]  
Madison, WI 53701 608-443-5365 [FAX]

### Filing Company Information

National Guardian Life Insurance Company CoCode: 66583 State of Domicile: Wisconsin

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
 Filing Company: National Guardian Life Insurance Company State Tracking Number: 45123  
 Company Tracking Number: NFEldb2009-GDB2  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design  
 Product Name: GI- GDB2-GDB3  
 Project Name/Number: /  
 P.O. Box 1191 Group Code: Company Type: LAH  
 Madison, WI 53701-1191 Group Name: State ID Number:  
 (800) 626-7931 ext. 5325[Phone] FEIN Number: 39-0493780

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**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$150.00  
 Retaliatory? No  
 Fee Explanation: 2 policies @ \$50= \$100.  
 1 app @ \$50= \$50  
 Total \$150.00  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
National Guardian Life Insurance Company	\$150.00	03/09/2010	34708345

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	03/31/2010	03/31/2010

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	03/29/2010	03/29/2010	Kim Bolinder	03/30/2010	03/30/2010
Pending Industry Response	Linda Bird	03/10/2010	03/10/2010	Kim Bolinder	03/29/2010	03/29/2010

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
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TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level  
Premium - Any Policy Design  
Product Name: GI- GDB2-GDB3  
Project Name/Number: /

## Disposition

Disposition Date: 03/31/2010

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
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Product Name: GI- GDB2-GDB3  
 Project Name/Number: /

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document (revised)	Life & Annuity - Actuarial Memo		No
Supporting Document Form (revised)	Life & Annuity - Actuarial Memo	Replaced	No
	GRADED DEATH BENEFIT WHOLE LIFE POLICY		Yes
Form	GRADED DEATH BENEFIT WHOLE LIFE POLICY	Replaced	Yes
Form (revised)	GRADED DEATH BENEFIT WHOLE LIFE POLICY		Yes
Form	GRADED DEATH BENEFIT WHOLE LIFE POLICY	Replaced	Yes
Form	APPLICATION FOR GUARANTEED ISSUE FINAL EXPENSE LIFE INSURANCE		Yes

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
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TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level  
Premium - Any Policy Design  
Product Name: GI- GDB2-GDB3  
Project Name/Number: /

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 03/29/2010  
Submitted Date 03/29/2010  
Respond By Date 04/29/2010

Dear Kim Bolinder,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: The revised policy forms continue to be in violation of Ark Bulletin 8-85 Guideline One. The death benefit will need to be a set dollar amount or % of face amount for the first year, second year and third year of the limited benefit period. The death benefit can not be a return of premium with or without interest.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

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Premium - Any Policy Design  
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Project Name/Number: /

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 03/30/2010  
Submitted Date 03/30/2010

Dear Linda Bird,

### Comments:

We received approval from your state in the past for similar products where the reduced benefit was based on the annual premium, instead of the cumulative premium paid. Your department approved this benefit because the benefit wasn't a return of premium, rather it used the annual premium amount as a way to determine the reduced benefit. Someone who only paid one month, still received a benefit determined by the annual premium. The previously approved forms are FEIDB2000-GDB-AR, approved on 10/15/01, forms NFEldb2002-GDB2-AR and NFEldb2002-GDB3-AR both approved on 4/1/03. We respectfully request you reconsider your objection.

### Response 1

Comments: No change.

### Related Objection 1

Comment:

The revised policy forms continue to be in violation of Ark Bulletin 8-85 Guideline One. The death benefit will need to be a set dollar amount or % of face amount for the first year, second year and third year of the limited benefit period. The death benefit can not be a return of premium with or without interest.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you for your consideration.

Sincerely,

Kim Bolinder, Peggy Kratz

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
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TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level  
Premium - Any Policy Design  
Product Name: GI- GDB2-GDB3  
Project Name/Number: /

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 03/10/2010  
Submitted Date 03/10/2010  
Respond By Date 04/12/2010

Dear Kim Bolinder,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Life Policies with reduced death benefits in early policy years are subject to Bulletin 8-85. The contracts are in violation of Guideline One of this bulletin.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
 Filing Company: National Guardian Life Insurance Company State Tracking Number: 45123  
 Company Tracking Number: NFELDB2009-GDB2  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design  
 Product Name: GI- GDB2-GDB3  
 Project Name/Number: /

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 03/29/2010  
 Submitted Date 03/29/2010

Dear Linda Bird,

### Comments:

Thank you for your initial review. In accordance with Bulletin 8-85, we have revised the both policy forms so that the death benefit is not based on a return of actual premiums paid. The death benefit is now based on a fixed amount, regardless of the premiums that have been paid under the contract. The death benefit amount of both forms is based on a percentage of the policy's annual premium. Your department has approved this type of benefit in the past. A revised Actuarial memo for each policy is also provided.

### Response 1

Comments: Revised policy forms attached.

### Related Objection 1

Comment:

Life Policies with reduced death benefits in early policy years are subject to Bulletin 8-85. The contracts are in violation of Guideline One of this bulletin.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Life & Annuity - Actuarial Memo

Comment:

#### Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
GRADED DEATH BENEFIT WHOLE LIFE POLICY	NFELDB2009-GDB2-AR		Policy/Contract/Fraternal Certificate	Revised		58.800	NFELDB2009-GDB2-AR.pdf

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
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 Company Tracking Number: NFELDB2009-GDB2  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design

Product Name: GI- GDB2-GDB3  
 Project Name/Number: /

**Previous Version**

GRADED DEATH	NFELDB2	Policy/Contract/Fraternal Initial	58.800	NFELDB2
BENEFIT WHOLE LIFE	009-	Certificate		009-
POLICY	GDB2-AR			GDB2-AR.pdf

GRADED DEATH	NFELDB2	Policy/Contract/Fraternal Revised	58.800	NFELDB2
BENEFIT WHOLE LIFE	009-	Certificate		009-
POLICY	GDB2-AR			GDB3-AR.pdf

**Previous Version**

GRADED DEATH	NFELDB2	Policy/Contract/Fraternal Initial	58.800	NFELDB2
BENEFIT WHOLE LIFE	009-	Certificate		009-
POLICY	GDB2-AR			GDB3-AR.pdf

No Rate/Rule Schedule items changed.

Your continued review is appreciated.

Sincerely,  
 Kim Bolinder, Peggy Kratz

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
 Filing Company: National Guardian Life Insurance Company State Tracking Number: 45123  
 Company Tracking Number: NFEldb2009-GDB2  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design  
 Product Name: GI- GDB2-GDB3  
 Project Name/Number: /

## Form Schedule

### Lead Form Number: NFEldb2009-GDB2-AR

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	NFEldb2009-GDB2-AR	Policy/Contractual Certificate	GRADED DEATH BENEFIT WHOLE LIFE POLICY	Revised	Replaced Form #: Previous Filing #:	58.800	NFEldb2009-GDB2-AR.pdf
	NFEldb2009-GDB2-AR	Policy/Contractual Certificate	GRADED DEATH BENEFIT WHOLE LIFE POLICY	Revised	Replaced Form #: Previous Filing #:	58.800	NFEldb2009-GDB3-AR.pdf
	2619A-AR09-09	Application/Enrollment Form	APPLICATION FOR GUARANTEED ISSUE FINAL EXPENSE LIFE INSURANCE	Initial		56.900	2619A-AR09-09.pdf



A Mutual Company Incorporated in 1909  
 Two East Gilman Street • PO Box 1191  
 Madison WI 53701-1191 • Phone 800-988-0826

**GRADED DEATH BENEFIT WHOLE LIFE POLICY**

<b>AGREEMENT</b>	<p>We agree, subject to the terms of this policy, to:</p> <ul style="list-style-type: none"> <li>• pay the proceeds to the Beneficiary upon receiving Proof of the Insured's death; and</li> <li>• provide You, the Owner, all the other rights and benefits of this policy.</li> </ul>
<b>30-DAY RIGHT TO CANCEL</b>	<p>You can cancel this policy before midnight on the thirtieth (30<sup>th</sup>) day after You receive it. You can do this if You deliver, mail or wire written notice and return this policy to Us or Our agent. Our mailing address is P. O. Box 1191, Madison, WI 53701-1191. Notice given by mail and return of the policy by mail are effective on being postmarked, properly addressed and postage prepaid. We will send back all payments within ten (10) days after Notice to Us and the returned policy. The policy will then be deemed void from its inception. If We do not return all premiums within thirty (30) days from the date of cancellation, We will pay interest from the date of cancellation as required by the law of Your state.</p> <p style="text-align: center;"><b>THIS IS A LEGAL CONTRACT BETWEEN YOU AND US        READ YOUR CONTRACT CAREFULLY.</b></p>

Executed at Madison, Wisconsin on the Issue Date.

*Sherril A. Kienyak*  
 Secretary

*J. Blum*  
 President

**Limited Death Benefit During First Two Years  
 Premiums Payable For Period Specified On The Schedule Or Until Prior Death  
 Participating**

<b>GUIDE TO YOUR POLICY</b>			
Schedule of Benefits and Premiums	2	Policy Loans	5
Owner's Rights	3	Owner and Beneficiary	5
Definitions	3	General Provisions	6
Premiums	4	Payment of Proceeds	7
Proceeds	4	Settlement Options Tables	8
Policy Values	4,5		

**SCHEDULE OF BENEFITS AND PREMIUMS**

POLICY NUMBER [TRL0000000] ISSUED: [JANUARY 15, 2010]

<u>Plan</u>	<u>Policy Year</u>	<u>Policy or Rider Amount</u>	<u>Annual Premium</u>	<u>Years Payable</u>	<u>Maturity Date</u>
Graded Death Benefit Whole Life Policy	1 thru 2* 3 and later	[\$937.30] [\$10,000.00]	[\$910.00] [\$910.00]	[56] [56]	[1/15/2066]
*Reduced Benefit during the first two Policy Years. See Death Proceeds Section for a detailed explanation.					
Premium Mode:		Annually	Semi-annually	Quarterly	Monthly EFT Monthly
Premium Payable:		[910.00]	[473.20]	[241.15]	[83.72] [80.08]
**Total Annual Cost:		[910.00]	[946.40]	[964.60]	[1,004.64] [960.96]
**Total Extra Annual Cost:		0	[36.40]	[54.60]	[94.64] [50.96]
**Note: Total Extra Annual Cost is the additional cost each year for your policy if you pay your premium other than annually.					

Guaranteed Values

<u>End of Policy Year</u>	<u>Cash or Loan Value</u>	<u>Paid-Up Insurance</u>	<u>Extended Term Insurance Years</u>	<u>Days</u>
1	[0.00]	[0.00]	[0]	[0]
2	[386.20]	[749.60]	[1]	[320]
3	[684.40]	[1289.70]	[3]	[17]
4	[987.30]	[1807.20]	[3]	[360]
5	[1,294.90]	[2,303.30]	[4]	[269]
6	[1,606.10]	[2,777.40]	[5]	[126]
7	[1,918.20]	[3,227.10]	[5]	[302]
8	[2,229.30]	[3,651.70]	[6]	[70]
9	[2,540.10]	[4,054.20]	[6]	[166]
10	[2,850.80]	[4,436.40]	[6]	[232]
11	[3,161.10]	[4,799.60]	[6]	[274]
12	[3,470.20]	[5,144.10]	[6]	[297]
13	[3,775.60]	[5,468.90]	[6]	[304]
14	[4,075.00]	[5,773.20]	[6]	[296]
15	[4,367.10]	[6,057.50]	[6]	[276]
16	[4,650.40]	[6,322.10]	[6]	[246]
17	[4,924.60]	[6,568.40]	[6]	[207]
18	[5,190.80]	[6,798.80]	[6]	[160]
19	[5,448.70]	[7,014.10]	[6]	[106]
20	[5,696.60]	[7,214.30]	[6]	[48]

Policy Loan Interest Rate: 8.00% Annually In Arrears  
 Guaranteed Basis Of Values and Paid-Up Insurance:  
 Mortality Table: 2001 CSO Sex Distinct Age Last Birthday  
 Interest Rate: 5.00%  
 Method: Standard Nonforfeiture Law Minimum

Insured: [John Doe]  
 Age/Sex: [65 Male]  
 Beneficiary: As Stated In The Application Or Last Recorded Endorsement  
 Owner: [John Doe]

## OWNER'S RIGHTS

While the Insured is living, and subject to this policy You have the right to:

- Change this policy to another plan of insurance;
- Make loans on this policy;
- Receive any dividends;
- Adjust this policy to Reduced Paid-Up Insurance;
- Adjust this policy to Extended Term Insurance;
- Change the Owner;
- Change the Beneficiary, except if named as irrevocable;
- Sell or give away any of Your rights;
- Choose how proceeds will be paid;
- Terminate this policy.

## DEFINITIONS

<b>Age</b>	The Insured's Age last birthday on the Issue Date is shown on the Schedule. If the Insured's birthday is on the Issue Date, the Age shown will be the age on that birthday. Any other Age, like Age 65, means the annual date right after such Age last birthday.
<b>Annual Date</b>	The same date each succeeding year as the Issue Date of this policy.
<b>Attained Age</b>	The Age shown on the Schedule plus the number of Policy Years since the Issue Date.
<b>Beneficiary</b>	The person(s) or entity named on Our records to receive the benefit's at the Insured's death. The Beneficiary may be changed as explained in the policy.
<b>Home Office</b>	Our Home Office at the following address: National Guardian Life Insurance Company Two East Gilman Street PO Box 1191 Madison, Wisconsin 53701-1191
<b>Insured</b>	The person named as Insured on the Schedule whose life is insured by this policy.
<b>Issue Date</b>	The date coverage is effective for this policy as shown on the Schedule.
<b>Loans</b>	Any amount owed Us as a result of Policy Loans, including accrued interest since the last Annual Date.
<b>Net Cash Value</b>	The Cash Value defined on page 4 less any Loans, plus any dividend credits.
<b>Notice To Us</b>	Written request or notice received at Our Home Office in a form which meets Our needs.
<b>Policy Year</b>	The period between the Issue Date and the first Annual Date, or from one Annual Date to another.
<b>Proof</b>	Evidence satisfactory to Us for insurability or for other matters which require Proof.
<b>Schedule</b>	Any current policy Schedule, amended policy Schedule or endorsement sent to You by Us.
<b>Starting Date</b>	The date We approve the application for reinstatement of the policy.
<b>We, Our, and Us</b>	National Guardian Life Insurance Company.
<b>You and Your</b>	The Owner of this policy.

## PREMIUMS

<b>Where Payable</b>	Premiums are payable at Our Home Office or to an authorized agent. A receipt signed by Our Secretary will be furnished if an authorized agent receives a premium (excluding the initial premium).
<b>Premium Payments</b>	The first premium is due on the Issue Date and is shown on the Schedule. It must be paid before any insurance starts. All premiums, if any, after the first premium are payable in advance. Premiums may be due monthly or every 3, 6 or 12 months after the issue date.
<b>Grace Period</b>	A grace period of 31 days will be allowed for the payment of each premium after the first. The policy will continue in force during this period. If the Insured dies during the Grace Period, a premium for the period will be deducted from the death proceeds. If a premium is not paid by the end of the Grace Period, this policy will lapse as of the last premium due date. This is call the date of lapse. The “Lapse Option” will then apply.
<b>Unearned Premium Refund</b>	We refund any unearned premium at the time of the Insured’s death. It is paid to the Beneficiary. Unearned premium is any amount paid beyond the month of the Insured’s death.
<b>Automatic Premium Loan</b>	This provision is automatic if elected in the application or by Notice To Us. It may be cancelled at any time by Notice to Us. If elected, a Loan will automatically be made to pay any premium due, but unpaid, at the end of its Grace Period. It is subject to these conditions: <ul style="list-style-type: none"> <li>• If premiums are payable each month, the frequency will be changed to each three months.</li> <li>• If the Net Cash Value is not large enough to pay the unpaid premium, a premium for a more frequent mode will be paid.</li> <li>• If there is not enough to pay the premium for a three-month frequency, a premium Loan will not be made and the “Lapse Options” will apply.</li> </ul>
<b>Reinstatement</b>	You may put this policy and attached riders back in force by Notice to Us if all the following occur: <ul style="list-style-type: none"> <li>• It was not surrendered for cash;</li> <li>• This notice is received within five (5) years from the end of the Grace Period;</li> <li>• Each insured person gives Us Proof of insurability;</li> <li>• All overdue premiums are paid with interest at 6% per year to the date of Reinstatement;</li> <li>• Loans are repaid or reinstated.</li> </ul> <p>The Starting Date of a reinstated policy will be the day We approve the application for Reinstatement. The right to contest provisions will apply from this Starting Date. Our right to contest the death benefit will end two (2) years after such Starting Date, if the Insured is then living.</p>

## PROCEEDS

<b>Proceeds</b>	The proceeds are the amount We pay: <ul style="list-style-type: none"> <li>• On the surrender if this policy;</li> <li>• Upon Proof of death of the Insured.</li> </ul>
<b>Surrender Proceeds</b>	You may surrender this policy for its Net Cash Value at any time while the Insured is living.
<b>Death Proceeds</b>	If the Insured dies prior to the date coverage ends but within two (2) years of the Issue Date, the death benefit We pay will be limited. During the first two (2) Policy Years the death benefit is equal to 1.03 times the annual premium. If the Insured dies prior to the date coverage ends but two (2) years or more after the Issue Date, the death benefit is the Policy or Rider Amount shown on the Schedule. We will pay to the Beneficiary in a lump sum within thirty (30) days of receipt of Proof of death the death benefit less Loans. We pay interest on death benefit from the date of the Insured’s death to the date of payment. The rate of interest is not less than that required by law.

## POLICY VALUES

<b>Cash Value</b>	The Schedule shows the Cash Value of Your policy at the end of Policy Years for which premiums have been paid. Any Cash Values not shown will be furnished on request. We will determine the Cash Value as of a date within a Policy Year with due allowance for time elapsed and, if applicable, premiums paid.  The Cash Value within 60 days after the date of lapse will be the same as it was on that date. The Cash Value after 60 days from the date of lapse, while the policy is continued as Reduced Paid-Up or Extended Term Insurance, is the reserve for the policy based on the Insured’s then current Age. The Cash Value of paid-up insurance within 31 days after an Annual Date will not be less than it was on that date.
<b>Basis of Values</b>	The basis of guaranteed insurance rates and reserves is shown on the Schedule. All of the values are the same or more than the minimums set by the laws of the State where the policy is delivered. We have filed a detailed statement about this with Your State Insurance Department.

### POLICY VALUES (Continued)

<b>Lapse Options</b>	You have a number of options if the policy lapses. You may apply for Reinstatement. If there is a Net Cash Value, You may withdraw it and surrender the policy, or, You may continue insurance under one of the following options. Guaranteed values are shown on the Schedule.
<b>Reduced Paid-Up Insurance</b>	This is paid-up insurance for the amount that the Net Cash Value will buy on the date of lapse. The amount determined may not exceed the Policy Amount plus the amount of any paid-up additions plus any accumulated dividends. Any Net Cash Value that remains will be treated as a dividend accumulation. This option does not participate in dividends.
<b>Extended Term Insurance</b>	This is term insurance for an amount equal to the Policy Amount plus any paid-up additions plus any accumulated dividends minus any Loans. The term insurance will begin on the date of lapse and continue for as long a period as the Net Cash Value will buy on the date of lapse. This option does not participate in dividends.
<b>Which Option Applies</b>	Extended Term Insurance is the automatic option if Reduced Paid Up Insurance is not put into effect within 60 days after the date of lapse.
<b>Riders Not Included</b>	Riders attached to this policy will stop as of the date of lapse and the lapse options will not apply, unless otherwise stated in such rider.
<b>Policy Rights After Lapse</b>	While this policy is in force as Extended Term Insurance or Reduced Paid-Up Insurance, all policy rights apply, unless the policy states otherwise.

### POLICY LOANS

<b>Policy Loan</b>	<p>You may ask for a policy loan at any time, if:</p> <ul style="list-style-type: none"> <li>• This policy is in force;</li> <li>• You assign this policy to Us as the sole security for the Loan; and</li> <li>• This policy is not being continued as Extended Term Insurance.</li> </ul> <p>The most You can borrow is:</p> <ul style="list-style-type: none"> <li>• The Net Cash Value on a premium due date or in the Grace Period; or</li> <li>• At any other time, an amount which with Loan interest will not exceed the Net Cash Value before such Loan on the next Annual Date, or the next premium due date if sooner.</li> </ul>
<b>Loan Interest</b>	Interest will accrue daily at the rate shown on the Schedule. Interest is due on each Annual Date. If not paid when due, it will be added to the Loan as of the due date and bear interest at the same rate.
<b>Loan Repayment</b>	All or any part of the Loan (but not less than \$25) may be repaid while this policy is in force other than as Extended Term Insurance. The Net Cash Value is increased by 100% of each repayment. Unpaid Loans will be deducted from any settlement of Your policy.

### OWNER AND BENEFICIARY

<b>Owner</b>	<p>This policy belongs to You, the Owner shown on Our records.</p> <p>You have all the rights in this policy while the Insured is living. If there is more than one Owner at a given time, all must exercise the rights of ownership, by joint action.</p> <p>If the Owner should die, and is not the insured, his interest will go to his estate.</p>
<b>Beneficiary</b>	<p>You may designate or change one or more direct Beneficiaries or contingent Beneficiaries while the Insured is living in accordance with the Change of Owner or Beneficiary provision.</p> <p>When the Insured dies, We will pay the proceeds to the direct Beneficiary.</p> <p>If no direct Beneficiary is then living, We will pay the proceeds to the contingent Beneficiary.</p> <p>If no Beneficiaries survive the Insured, You will be the Beneficiary unless You are the Insured. If You are the Insured, We will pay to Your estate.</p> <p>If either class of Beneficiaries includes two or more persons, proceeds will be payable in equal share to those who survive the Insured, or all to the last survivor. You may direct a different method by Notice To Us while the Insured is living.</p>
<b>Change of Owner or Beneficiary</b>	<p>You may change an Owner or Beneficiary by Notice To Us (unless You have previously given up this right by prior Notice To Us). A change of Owner will not, of itself, change the Beneficiary. The change will be subject to any assignment of this policy or other legal restrictions.</p> <p>Such change will then take effect on the date it was signed, or the date specified in the Notice To Us.</p> <p>It will not apply to any payments made by Us or action taken by Us before Notice To Us.</p>
<b>Right to Sell or Give Away</b>	You may sell or give away any of Your rights in this policy unless You state otherwise in writing. The person receiving such rights is called an assignee. We will be bound only after You give Notice To Us, and it will not apply to any payment We made before Notice To Us.

## GENERAL PROVISIONS

<b>The Contract</b>	<p>We issue this policy in return for the application and the payment of the first premium.</p> <p>This policy and the attached copy of the application make up the whole contract.</p> <p>A change in this contract can only be made with Your consent and an endorsement or rider to this policy signed by Our President or Secretary. No agent is authorized to alter or waive any provision of this contract.</p> <p>We rely on all statements made by or for an Insured in an application. Legally, these statements are representations and not warranties. Only statements in an application will be used to defend a claim.</p>
<b>Conformity with Statutes</b>	<p>If any provision in this policy is in conflict with the laws of the state which govern this policy, the provision will be deemed to be amended to conform with such laws.</p>
<b>Payments by Us and Right to Defer Payment</b>	<p>All payments to be made by Us will be made from Our Home Office.</p> <p>We have the right to wait up to six (6) months after Notice To Us before We:</p> <ul style="list-style-type: none"> <li>• pay surrender proceeds;</li> <li>• make a policy loan, unless it is used to pay premiums on Our policies.</li> </ul> <p>If We wait more than thirty (30) days to pay surrender proceeds, interest at the guaranteed rate, or such other rate as may be required by applicable state law if such a rate is greater, will be added for the time We waited.</p>
<b>Right to Contest</b>	<p>Our right to contest the death benefit will end two (2) years after the Issue Date (or the Starting Date of Your reinstated policy), if the Insured is then living. We may contest the death benefit at any time for non-payment of premiums.</p>
<b>Suicide</b>	<p>If the Insured commits suicide within two (2) years (one (1) year in Colorado, Missouri or North Dakota) after the Issue Date, the amount We pay will be limited. We will return all premiums paid less Loans.</p>
<b>Error in Age and Sex</b>	<p>If the Age or sex of the Insured is stated wrong, the proceeds will be adjusted. We will adjust the proceeds to those based on premiums for the correct Age and sex.</p>
<b>Termination</b>	<p>All coverage under this policy will end on the earliest of the following events:</p> <ul style="list-style-type: none"> <li>• the Insured dies;</li> <li>• the policy is surrendered for cash;</li> <li>• the policy expires under Extended Term Insurance;</li> <li>• Loans are equal to or greater than the Net Cash Value. If this happens, the policy will end 31 days after We mail written notice to the last known address of You and any assignee.</li> </ul> <p>We may require return of this policy.</p>
<b>Dividends</b>	<p>As long as this policy is in force other than as Extended Term Insurance or Reduced Paid-Up insurance, You will receive the dividends We declare, if any, annually.</p> <p>You have these options:</p> <ol style="list-style-type: none"> <li>1. Take the dividends in cash;</li> <li>2. Use the dividends to reduce the premium. If the balance of a premium is not paid, the option will change to option 3;</li> <li>3. Leave the dividends with Us to accumulate at Our current rate of interest as declared by Us from time to time;</li> <li>4. Use the dividends to buy paid-up dividend additions.</li> </ol> <p>You may choose any option by Notice To Us. If no option is chosen, option 1 will be used.</p> <p>As used in this policy, “dividend credits” means the sum of dividend accumulations, the cash value of paid-up additions, and any dividend not yet applied under an option. The cash value of paid-up additions is their reserve or the original cash dividends, if greater.</p> <p>You may withdraw dividend credits at any time, unless they are required as security for a loan. Dividend credits not withdrawn will increase the Net Cash Value.</p>
<b>Change of Plan</b>	<p>You may change this policy to another plan of insurance designated by Us, if available, or add additional benefit riders, if available, or make other changes subject to Our rules at the time of change.</p>
<b>Your Right to Vote</b>	<p>This is a Mutual company. You may vote at the annual election of directors if You have one or more of Our policies in force. The annual election is held at Our Home Office in Madison, Wisconsin, on the fourth (4th) Friday in April.</p>

## PAYMENT OF PROCEEDS

<p><b>Options</b></p>	<p>You may choose to have proceeds applied under one or more of the options which follow. If no option is in effect, the proceeds will be paid in cash in one sum. If You do not make this choice before the Insured dies, the beneficiary will then have this right. The person to receive payments is called a payee. The payee may name or change a contingent payee to receive any amounts still due at the payee's death.</p> <p>Options</p> <ol style="list-style-type: none"> <li>1. Payments for a Fixed Period. Equal payments for the number of years elected.</li> <li>2. Life Income. Equal payments for any certain period You and We agree to, and for so long thereafter as the payee lives.</li> <li>3. Payments of a Fixed Amount. Equal payments until the proceeds plus interest are exhausted.</li> <li>4. Retained at Interest. We will hold the amount left with Us for an agreed period and pay interest on the amount. The proceeds may be transferred to any other option after such agreed period.</li> <li>5. Current Life Income Option. The proceeds may be applied to provide any form of single Premium Immediate Annuity we issue when the proceeds become payable. Annuity payments under this option will be at least 103% of the payments provided by Our rates then in effect. If more liberal, this replaces Option 2.</li> </ol> <p>The options will not be available:</p> <ul style="list-style-type: none"> <li>• to any assignee;</li> <li>• to a payee who is not a natural person (such as a corporation);</li> <li>• if the proceeds are less than \$5,000 or if any payment would be less than \$50.</li> </ul>
<p><b>Unpaid Proceeds at Payee's Death</b></p>	<p>At the death of the payee, we will pay the contingent payee, if any, otherwise the estate of the payee. The amount we pay will be:</p> <ul style="list-style-type: none"> <li>• Under Options 1, 2 and 5: the value of any remaining payments certain discounted at the guaranteed interest rate.</li> <li>• Under Options 3 and 4: any unpaid proceeds with interest at not less than the guaranteed rate.</li> </ul>
<p><b>Guaranteed Interest Rate</b></p>	<p>Options 1, 3 and 4 are computed on a guaranteed interest rate of 2.5% per year, compounded yearly. Option 2 is computed on a guaranteed interest rate of 3.5% per year, compounded yearly. We may use a higher interest rate at Our option. Option 5 is computed at the rate in effect when the proceeds are applied to this option.</p>
<p><b>Identity of Payee</b></p>	<p>We may determine the existence, identity, ages or other facts about any payee solely on affidavit or other written Proof. In such case, any payment made by us will, to the extent of such payment, be a valid discharge of Our obligation.</p>
<p><b>Payments</b></p>	<p>Payments will be made monthly unless:</p> <ul style="list-style-type: none"> <li>• You elect otherwise; or</li> <li>• a less frequent payment is needed to exceed Our minimum payment.</li> </ul> <p>Payments under Options 1, 2, 3 and 5 will start on the date the proceeds are applied to the option. Interest payments under Option 4 will start at the end of the period selected.</p> <p>The amount of monthly payment under Options 2 and 5 will be determined by the age and sex of the payee on the date the proceeds are applied to this option.</p>
<p><b>Request for Payment Information</b></p>	<p>On request, we will give information on the amount of payments under any option.</p>

**OPTION 1, INSTALLMENTS FOR FIXED PERIODS****Monthly Installment Payment for Each \$1,000 Retained by Us**

Number of Years Specified	Amount of Each Monthly Installment	Number of Years Specified	Amount of Each Monthly Installment	Number of Years Specified	Amount of Each Monthly Installment
1	\$84.28	11	\$8.64	21	\$5.08
2	42.66	12	8.02	22	4.90
3	28.79	13	7.49	23	4.74
4	21.86	14	7.03	24	4.60
5	17.70	15	6.64	25	4.46
6	14.93	16	6.30	26	4.34
7	12.95	17	6.00	27	4.22
8	11.47	18	5.73	28	4.12
9	10.32	19	5.49	29	4.02
10	9.39	20	5.27	30	3.93

To determine the amount for quarterly payment, multiply the monthly installment by 2.99; for semiannual by 5.97; and for annual by 11.87.

**OPTION 2, LIFE INCOME – 10 YEARS CERTAIN****MINIMUM - GUARANTEED****Monthly Installment Payment for Each \$1,000 Retained by Us**

Age of Payee Nearest Birthday At Date of First Payment	No Guaranteed Period	10 Years Guaranteed	Age of Payee Nearest Birthday At Date of First Payment	No Guaranteed Period	10 Years Guaranteed
50	\$4.80	\$4.73	65	\$7.03	\$6.48
51	4.90	4.81	66	7.26	6.63
52	5.00	4.90	67	7.50	6.79
53	5.11	5.00	68	7.76	6.95
54	5.22	5.10	69	8.04	7.11
55	5.34	5.20	70	8.33	7.27
56	5.47	5.31	71	8.65	7.43
57	5.60	5.42	72	8.99	7.60
58	5.74	5.53	73	9.35	7.76
59	5.89	5.66	74	9.75	7.93
60	6.06	5.78			
61	6.23	5.91			
62	6.41	6.05			
63	6.60	6.19			
64	6.81	6.33			

Please refer to any attached applications or riders for additional Contract language.  
This marks the end of the base Contract language.



A Mutual Company Incorporated in 1909  
 Two East Gilman Street • PO Box 1191  
 Madison WI 53701-1191 • Phone 800-988-0826

**GRADED DEATH BENEFIT WHOLE LIFE POLICY**

<b>AGREEMENT</b>	<p>We agree, subject to the terms of this policy, to:</p> <ul style="list-style-type: none"> <li>• pay the proceeds to the Beneficiary upon receiving Proof of the Insured's death; and</li> <li>• provide You, the Owner, all the other rights and benefits of this policy.</li> </ul>
<b>30-DAY RIGHT TO CANCEL</b>	<p>You can cancel this policy before midnight on the thirtieth (30<sup>th</sup>) day after You receive it. You can do this if You deliver, mail or wire written notice and return this policy to Us or Our agent. Our mailing address is P. O. Box 1191, Madison, WI 53701-1191. Notice given by mail and return of the policy by mail are effective on being postmarked, properly addressed and postage prepaid. We will send back all payments within ten (10) days after Notice to Us and the returned policy. The policy will then be deemed void from its inception. If We do not return all premiums within thirty (30) days from the date of cancellation, We will pay interest from the date of cancellation as required by the law of Your state.</p> <p style="text-align: center;"><b>THIS IS A LEGAL CONTRACT BETWEEN YOU AND US        READ YOUR CONTRACT CAREFULLY.</b></p>

Executed at Madison, Wisconsin on the Issue Date.

*Sherril A. Kienyak*  
 Secretary

*J. Blum*  
 President

**Limited Death Benefit During the First Three Years  
 Premiums Payable For Period Specified On The Schedule Or Until Prior Death  
 Participating**

<b>GUIDE TO YOUR POLICY</b>			
Schedule of Benefits and Premiums	2	Policy Loans	5
Owner's Rights	3	Owner and Beneficiary	5
Definitions	3	General Provisions	6
Premiums	4	Payment of Proceeds	7
Proceeds	4	Settlement Options Tables	8
Policy Values	4,5		

**SCHEDULE OF BENEFITS AND PREMIUMS**

POLICY NUMBER: [TRL0000000] ISSUED: [JANUARY 15, 2010]

<u>Plan</u>	<u>Policy Year</u>	<u>Policy or Rider Amount</u>	<u>Annual Premium</u>	<u>Years Payable</u>	<u>Maturity Date</u>	
Graded Death Benefit Whole Life Policy	1 thru 3* 4 and later	[\$597.40] [\$10,000.00]	[\$580.00] [\$580.00]	[66] [66]	[1/15/2076]	
*Reduced Benefit during the first two Policy Years. See Death Proceeds Section for a detailed explanation.						
Premium Mode:		Annually	Semi-annually	Quarterly	Monthly	EFT Monthly
Premium Payable:		[580.00]	[301.60]	[153.70]	[53.36]	[51.04]
**Total Annual Cost:		[580.00]	[603.20]	[614.80]	[640.32]	[612.48]
**Total Extra Annual Cost:		0	[23.20]	[34.80]	[60.32]	[32.48]
**Note: Total Extra Annual Cost is the additional cost each year for your policy if you pay your premium other than annually.						

Guaranteed Values

<u>End of Policy Year</u>	<u>Cash or Loan Value</u>	<u>Paid-Up Insurance</u>	<u>Extended Term Insurance Years</u>	<u>Days</u>
1	[0.00]	[0.00]	[0]	[0]
2	[144.30]	[389.50]	[1]	[306]
3	[414.20]	[1,078.60]	[4]	[211]
4	[625.80]	[1,573.20]	[6]	[15]
5	[842.40]	[2,045.20]	[7]	[73]
6	[1,062.90]	[2,493.60]	[8]	[63]
7	[1,286.10]	[2,917.60]	[8]	[363]
8	[1,511.00]	[3,317.40]	[9]	[236]
9	[1,737.30]	[3,694.70]	[10]	[57]
10	[1,965.30]	[4,051.50]	[10]	[202]
11	[2,195.30]	[4,390.10]	[10]	[312]
12	[2,428.30]	[4,713.00]	[11]	[24]
13	[2,664.70]	[5,021.70]	[11]	[71]
14	[2,904.90]	[5,317.50]	[11]	[92]
15	[3,148.80]	[5,601.00]	[11]	[91]
16	[3,395.60]	[5,872.00]	[11]	[72]
17	[3,643.10]	[6,129.00]	[11]	[38]
18	[3,889.70]	[6,371.70]	[10]	[357]
19	[4,136.20]	[6,601.70]	[10]	[301]
20	[4,382.50]	[6,820.20]	[10]	[236]

Policy Loan Interest Rate: 8.00% Annually In Arrears  
 Guaranteed Basis Of Values and Paid-Up Insurance:  
 Mortality Table: 2001 CSO Sex Distinct Age Last Birthday  
 Interest Rate: 5.00%  
 Method: Standard Nonforfeiture Law Minimum

Insured: [John Doe]  
 Age/Sex: [55 Male]  
 Beneficiary: As Stated In The Application Or Last Recorded Endorsement  
 Owner: [John Doe]

## OWNER'S RIGHTS

While the Insured is living, and subject to this policy You have the right to:

- Change this policy to another plan of insurance;
- Make loans on this policy;
- Receive any dividends;
- Adjust this policy to Reduced Paid-Up Insurance;
- Adjust this policy to Extended Term Insurance;
- Change the Owner;
- Change the Beneficiary, except if named as irrevocable;
- Sell or give away any of Your rights;
- Choose how proceeds will be paid;
- Terminate this policy.

## DEFINITIONS

<b>Age</b>	The Insured's Age last birthday on the Issue Date is shown on the Schedule. If the Insured's birthday is on the Issue Date, the Age shown will be the age on that birthday. Any other Age, like Age 65, means the annual date right after such Age last birthday.
<b>Annual Date</b>	The same date each succeeding year as the Issue Date of this policy.
<b>Attained Age</b>	The Age shown on the Schedule plus the number of Policy Years since the Issue Date.
<b>Beneficiary</b>	The person(s) or entity named on Our records to receive the benefit's at the Insured's death. The Beneficiary may be changed as explained in the policy.
<b>Home Office</b>	Our Home Office at the following address: National Guardian Life Insurance Company Two East Gilman Street PO Box 1191 Madison, Wisconsin 53701-1191
<b>Insured</b>	The person named as Insured on the Schedule whose life is insured by this policy.
<b>Issue Date</b>	The date coverage is effective for this policy as shown on the Schedule.
<b>Loans</b>	Any amount owed Us as a result of Policy Loans, including accrued interest since the last Annual Date.
<b>Net Cash Value</b>	The Cash Value defined on page 4 less any Loans, plus any dividend credits.
<b>Notice To Us</b>	Written request or notice received at Our Home Office in a form which meets Our needs.
<b>Policy Year</b>	The period between the Issue Date and the first Annual Date, or from one Annual Date to another.
<b>Proof</b>	Evidence satisfactory to Us for insurability or for other matters which require Proof.
<b>Schedule</b>	Any current policy Schedule, amended policy Schedule or endorsement sent to You by Us.
<b>Starting Date</b>	The date We approve the application for reinstatement of the policy.
<b>We, Our, and Us</b>	National Guardian Life Insurance Company.
<b>You and Your</b>	The Owner of this policy.

## PREMIUMS

<b>Where Payable</b>	Premiums are payable at Our Home Office or to an authorized agent. A receipt signed by Our Secretary will be furnished if an authorized agent receives a premium (excluding the initial premium).
<b>Premium Payments</b>	The first premium is due on the Issue Date and is shown on the Schedule. It must be paid before any insurance starts. All premiums, if any, after the first premium are payable in advance. Premiums may be due monthly or every 3, 6 or 12 months after the issue date.
<b>Grace Period</b>	A grace period of 31 days will be allowed for the payment of each premium after the first. The policy will continue in force during this period. If the Insured dies during the Grace Period, a premium for the period will be deducted from the death proceeds. If a premium is not paid by the end of the Grace Period, this policy will lapse as of the last premium due date. This is call the date of lapse. The "Lapse Option" will then apply.
<b>Unearned Premium Refund</b>	We refund any unearned premium at the time of the Insured's death. It is paid to the Beneficiary. Unearned premium is any amount paid beyond the month of the Insured's death.
<b>Automatic Premium Loan</b>	This provision is automatic if elected in the application or by Notice To Us. It may be cancelled at any time by Notice to Us. If elected, a Loan will automatically be made to pay any premium due, but unpaid, at the end of its Grace Period. It is subject to these conditions: <ul style="list-style-type: none"> <li>• If premiums are payable each month, the frequency will be changed to each three months.</li> <li>• If the Net Cash Value is not large enough to pay the unpaid premium, a premium for a more frequent mode will be paid.</li> <li>• If there is not enough to pay the premium for a three-month frequency, a premium Loan will not be made and the "Lapse Options" will apply.</li> </ul>
<b>Reinstatement</b>	You may put this policy and attached riders back in force by Notice to Us if all the following occur: <ul style="list-style-type: none"> <li>• It was not surrendered for cash;</li> <li>• This notice is received within five (5) years from the end of the Grace Period;</li> <li>• Each insured person gives Us Proof of insurability;</li> <li>• All overdue premiums are paid with interest at 6% per year to the date of Reinstatement;</li> <li>• Loans are repaid or reinstated.</li> </ul> <p>The Starting Date of a reinstated policy will be the day We approve the application for Reinstatement. The right to contest provisions will apply from this Starting Date. Our right to contest the death benefit will end two (2) years after such Starting Date, if the Insured is then living.</p>

## PROCEEDS

<b>Proceeds</b>	The proceeds are the amount We pay: <ul style="list-style-type: none"> <li>• On the surrender if this policy;</li> <li>• Upon Proof of death of the Insured.</li> </ul>
<b>Surrender Proceeds</b>	You may surrender this policy for its Net Cash Value at any time while the Insured is living.
<b>Death Proceeds</b>	If the Insured dies prior to the date coverage ends but within three (3) years of the Issue Date, the death benefit We pay will be limited. During the first three (3) Policy Years the death benefit is equal to 1.03 times the annual premium. If the Insured dies prior to the date coverage ends but three (3) years or more after the Issue Date, the death benefit is the Policy or Rider Amount shown on the Schedule. We will pay to the Beneficiary in a lump sum within thirty (30) days of receipt of Proof of death the death benefit less Loans. We pay interest on death benefit from the date of the Insured's death to the date of payment. The rate of interest is not less than that required by law.

## POLICY VALUES

<b>Cash Value</b>	The Schedule shows the Cash Value of Your policy at the end of Policy Years for which premiums have been paid. Any Cash Values not shown will be furnished on request. We will determine the Cash Value as of a date within a Policy Year with due allowance for time elapsed and, if applicable, premiums paid.  The Cash Value within 60 days after the date of lapse will be the same as it was on that date. The Cash Value after 60 days from the date of lapse, while the policy is continued as Reduced Paid-Up or Extended Term Insurance, is the reserve for the policy based on the Insured's then current Age. The Cash Value of paid-up insurance within 31 days after an Annual Date will not be less than it was on that date.
<b>Basis of Values</b>	The basis of guaranteed insurance rates and reserves is shown on the Schedule. All of the values are the same or more than the minimums set by the laws of the State where the policy is delivered. We have filed a detailed statement about this with Your State Insurance Department.

### POLICY VALUES (Continued)

<b>Lapse Options</b>	You have a number of options if the policy lapses. You may apply for Reinstatement. If there is a Net Cash Value, You may withdraw it and surrender the policy, or, You may continue insurance under one of the following options. Guaranteed values are shown on the Schedule.
<b>Reduced Paid-Up Insurance</b>	This is paid-up insurance for the amount that the Net Cash Value will buy on the date of lapse. The amount determined may not exceed the Policy Amount plus the amount of any paid-up additions plus any accumulated dividends. Any Net Cash Value that remains will be treated as a dividend accumulation. This option does not participate in dividends.
<b>Extended Term Insurance</b>	This is term insurance for an amount equal to the Policy Amount plus any paid-up additions plus any accumulated dividends minus any Loans. The term insurance will begin on the date of lapse and continue for as long a period as the Net Cash Value will buy on the date of lapse. This option does not participate in dividends.
<b>Which Option Applies</b>	Extended Term Insurance is the automatic option if Reduced Paid Up Insurance is not put into effect within 60 days after the date of lapse.
<b>Riders Not Included</b>	Riders attached to this policy will stop as of the date of lapse and the lapse options will not apply, unless otherwise stated in such rider.
<b>Policy Rights After Lapse</b>	While this policy is in force as Extended Term Insurance or Reduced Paid-Up Insurance, all policy rights apply, unless the policy states otherwise.

### POLICY LOANS

<b>Policy Loan</b>	<p>You may ask for a policy loan at any time, if:</p> <ul style="list-style-type: none"> <li>• This policy is in force;</li> <li>• You assign this policy to Us as the sole security for the Loan; and</li> <li>• This policy is not being continued as Extended Term Insurance.</li> </ul> <p>The most You can borrow is:</p> <ul style="list-style-type: none"> <li>• The Net Cash Value on a premium due date or in the Grace Period; or</li> <li>• At any other time, an amount which with Loan interest will not exceed the Net Cash Value before such Loan on the next Annual Date, or the next premium due date if sooner.</li> </ul>
<b>Loan Interest</b>	Interest will accrue daily at the rate shown on the Schedule. Interest is due on each Annual Date. If not paid when due, it will be added to the Loan as of the due date and bear interest at the same rate.
<b>Loan Repayment</b>	All or any part of the Loan (but not less than \$25) may be repaid while this policy is in force other than as Extended Term Insurance. The Net Cash Value is increased by 100% of each repayment. Unpaid Loans will be deducted from any settlement of Your policy.

### OWNER AND BENEFICIARY

<b>Owner</b>	<p>This policy belongs to You, the Owner shown on Our records.</p> <p>You have all the rights in this policy while the Insured is living. If there is more than one Owner at a given time, all must exercise the rights of ownership, by joint action.</p> <p>If the Owner should die, and is not the insured, his interest will go to his estate.</p>
<b>Beneficiary</b>	<p>You may designate or change one or more direct Beneficiaries or contingent Beneficiaries while the Insured is living in accordance with the Change of Owner or Beneficiary provision.</p> <p>When the Insured dies, We will pay the proceeds to the direct Beneficiary.</p> <p>If no direct Beneficiary is then living, We will pay the proceeds to the contingent Beneficiary.</p> <p>If no Beneficiaries survive the Insured, You will be the Beneficiary unless You are the Insured. If You are the Insured, We will pay to Your estate.</p> <p>If either class of Beneficiaries includes two or more persons, proceeds will be payable in equal share to those who survive the Insured, or all to the last survivor. You may direct a different method by Notice To Us while the Insured is living.</p>
<b>Change of Owner or Beneficiary</b>	<p>You may change an Owner or Beneficiary by Notice To Us (unless You have previously given up this right by prior Notice To Us). A change of Owner will not, of itself, change the Beneficiary. The change will be subject to any assignment of this policy or other legal restrictions.</p> <p>Such change will then take effect on the date it was signed, or the date specified in the Notice To Us.</p> <p>It will not apply to any payments made by Us or action taken by Us before Notice To Us.</p>
<b>Right to Sell or Give Away</b>	You may sell or give away any of Your rights in this policy unless You state otherwise in writing. The person receiving such rights is called an assignee. We will be bound only after You give Notice To Us, and it will not apply to any payment We made before Notice To Us.

## GENERAL PROVISIONS

<b>The Contract</b>	<p>We issue this policy in return for the application and the payment of the first premium.</p> <p>This policy and the attached copy of the application make up the whole contract.</p> <p>A change in this contract can only be made with Your consent and an endorsement or rider to this policy signed by Our President or Secretary. No agent is authorized to alter or waive any provision of this contract.</p> <p>We rely on all statements made by or for an Insured in an application. Legally, these statements are representations and not warranties. Only statements in an application will be used to defend a claim.</p>
<b>Conformity with Statutes</b>	<p>If any provision in this policy is in conflict with the laws of the state which govern this policy, the provision will be deemed to be amended to conform with such laws.</p>
<b>Payments by Us and Right to Defer Payment</b>	<p>All payments to be made by Us will be made from Our Home Office.</p> <p>We have the right to wait up to six (6) months after Notice To Us before We:</p> <ul style="list-style-type: none"> <li>• pay surrender proceeds;</li> <li>• make a policy loan, unless it is used to pay premiums on Our policies.</li> </ul> <p>If We wait more than thirty (30) days to pay surrender proceeds, interest at the guaranteed rate, or such other rate as may be required by applicable state law if such a rate is greater, will be added for the time We waited.</p>
<b>Right to Contest</b>	<p>Our right to contest the death benefit will end two (2) years after the Issue Date (or the Starting Date of Your reinstated policy), if the Insured is then living. We may contest the death benefit at any time for non-payment of premiums.</p>
<b>Suicide</b>	<p>If the Insured commits suicide within two (2) years (one (1) year in Colorado, Missouri or North Dakota) after the Issue Date, the amount We pay will be limited. We will return all premiums paid less Loans.</p>
<b>Error in Age and Sex</b>	<p>If the Age or sex of the Insured is stated wrong, the proceeds will be adjusted. We will adjust the proceeds to those based on premiums for the correct Age and sex.</p>
<b>Termination</b>	<p>All coverage under this policy will end on the earliest of the following events:</p> <ul style="list-style-type: none"> <li>• the Insured dies;</li> <li>• the policy is surrendered for cash;</li> <li>• the policy expires under Extended Term Insurance;</li> <li>• Loans are equal to or greater than the Net Cash Value. If this happens, the policy will end 31 days after We mail written notice to the last known address of You and any assignee.</li> </ul> <p>We may require return of this policy.</p>
<b>Dividends</b>	<p>As long as this policy is in force other than as Extended Term Insurance or Reduced Paid-Up insurance, You will receive the dividends We declare, if any, annually.</p> <p>You have these options:</p> <ol style="list-style-type: none"> <li>1. Take the dividends in cash;</li> <li>2. Use the dividends to reduce the premium. If the balance of a premium is not paid, the option will change to option 3;</li> <li>3. Leave the dividends with Us to accumulate at Our current rate of interest as declared by Us from time to time;</li> <li>4. Use the dividends to buy paid-up dividend additions.</li> </ol> <p>You may choose any option by Notice To Us. If no option is chosen, option 1 will be used.</p> <p>As used in this policy, “dividend credits” means the sum of dividend accumulations, the cash value of paid-up additions, and any dividend not yet applied under an option. The cash value of paid-up additions is their reserve or the original cash dividends, if greater.</p> <p>You may withdraw dividend credits at any time, unless they are required as security for a loan. Dividend credits not withdrawn will increase the Net Cash Value.</p>
<b>Change of Plan</b>	<p>You may change this policy to another plan of insurance designated by Us, if available, or add additional benefit riders, if available, or make other changes subject to Our rules at the time of change.</p>
<b>Your Right to Vote</b>	<p>This is a Mutual company. You may vote at the annual election of directors if You have one or more of Our policies in force. The annual election is held at Our Home Office in Madison, Wisconsin, on the fourth (4th) Friday in April.</p>

## PAYMENT OF PROCEEDS

<p><b>Options</b></p>	<p>You may choose to have proceeds applied under one or more of the options which follow. If no option is in effect, the proceeds will be paid in cash in one sum. If You do not make this choice before the Insured dies, the beneficiary will then have this right. The person to receive payments is called a payee. The payee may name or change a contingent payee to receive any amounts still due at the payee's death.</p> <p>Options</p> <ol style="list-style-type: none"> <li>1. Payments for a Fixed Period. Equal payments for the number of years elected.</li> <li>2. Life Income. Equal payments for any certain period You and We agree to, and for so long thereafter as the payee lives.</li> <li>3. Payments of a Fixed Amount. Equal payments until the proceeds plus interest are exhausted.</li> <li>4. Retained at Interest. We will hold the amount left with Us for an agreed period and pay interest on the amount. The proceeds may be transferred to any other option after such agreed period.</li> <li>5. Current Life Income Option. The proceeds may be applied to provide any form of single Premium Immediate Annuity we issue when the proceeds become payable. Annuity payments under this option will be at least 103% of the payments provided by Our rates then in effect. If more liberal, this replaces Option 2.</li> </ol> <p>The options will not be available:</p> <ul style="list-style-type: none"> <li>• to any assignee;</li> <li>• to a payee who is not a natural person (such as a corporation);</li> <li>• if the proceeds are less than \$5,000 or if any payment would be less than \$50.</li> </ul>
<p><b>Unpaid Proceeds at Payee's Death</b></p>	<p>At the death of the payee, we will pay the contingent payee, if any, otherwise the estate of the payee. The amount we pay will be:</p> <ul style="list-style-type: none"> <li>• Under Options 1, 2 and 5: the value of any remaining payments certain discounted at the guaranteed interest rate.</li> <li>• Under Options 3 and 4: any unpaid proceeds with interest at not less than the guaranteed rate.</li> </ul>
<p><b>Guaranteed Interest Rate</b></p>	<p>Options 1, 3 and 4 are computed on a guaranteed interest rate of 2.5% per year, compounded yearly. Option 2 is computed on a guaranteed interest rate of 3.5% per year, compounded yearly. We may use a higher interest rate at Our option. Option 5 is computed at the rate in effect when the proceeds are applied to this option.</p>
<p><b>Identity of Payee</b></p>	<p>We may determine the existence, identity, ages or other facts about any payee solely on affidavit or other written Proof. In such case, any payment made by us will, to the extent of such payment, be a valid discharge of Our obligation</p>
<p><b>Payments</b></p>	<p>Payments will be made monthly unless:</p> <ul style="list-style-type: none"> <li>• You elect otherwise; or</li> <li>• a less frequent payment is needed to exceed Our minimum payment.</li> </ul> <p>Payments under Options 1, 2, 3 and 5 will start on the date the proceeds are applied to the option. Interest payments under Option 4 will start at the end of the period selected.</p> <p>The amount of monthly payment under Options 2 and 5 will be determined by the age and sex of the payee on the date the proceeds are applied to this option.</p>
<p><b>Request for Payment Information</b></p>	<p>On request, we will give information on the amount of payments under any option.</p>

**OPTION 1, INSTALLMENTS FOR FIXED PERIODS****Monthly Installment Payment for Each \$1,000 Retained by Us**

Number of Years Specified	Amount of Each Monthly Installment	Number of Years Specified	Amount of Each Monthly Installment	Number of Years Specified	Amount of Each Monthly Installment
1	\$84.28	11	\$8.64	21	\$5.08
2	42.66	12	8.02	22	4.90
3	28.79	13	7.49	23	4.74
4	21.86	14	7.03	24	4.60
5	17.70	15	6.64	25	4.46
6	14.93	16	6.30	26	4.34
7	12.95	17	6.00	27	4.22
8	11.47	18	5.73	28	4.12
9	10.32	19	5.49	29	4.02
10	9.39	20	5.27	30	3.93

To determine the amount for quarterly payment, multiply the monthly installment by 2.99; for semiannual by 5.97; and for annual by 11.87.

**OPTION 2, LIFE INCOME – 10 YEARS CERTAIN****MINIMUM - GUARANTEED****Monthly Installment Payment for Each \$1,000 Retained by Us**

Age of Payee Nearest Birthday At Date of First Payment	No Guaranteed Period	10 Years Guaranteed	Age of Payee Nearest Birthday At Date of First Payment	No Guaranteed Period	10 Years Guaranteed
50	\$4.80	\$4.73	65	\$7.03	\$6.48
51	4.90	4.81	66	7.26	6.63
52	5.00	4.90	67	7.50	6.79
53	5.11	5.00	68	7.76	6.95
54	5.22	5.10	69	8.04	7.11
55	5.34	5.20	70	8.33	7.27
56	5.47	5.31	71	8.65	7.43
57	5.60	5.42	72	8.99	7.60
58	5.74	5.53	73	9.35	7.76
59	5.89	5.66	74	9.75	7.93
60	6.06	5.78			
61	6.23	5.91			
62	6.41	6.05			
63	6.60	6.19			
64	6.81	6.33			

Please refer to any attached applications or riders for additional Contract language.  
This marks the end of the base Contract language.

**APPLICATION FOR GUARANTEED ISSUE FINAL EXPENSE LIFE INSURANCE - (PLEASE PRINT)**

 National Guardian Life Insurance Company (NGL) • Phone 800.988.0826 • Fax 866.228.9927  
Two East Gilman Street • PO Box 1191 • Madison WI 53701-1191

**INSURED**

Name \_\_\_\_\_ SS# \_\_\_\_\_ Sex \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Age \_\_\_\_\_ Email Address \_\_\_\_\_

**BENEFICIARY**

Primary Name \_\_\_\_\_ Relationship \_\_\_\_\_

**PLAN** – Guaranteed Issue Level Pay - Graded Death Benefit

Limited death benefit during the early years. Full death benefit thereafter.

Face Amount \$ \_\_\_\_\_ Modal Premium \$ \_\_\_\_\_

Mode:  Annual  Semi-Annual  Quarterly  Monthly Automatic Checking Account  Monthly Credit Card

**APPLICANT REPLACEMENT** - Do you have any existing insurance policies or annuity contracts?  YES  NO  
Will the insurance applied for replace or change any insurance or annuity now or recently in force?  YES  NO  
If "Yes", complete required replacement form(s).

**AGENT REPLACEMENT** - Does the applicant have any existing insurance policies or annuity contracts?  YES  NO  
Will the insurance applied for replace or change any insurance or annuity now or recently in force?  YES  NO

I represent that the information provided on this application is true and complete to the best of my knowledge and belief, and agree that (1) this application shall be the basis for and a part of any policy issued; (2) no insurance shall take effect until a policy is issued and delivered to the Applicant and the full first premium received by the Company during the lifetime of the insured.

**Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.**

[I acknowledge I have read [or have had read to me] the fraud statements on this form.]

Signed at \_\_\_\_\_ on \_\_\_\_\_

Signature of Proposed Insured \_\_\_\_\_ (Date)

**Agent's Statement:** I certify that any information recorded by me on this application is true and accurate to the best of my knowledge. I have used only those marketing materials approved by NGL and have left a copy with the applicant, if any.

\_\_\_\_\_  
(Agent Signature) (Print or Type Agent's Name) (Date) (Agent's State License No.)  
\_\_\_\_\_  
(Witness - Licensed Resident Agent if required) (Agent's Phone Number) (NGL Agent Number)

**Monthly Electronic Funds Transfer**

I authorize National Guardian Life Insurance Company (NGL) to electronically debit my bank account for the amount and date provided on this form or as stated in the policy contract I will receive. The actual date of deduction can vary due to holidays/weekends and is dependent on my Financial Institution.  
This authorization is to remain in effect until canceled. This method of payment can be canceled with five day advance written notice. In the event that the payment is not honored, NGL has the right to represent the transaction. This method of payment will not change any of the provisions of my policy and unless indicated the draw will occur monthly. NGL has the right to revoke this method of payment at any time. This withdrawal is authorized only if I have selected ongoing withdrawals on the application.

Draw date (dates available are 1st through 28th) – select one: \_\_\_\_\_

Bank Name \_\_\_\_\_

Bank Routing/ABA # \_\_\_\_\_

Account # \_\_\_\_\_

Checking  Savings (Please verify the information and if this method of payment is allowed.)

\_\_\_\_\_  
(Signature as it appears on bank records)

\_\_\_\_\_  
(Date)

**Monthly Credit Card Authorization - Only available on Multi-Pay Plans**

I authorize National Guardian Life Insurance Company (NGL) to remit the premiums due through my credit card indicated on this form or as on my policy contract I will receive. Unless indicated the draw will occur monthly. This authority will remain in full force and effect until the stated expiration date of the card or until I revoke this authorization by written notification to NGL. NGL has the right to revoke this method of payment at any time.

Select one only:  VISA  MasterCard

\_\_\_\_\_  
(Account Number) (Exp. Date)

\_\_\_\_\_  
(Cardholder Signature)

\_\_\_\_\_  
(Cardholder Billing Address)

\_\_\_\_\_  
(Printed Name) (Date)

SERFF Tracking Number: NGLI-126510803 State: Arkansas  
Filing Company: National Guardian Life Insurance Company State Tracking Number: 45123  
Company Tracking Number: NFELDB2009-GDB2  
TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level  
Premium - Any Policy Design  
Product Name: GI- GDB2-GDB3  
Project Name/Number: /

## Supporting Document Schedules

**Item Status:** **Status  
Date:**

**Satisfied - Item:** Flesch Certification

**Comments:**

**Attachments:**

AR - Required Certification 1-GDB2.pdf  
AR-COCR-GDB2.pdf

**Item Status:** **Status  
Date:**

**Satisfied - Item:** Application

**Comments:**

APPLICATION IS ATTACHED UNDER THE FORMS TAB



**STATE OF ARKANSAS  
CERTIFICATION OF COMPLIANCE**

I, **Mark Neidinger**, an officer of ***National Guardian Life Insurance Company***, hereby certify the following:

- Our company is in compliance with Arkansas Code Ann. 23-79-138. Our policy issue system is set up so that the required notice providing information on the Arkansas Department of Insurance is automatically included with each policy issued in the state of Arkansas.
- In compliance with Regulation 49, our policy issue system automatically generates the required Life and Health Guaranty Association Notice with each policy issued in Arkansas.
- To the best of my information, knowledge and belief the attached filing is in compliance with Rule and Regulation 19 regarding Unfair Sex Discrimination in the Sale of Insurance.

March 5, 2010

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*Signature*

*Date*

***Mark Neidinger***

Associate General Counsel – Company Officer

Individual responsible for this filing:

Name: Kim Bolinder

Title: Policy Forms Specialist

Phone #: (608) 443-5335

Email: [kabolinder@nglic.com](mailto:kabolinder@nglic.com)



## CERTIFICATION OF COMPLIANCE

I, Mark C. Neidinger, an officer of *National Guardian Life Insurance Company* hereby certify that I have authority to bind and obligate the company by filing this (these) form(s). I further certify that, to the best of my information, knowledge and belief:

1. The accompanying form(s) as identified by the attached listing complies with all applicable provisions of the **ARKANSAS** statutes and with all applicable administrative rules of the Commissioner of Insurance;
2. These form(s) do not contain any inconsistent, ambiguous, or misleading clauses;
3. These form(s) do not contain specifications or conditions that unreasonably or deceptively limit the risk purported to be assumed in the general coverage of the policy form(s);
4. The only variations from a form currently on file with the Commissioner of Insurance and the only unconventional policy provisions are clearly marked or otherwise indicated on the attached form(s) or in an attachment; and
5. The attached form(s) are in final printed format or typed facsimile and will be offered for issuance or delivery in **ARKANSAS** after approval by the Commissioner of Insurance, except for hypothetical data and other appropriate variable material.

## CERTIFICATION OF READABILITY

I, Mark C. Neidinger, an officer of the *National Guardian Life Insurance Company*, certify that the Flesch scores for the submitted forms are listed below:

<u>Forms</u>	<u>Flesch Scores</u>
NFELDB2009-GDB2-AR	58.8
NFELDB2009-GDB3-AR	58.8
2619A-AR 09-09	56.9

March 5, 2010

Signature

Date

**Mark C. Neidinger**

*Associate General Counsel and Company Officer*

### **Individual responsible for this filing:**

Name: Kim Bolinder

Title: Policy Forms Specialist

Phone #: (608) 443-5335

Email: kabolinder@nglic.com

SERFF Tracking Number: *NGLI-126510803* State: *Arkansas*  
 Filing Company: *National Guardian Life Insurance Company* State Tracking Number: *45123*  
 Company Tracking Number: *NFELDB2009-GDB2*  
 TOI: *L071 Individual Life - Whole* Sub-TOI: *L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design*  
 Product Name: *GI- GDB2-GDB3*  
 Project Name/Number: */*

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

<b>Creation Date:</b>	<b>Schedule</b>	<b>Schedule Item Name</b>	<b>Replacement Creation Date</b>	<b>Attached Document(s)</b>
03/05/2010	Form	GRADED DEATH BENEFIT WHOLE LIFE POLICY	03/29/2010	NFELDB2009-GDB2-AR.pdf (Superseded)
03/05/2010	Form	GRADED DEATH BENEFIT WHOLE LIFE POLICY	03/29/2010	NFELDB2009-GDB3-AR.pdf (Superseded)



A Mutual Company Incorporated in 1909  
 Two East Gilman Street • PO Box 1191  
 Madison WI 53701-1191 • Phone 800-988-0826

**GRADED DEATH BENEFIT WHOLE LIFE POLICY**

<b>AGREEMENT</b>	<p>We agree, subject to the terms of this policy, to:</p> <ul style="list-style-type: none"> <li>• pay the proceeds to the Beneficiary upon receiving Proof of the Insured's death; and</li> <li>• provide You, the Owner, all the other rights and benefits of this policy.</li> </ul>
<b>30-DAY RIGHT TO CANCEL</b>	<p>You can cancel this policy before midnight on the thirtieth (30<sup>th</sup>) day after You receive it. You can do this if You deliver, mail or wire written notice and return this policy to Us or Our agent. Our mailing address is P. O. Box 1191, Madison, WI 53701-1191. Notice given by mail and return of the policy by mail are effective on being postmarked, properly addressed and postage prepaid. We will send back all payments within ten (10) days after Notice to Us and the returned policy. The policy will then be deemed void from its inception. If We do not return all premiums within thirty (30) days from the date of cancellation, We will pay interest from the date of cancellation as required by the law of Your state.</p> <p style="text-align: center;"><b>THIS IS A LEGAL CONTRACT BETWEEN YOU AND US        READ YOUR CONTRACT CAREFULLY.</b></p>

Executed at Madison, Wisconsin on the Issue Date.

*Sherril A. Kienyak*  
 Secretary

*J. Blum*  
 President

**Limited Death Benefit During First Two Years  
 Premiums Payable For Period Specified On The Schedule Or Until Prior Death  
 Participating**

<b>GUIDE TO YOUR POLICY</b>			
Schedule of Benefits and Premiums	2	Policy Loans	5
Owner's Rights	3	Owner and Beneficiary	5
Definitions	3	General Provisions	6
Premiums	4	Payment of Proceeds	7
Proceeds	4	Settlement Options Tables	8
Policy Values	4,5		

**SCHEDULE OF BENEFITS AND PREMIUMS**

POLICY NUMBER: [NPL000000]    ISSUE DATE: [JUNE 01, 2009]

<u>Plan</u>	<u>Policy Year</u>	<u>Policy or Rider Amount</u>	<u>Annual Premium</u>	<u>Years Payable</u>	<u>Maturity Date</u>
Graded Death Benefit	1 thru 2*	1.1 X Cumulative Premium	[850.00]	[56]	[06/01/2065]
Whole Life Policy	3 and later	[\$10,000]	[850.00]	[56]	

\*Reduced Benefit during the first two Policy Years. See Death Proceeds Section for a detailed explanation.

Premium Mode:	Annually	Semi-annually	Quarterly	Monthly	EFT Monthly
Premium Payable:	[850.00]	[442.00]	[225.25]	[78.20]	[73.10]
**Total Annual Cost:	[850.00]	[884.00]	[901.00]	[937.40]	[877.20]
**Total Extra Annual Cost:	0	[34.00]	[51.00]	[88.40]	[27.20]

\*\*Note: Total Extra Annual Cost is the additional cost each year for Your policy if You pay Your premium other than annually.

Guaranteed Values

End of Policy Year	Cash or Loan Value	Paid-Up Insurance	Extended Term Insurance Years	Days
1	[0.00]	[0.00]	[0]	[0]
2	[402.90]	[782.00]	[1]	[350]
3	[700.60]	[1,320.20]	[3]	[42]
4	[1,003.00]	[1,835.90]	[4]	[17]
5	[1,310.00]	[2,330.20]	[4]	[289]
6	[1,620.70]	[2,802.70]	[5]	[144]
7	[1,932.30]	[3,250.80]	[5]	[317]
8	[2,242.80]	[3,673.90]	[6]	[83]
9	[2,553.10]	[4,075.00]	[6]	[178]
10	[2,863.30]	[4,455.90]	[6]	[242]
11	[3,173.10]	[4,817.80]	[6]	[284]
12	[3,481.60]	[5,161.10]	[6]	[306]
13	[3,786.50]	[5,484.80]	[6]	[312]
14	[4,085.40]	[5,788.00]	[6]	[304]
15	[4,377.00]	[6,071.30]	[6]	[283]
16	[4,659.80]	[6,335.00]	[6]	[252]
17	[4,933.60]	[6,580.40]	[6]	[212]
18	[5,199.40]	[6,810.00]	[6]	[165]
19	[5,456.80]	[7,024.50]	[6]	[112]
20	[5,704.30]	[7,224.00]	[6]	[53]

Loan Interest Rate:                    8.00% Annually In Arrears

Guaranteed Basis Of Values and Paid-Up Insurance:

Mortality Table:                    2001 CSO Sex Distinct Age Last Birthday  
 Interest Rate:                      5.00%  
 Method:                                Standard Nonforfeiture Law Minimum

Insured:                                [John Doe]  
 Age:                                      [65    Male ]  
 Beneficiary:                        As Stated In Application Or Last Recorded Endorsement  
 Owner:                                 [John Doe]

## OWNER'S RIGHTS

While the Insured is living, and subject to this policy You have the right to:

- Change this policy to another plan of insurance;
- Make loans on this policy;
- Receive any dividends;
- Adjust this policy to Reduced Paid-Up Insurance;
- Adjust this policy to Extended Term Insurance;
- Change the Owner;
- Change the Beneficiary, except if named as irrevocable;
- Sell or give away any of Your rights;
- Choose how proceeds will be paid;
- Terminate this policy.

## DEFINITIONS

<b>Age</b>	The Insured's Age last birthday on the Issue Date is shown on the Schedule. If the Insured's birthday is on the Issue Date, the Age shown will be the age on that birthday. Any other Age, like Age 65, means the annual date right after such Age last birthday.
<b>Annual Date</b>	The same date each succeeding year as the Issue Date of this policy.
<b>Attained Age</b>	The Age shown on the Schedule plus the number of Policy Years since the Issue Date.
<b>Beneficiary</b>	The person(s) or entity named on Our records to receive the benefit's at the Insured's death. The Beneficiary may be changed as explained in the policy.
<b>Cumulative Premium</b>	The sum of all premiums paid on this policy less any unearned premium that is refunded.
<b>Home Office</b>	Our Home Office at the following address: National Guardian Life Insurance Company Two East Gilman Street PO Box 1191 Madison, Wisconsin 53701-1191
<b>Insured</b>	The person named as Insured on the Schedule whose life is insured by this policy.
<b>Issue Date</b>	The date coverage is effective for this policy as shown on the Schedule.
<b>Loans</b>	Any amount owed Us as a result of Policy Loans, including accrued interest since the last Annual Date.
<b>Net Cash Value</b>	The Cash Value defined on page 4 less any Loans, plus any dividend credits.
<b>Notice To Us</b>	Written request or notice received at Our Home Office in a form which meets Our needs.
<b>Policy Year</b>	The period between the Issue Date and the first Annual Date, or from one Annual Date to another.
<b>Proof</b>	Evidence satisfactory to Us for insurability or for other matters which require Proof.
<b>Schedule</b>	Any current policy Schedule, amended policy Schedule or endorsement sent to You by Us.
<b>Starting Date</b>	The date We approve the application for reinstatement of the policy.
<b>We, Our, and Us</b>	National Guardian Life Insurance Company.
<b>You and Your</b>	The Owner of this policy.

## PREMIUMS

<b>Where Payable</b>	Premiums are payable at Our Home Office or to an authorized agent. A receipt signed by Our Secretary will be furnished if an authorized agent receives a premium (excluding the initial premium).
<b>Premium Payments</b>	The first premium is due on the Issue Date and is shown on the Schedule. It must be paid before any insurance starts. All premiums, if any, after the first premium are payable in advance. Premiums may be due monthly or every 3, 6 or 12 months after the issue date.
<b>Grace Period</b>	A grace period of 31 days will be allowed for the payment of each premium after the first. The policy will continue in force during this period. If the Insured dies during the Grace Period, a premium for the period will be deducted from the death proceeds. If a premium is not paid by the end of the Grace Period, this policy will lapse as of the last premium due date. This is call the date of lapse. The "Lapse Option" will then apply.
<b>Automatic Premium Loan</b>	This provision is automatic if elected in the application or by Notice To Us. It may be cancelled at any time by Notice to Us. If elected, a Loan will automatically be made to pay any premium due, but unpaid, at the end of its Grace Period. It is subject to these conditions: <ul style="list-style-type: none"> <li>• If premiums are payable each month, the frequency will be changed to each three months.</li> <li>• If the Net Cash Value is not large enough to pay the unpaid premium, a premium for a more frequent mode will be paid.</li> <li>• If there is not enough to pay the premium for a three-month frequency, a premium Loan will not be made and the "Lapse Options" will apply.</li> </ul>
<b>Reinstatement</b>	You may put this policy and attached riders back in force by Notice to Us if all the following occur: <ul style="list-style-type: none"> <li>• It was not surrendered for cash;</li> <li>• This notice is received within five (5) years from the end of the Grace Period;</li> <li>• Each insured person gives Us Proof of insurability;</li> <li>• All overdue premiums are paid with interest at 6% per year to the date of Reinstatement;</li> <li>• Loans are repaid or reinstated.</li> </ul> <p>The Starting Date of a reinstated policy will be the day We approve the application for Reinstatement. The right to contest provisions will apply from this Starting Date. Our right to contest the death benefit will end two (2) years after such Starting Date, if the Insured is then living.</p>

## PROCEEDS

<b>Proceeds</b>	The proceeds are the amount We pay: <ul style="list-style-type: none"> <li>• On the surrender if this policy;</li> <li>• Upon Proof of death of the Insured.</li> </ul>
<b>Surrender Proceeds</b>	You may surrender this policy for its Net Cash Value at any time while the Insured is living.
<b>Death Proceeds</b>	If the Insured dies prior to the date coverage ends but within two (2) years of the Issue Date, the death benefit We pay will be limited. This limited death benefit is an amount equal to 1.1 times the Cumulative Premium. If the Insured dies prior to the date coverage ends but two (2) years or more after the Issue Date, the death benefit is the Policy or Rider Amount shown on the Schedule. We will pay to the Beneficiary in a lump sum within thirty (30) days of receipt of Proof of death the death benefits less Loans. We pay interest on death benefits from the date of the Insured's death to the date of payment. The rate of interest is not less than that required by law.

## POLICY VALUES

<b>Cash Value</b>	The Schedule shows the Cash Value of Your policy at the end of Policy Years for which premiums have been paid. Any Cash Values not shown will be furnished on request. We will determine the Cash Value as of a date within a Policy Year with due allowance for time elapsed and, if applicable, premiums paid.  The Cash Value within 60 days after the date of lapse will be the same as it was on that date. The Cash Value after 60 days from the date of lapse, while the policy is continued as Reduced Paid-Up or Extended Term Insurance, is the reserve for the policy based on the Insured's then current Age. The Cash Value of paid-up insurance within 31 days after an Annual Date will not be less than it was on that date.
<b>Basis of Values</b>	The basis of guaranteed insurance rates and reserves is shown on the Schedule. All of the values are the same or more than the minimums set by the laws of the State where the policy is delivered. We have filed a detailed statement about this with Your State Insurance Department.

### POLICY VALUES (Continued)

<b>Lapse Options</b>	You have a number of options if the policy lapses. You may apply for Reinstatement. If there is a Net Cash Value, You may withdraw it and surrender the policy, or, You may continue insurance under one of the following options. Guaranteed values are shown on the Schedule.
<b>Reduced Paid-Up Insurance</b>	This is paid-up insurance for the amount that the Net Cash Value will buy on the date of lapse. The amount determined may not exceed the Policy Amount plus the amount of any paid-up additions plus any accumulated dividends. Any Net Cash Value that remains will be treated as a dividend accumulation. This option does not participate in dividends.
<b>Extended Term Insurance</b>	This is term insurance for an amount equal to the Policy Amount plus any paid-up additions plus any accumulated dividends minus any Loans. The term insurance will begin on the date of lapse and continue for as long a period as the Net Cash Value will buy on the date of lapse. This option does not participate in dividends.
<b>Which Option Applies</b>	Extended Term Insurance is the automatic option if Reduced Paid Up Insurance is not put into effect within 60 days after the date of lapse.
<b>Riders Not Included</b>	Riders attached to this policy will stop as of the date of lapse and the lapse options will not apply, unless otherwise stated in such rider.
<b>Policy Rights After Lapse</b>	While this policy is in force as Extended Term Insurance or Reduced Paid-Up Insurance, all policy rights apply, unless the policy states otherwise.

### POLICY LOANS

<b>Policy Loan</b>	<p>You may ask for a policy loan at any time, if:</p> <ul style="list-style-type: none"> <li>• This policy is in force;</li> <li>• You assign this policy to Us as the sole security for the Loan; and</li> <li>• This policy is not being continued as Extended Term Insurance.</li> </ul> <p>The most You can borrow is:</p> <ul style="list-style-type: none"> <li>• The Net Cash Value on a premium due date or in the Grace Period; or</li> <li>• At any other time, an amount which with Loan interest will not exceed the Net Cash Value before such Loan on the next Annual Date, or the next premium due date if sooner.</li> </ul>
<b>Loan Interest</b>	Interest will accrue daily at the rate shown on the Schedule. Interest is due on each Annual Date. If not paid when due, it will be added to the Loan as of the due date and bear interest at the same rate.
<b>Loan Repayment</b>	All or any part of the Loan (but not less than \$25) may be repaid while this policy is in force other than as Extended Term Insurance. The Net Cash Value is increased by 100% of each repayment. Unpaid Loans will be deducted from any settlement of Your policy.

### OWNER AND BENEFICIARY

<b>Owner</b>	<p>This policy belongs to You, the Owner shown on Our records.</p> <p>You have all the rights in this policy while the Insured is living. If there is more than one Owner at a given time, all must exercise the rights of ownership, by joint action.</p> <p>If the Owner should die, and is not the insured, his interest will go to his estate.</p>
<b>Beneficiary</b>	<p>You may designate or change one or more direct Beneficiaries or contingent Beneficiaries while the Insured is living in accordance with the Change of Owner or Beneficiary provision.</p> <p>When the Insured dies, We will pay the proceeds to the direct Beneficiary.</p> <p>If no direct Beneficiary is then living, We will pay the proceeds to the contingent Beneficiary.</p> <p>If no Beneficiaries survive the Insured, You will be the Beneficiary unless You are the Insured. If You are the Insured, We will pay to Your estate.</p> <p>If either class of Beneficiaries includes two or more persons, proceeds will be payable in equal share to those who survive the Insured, or all to the last survivor. You may direct a different method by Notice To Us while the Insured is living.</p>
<b>Change of Owner or Beneficiary</b>	<p>You may change an Owner or Beneficiary by Notice To Us (unless You have previously given up this right by prior Notice To Us). A change of Owner will not, of itself, change the Beneficiary. The change will be subject to any assignment of this policy or other legal restrictions.</p> <p>Such change will then take effect on the date it was signed, or the date specified in the Notice To Us.</p> <p>It will not apply to any payments made by Us or action taken by Us before Notice To Us.</p>
<b>Right to Sell or Give Away</b>	You may sell or give away any of Your rights in this policy unless You state otherwise in writing. The person receiving such rights is called an assignee. We will be bound only after You give Notice To Us, and it will not apply to any payment We made before Notice To Us.

## GENERAL PROVISIONS

<b>The Contract</b>	<p>We issue this policy in return for the application and the payment of the first premium.</p> <p>This policy and the attached copy of the application make up the whole contract.</p> <p>A change in this contract can only be made with Your consent and an endorsement or rider to this policy signed by Our President or Secretary. No agent is authorized to alter or waive any provision of this contract.</p> <p>We rely on all statements made by or for an Insured in an application. Legally, these statements are representations and not warranties. Only statements in an application will be used to defend a claim.</p>
<b>Conformity with Statutes</b>	<p>If any provision in this policy is in conflict with the laws of the state which govern this policy, the provision will be deemed to be amended to conform with such laws.</p>
<b>Payments by Us and Right to Defer Payment</b>	<p>All payments to be made by Us will be made from Our Home Office.</p> <p>We have the right to wait up to six (6) months after Notice To Us before We:</p> <ul style="list-style-type: none"> <li>• pay surrender proceeds;</li> <li>• make a policy loan, unless it is used to pay premiums on Our policies.</li> </ul> <p>If We wait more than thirty (30) days to pay surrender proceeds, interest at the guaranteed rate, or such other rate as may be required by applicable state law if such a rate is greater, will be added for the time We waited.</p>
<b>Right to Contest</b>	<p>Our right to contest the death benefit will end two (2) years after the Issue Date (or the Starting Date of Your reinstated policy), if the Insured is then living. We may contest the death benefit at any time for non-payment of premiums.</p>
<b>Suicide</b>	<p>If the Insured commits suicide within two (2) years (one (1) year in Colorado, Missouri or North Dakota) after the Issue Date, the amount We pay will be limited. We will return all premiums paid less Loans.</p>
<b>Error in Age and Sex</b>	<p>If the Age or sex of the Insured is stated wrong, the proceeds will be adjusted. We will adjust the proceeds to those based on premiums for the correct Age and sex.</p>
<b>Termination</b>	<p>All coverage under this policy will end on the earliest of the following events:</p> <ul style="list-style-type: none"> <li>• the Insured dies;</li> <li>• the policy is surrendered for cash;</li> <li>• the policy expires under Extended Term Insurance;</li> <li>• Loans are equal to or greater than the Net Cash Value. If this happens, the policy will end 31 days after We mail written notice to the last known address of You and any assignee.</li> </ul> <p>We may require return of this policy.</p>
<b>Dividends</b>	<p>As long as this policy is in force other than as Extended Term Insurance or Reduced Paid-Up insurance, You will receive the dividends We declare, if any, annually.</p> <p>You have these options:</p> <ol style="list-style-type: none"> <li>1. Take the dividends in cash;</li> <li>2. Use the dividends to reduce the premium. If the balance of a premium is not paid, the option will change to option 3;</li> <li>3. Leave the dividends with Us to accumulate at Our current rate of interest as declared by Us from time to time;</li> <li>4. Use the dividends to buy paid-up dividend additions.</li> </ol> <p>You may choose any option by Notice To Us. If no option is chosen, option 1 will be used.</p> <p>As used in this policy, “dividend credits” means the sum of dividend accumulations, the cash value of paid-up additions, and any dividend not yet applied under an option. The cash value of paid-up additions is their reserve or the original cash dividends, if greater.</p> <p>You may withdraw dividend credits at any time, unless they are required as security for a loan. Dividend credits not withdrawn will increase the Net Cash Value.</p>
<b>Change of Plan</b>	<p>You may change this policy to another plan of insurance designated by Us, if available, or add additional benefit riders, if available, or make other changes subject to Our rules at the time of change.</p>
<b>Your Right to Vote</b>	<p>This is a Mutual company. You may vote at the annual election of directors if You have one or more of Our policies in force. The annual election is held at Our Home Office in Madison, Wisconsin, on the fourth (4th) Friday in April.</p>

## PAYMENT OF PROCEEDS

<p><b>Options</b></p>	<p>You may choose to have proceeds applied under one or more of the options which follow. If no option is in effect, the proceeds will be paid in cash in one sum. If You do not make this choice before the Insured dies, the beneficiary will then have this right. The person to receive payments is called a payee. The payee may name or change a contingent payee to receive any amounts still due at the payee's death.</p> <p>Options</p> <ol style="list-style-type: none"> <li>1. Payments for a Fixed Period. Equal payments for the number of years elected.</li> <li>2. Life Income. Equal payments for any certain period You and We agree to, and for so long thereafter as the payee lives.</li> <li>3. Payments of a Fixed Amount. Equal payments until the proceeds plus interest are exhausted.</li> <li>4. Retained at Interest. We will hold the amount left with Us for an agreed period and pay interest on the amount. The proceeds may be transferred to any other option after such agreed period.</li> <li>5. Current Life Income Option. The proceeds may be applied to provide any form of single Premium Immediate Annuity we issue when the proceeds become payable. Annuity payments under this option will be at least 103% of the payments provided by Our rates then in effect. If more liberal, this replaces Option 2.</li> </ol> <p>The options will not be available:</p> <ul style="list-style-type: none"> <li>• to any assignee;</li> <li>• to a payee who is not a natural person (such as a corporation);</li> <li>• if the proceeds are less than \$5,000 or if any payment would be less than \$50.</li> </ul>
<p><b>Unpaid Proceeds at Payee's Death</b></p>	<p>At the death of the payee, we will pay the contingent payee, if any, otherwise the estate of the payee. The amount we pay will be:</p> <ul style="list-style-type: none"> <li>• Under Options 1, 2 and 5: the value of any remaining payments certain discounted at the guaranteed interest rate.</li> <li>• Under Options 3 and 4: any unpaid proceeds with interest at not less than the guaranteed rate.</li> </ul>
<p><b>Guaranteed Interest Rate</b></p>	<p>Options 1, 3 and 4 are computed on a guaranteed interest rate of 2.5% per year, compounded yearly. Option 2 is computed on a guaranteed interest rate of 3.5% per year, compounded yearly. We may use a higher interest rate at Our option. Option 5 is computed at the rate in effect when the proceeds are applied to this option.</p>
<p><b>Identity of Payee</b></p>	<p>We may determine the existence, identity, ages or other facts about any payee solely on affidavit or other written Proof. In such case, any payment made by us will, to the extent of such payment, be a valid discharge of Our obligation.</p>
<p><b>Payments</b></p>	<p>Payments will be made monthly unless:</p> <ul style="list-style-type: none"> <li>• You elect otherwise; or</li> <li>• a less frequent payment is needed to exceed Our minimum payment.</li> </ul> <p>Payments under Options 1, 2, 3 and 5 will start on the date the proceeds are applied to the option. Interest payments under Option 4 will start at the end of the period selected.</p> <p>The amount of monthly payment under Options 2 and 5 will be determined by the age and sex of the payee on the date the proceeds are applied to this option.</p>
<p><b>Request for Payment Information</b></p>	<p>On request, we will give information on the amount of payments under any option.</p>

**OPTION 1, INSTALLMENTS FOR FIXED PERIODS****Monthly Installment Payment for Each \$1,000 Retained by Us**

Number of Years Specified	Amount of Each Monthly Installment	Number of Years Specified	Amount of Each Monthly Installment	Number of Years Specified	Amount of Each Monthly Installment
1	\$84.28	11	\$8.64	21	\$5.08
2	42.66	12	8.02	22	4.90
3	28.79	13	7.49	23	4.74
4	21.86	14	7.03	24	4.60
5	17.70	15	6.64	25	4.46
6	14.93	16	6.30	26	4.34
7	12.95	17	6.00	27	4.22
8	11.47	18	5.73	28	4.12
9	10.32	19	5.49	29	4.02
10	9.39	20	5.27	30	3.93

To determine the amount for quarterly payment, multiply the monthly installment by 2.99; for semiannual by 5.97; and for annual by 11.87.

**OPTION 2, LIFE INCOME – 10 YEARS CERTAIN****MINIMUM - GUARANTEED****Monthly Installment Payment for Each \$1,000 Retained by Us**

Age of Payee Nearest Birthday At Date of First Payment	No Guaranteed Period	10 Years Guaranteed	Age of Payee Nearest Birthday At Date of First Payment	No Guaranteed Period	10 Years Guaranteed
50	\$4.80	\$4.73	65	\$7.03	\$6.48
51	4.90	4.81	66	7.26	6.63
52	5.00	4.90	67	7.50	6.79
53	5.11	5.00	68	7.76	6.95
54	5.22	5.10	69	8.04	7.11
55	5.34	5.20	70	8.33	7.27
56	5.47	5.31	71	8.65	7.43
57	5.60	5.42	72	8.99	7.60
58	5.74	5.53	73	9.35	7.76
59	5.89	5.66	74	9.75	7.93
60	6.06	5.78			
61	6.23	5.91			
62	6.41	6.05			
63	6.60	6.19			
64	6.81	6.33			

Please refer to any attached applications or riders for additional Contract language.  
This marks the end of the base Contract language.



A Mutual Company Incorporated in 1909  
 Two East Gilman Street • PO Box 1191  
 Madison WI 53701-1191 • Phone 800-988-0826

**GRADED DEATH BENEFIT WHOLE LIFE POLICY**

<b>AGREEMENT</b>	<p>We agree, subject to the terms of this policy, to:</p> <ul style="list-style-type: none"> <li>• pay the proceeds to the Beneficiary upon receiving Proof of the Insured's death; and</li> <li>• provide You, the Owner, all the other rights and benefits of this policy.</li> </ul>
<b>30-DAY RIGHT TO CANCEL</b>	<p>You can cancel this policy before midnight on the thirtieth (30<sup>th</sup>) day after You receive it. You can do this if You deliver, mail or wire written notice and return this policy to Us or Our agent. Our mailing address is P. O. Box 1191, Madison, WI 53701-1191. Notice given by mail and return of the policy by mail are effective on being postmarked, properly addressed and postage prepaid. We will send back all payments within ten (10) days after Notice to Us and the returned policy. The policy will then be deemed void from its inception. If We do not return all premiums within thirty (30) days from the date of cancellation, We will pay interest from the date of cancellation as required by the law of Your state.</p> <p style="text-align: center;"><b>THIS IS A LEGAL CONTRACT BETWEEN YOU AND US        READ YOUR CONTRACT CAREFULLY.</b></p>

Executed at Madison, Wisconsin on the Issue Date.

  
 Secretary

  
 President

**Limited Death Benefit During the First Three Years  
 Premiums Payable For Period Specified On The Schedule Or Until Prior Death  
 Participating**

<b>GUIDE TO YOUR POLICY</b>			
Schedule of Benefits and Premiums	2	Policy Loans	5
Owner's Rights	3	Owner and Beneficiary	5
Definitions	3	General Provisions	6
Premiums	4	Payment of Proceeds	7
Proceeds	4	Settlement Options Tables	8
Policy Values	4,5		

**SCHEDULE OF BENEFITS AND PREMIUMS**

POLICY NUMBER: [NPL000000]    ISSUE DATE: [JANUARY 15, 2010]

<u>Plan</u>	<u>Policy Year</u>	<u>Policy or Rider Amount</u>	<u>Annual Premium</u>	<u>Years Payable</u>	<u>Maturity Date</u>
Graded Death Benefit	1 thru 3*	1.1 X Cumulative Premium	[750.00]	[40]	[01/15/2050]
Whole Life Policy	4 and later	[\$10,000]	[750.00]	[40]	

\*Reduced Benefit during the first three Policy Years. See Death Proceeds Section for a detailed explanation.

Premium Mode:	Annually	Semi-annually	Quarterly	Monthly	EFT Monthly
Premium Payable:	[750.00]	[390.00]	[198.75]	[69.00]	[66.00]
**Total Annual Cost:	[750.00]	[780.00]	[795.00]	[828.00]	[792.00]
**Total Extra Annual Cost:	0	[30.00]	[45.00]	[78.00]	[42.00]

\*\*Note: Total Extra Annual Cost is the additional cost each year for Your policy if You pay Your premium other than annually.

Guaranteed Values

End of Policy Year	Cash or Loan Value	Paid-Up Insurance	Extended Term Insurance Years	Days
1	[0.00]	[0.00]	[0]	[0]
2	[60.50]	[369.80]		
3	[174.60]	[1,023.50]		
4	[294.10]	[1,653.25]		
5	[419.30]	[2,260.55]		
6	[550.45]	[2,846.30]		
7	[687.70]	[3,411.80]		
8	[831.30]	[3,958.25]		
9	[981.55]	[4,487.15]		
10	[1,138.70]	[5,000.00]		
11	[1,185.05]	[5,000.00]		
12	[1,232.90]	[5,000.00]		
13	[1,282.45]	[5,000.00]		
14	[1,334.05]	[5,000.00]		
15	[1,387.60]	[5,000.00]		
16	[1,443.05]	[5,000.00]		
17	[1,500.30]	[5,000.00]		
18	[1,559.15]	[5,000.00]		
19	[1,619.50]	[5,000.00]		
20	[1,681.15]	[5,000.00]		

Loan Interest Rate:                    8.00% Annually In Arrears

Guaranteed Basis Of Values and Paid-Up Insurance:

Mortality Table:                    2001 CSO Sex Distinct Age Last Birthday  
 Interest Rate:                      5.00%  
 Method:                                Standard Nonforfeiture Law Minimum

Insured:                                [John Doe]  
 Age:                                      [35    Male ]  
 Beneficiary:                        As Stated In Application Or Last Recorded Endorsement  
 Owner:                                  [John Doe]

## OWNER'S RIGHTS

While the Insured is living, and subject to this policy You have the right to:

- Change this policy to another plan of insurance;
- Make loans on this policy;
- Receive any dividends;
- Adjust this policy to Reduced Paid-Up Insurance;
- Adjust this policy to Extended Term Insurance;
- Change the Owner;
- Change the Beneficiary, except if named as irrevocable;
- Sell or give away any of Your rights;
- Choose how proceeds will be paid;
- Terminate this policy.

## DEFINITIONS

<b>Age</b>	The Insured's Age last birthday on the Issue Date is shown on the Schedule. If the Insured's birthday is on the Issue Date, the Age shown will be the age on that birthday. Any other Age, like Age 65, means the annual date right after such Age last birthday.
<b>Annual Date</b>	The same date each succeeding year as the Issue Date of this policy.
<b>Attained Age</b>	The Age shown on the Schedule plus the number of Policy Years since the Issue Date.
<b>Beneficiary</b>	The person(s) or entity named on Our records to receive the benefit's at the Insured's death. The Beneficiary may be changed as explained in the policy.
<b>Cumulative Premium</b>	The sum of all premiums paid on this policy less any unearned premium that is refunded.
<b>Home Office</b>	Our Home Office at the following address: National Guardian Life Insurance Company Two East Gilman Street PO Box 1191 Madison, Wisconsin 53701-1191
<b>Insured</b>	The person named as Insured on the Schedule whose life is insured by this policy.
<b>Issue Date</b>	The date coverage is effective for this policy as shown on the Schedule.
<b>Loans</b>	Any amount owed Us as a result of Policy Loans, including accrued interest since the last Annual Date.
<b>Net Cash Value</b>	The Cash Value defined on page 4 less any Loans, plus any dividend credits.
<b>Notice To Us</b>	Written request or notice received at Our Home Office in a form which meets Our needs.
<b>Policy Year</b>	The period between the Issue Date and the first Annual Date, or from one Annual Date to another.
<b>Proof</b>	Evidence satisfactory to Us for insurability or for other matters which require Proof.
<b>Schedule</b>	Any current policy Schedule, amended policy Schedule or endorsement sent to You by Us.
<b>Starting Date</b>	The date We approve the application for reinstatement of the policy.
<b>We, Our, and Us</b>	National Guardian Life Insurance Company.
<b>You and Your</b>	The Owner of this policy.

## PREMIUMS

<b>Where Payable</b>	Premiums are payable at Our Home Office or to an authorized agent. A receipt signed by Our Secretary will be furnished if an authorized agent receives a premium (excluding the initial premium).
<b>Premium Payments</b>	The first premium is due on the Issue Date and is shown on the Schedule. It must be paid before any insurance starts. All premiums, if any, after the first premium are payable in advance. Premiums may be due monthly or every 3, 6 or 12 months after the issue date.
<b>Grace Period</b>	A grace period of 31 days will be allowed for the payment of each premium after the first. The policy will continue in force during this period. If the Insured dies during the Grace Period, a premium for the period will be deducted from the death proceeds. If a premium is not paid by the end of the Grace Period, this policy will lapse as of the last premium due date. This is call the date of lapse. The "Lapse Option" will then apply.
<b>Automatic Premium Loan</b>	This provision is automatic if elected in the application or by Notice To Us. It may be cancelled at any time by Notice to Us. If elected, a Loan will automatically be made to pay any premium due, but unpaid, at the end of its Grace Period. It is subject to these conditions: <ul style="list-style-type: none"> <li>• If premiums are payable each month, the frequency will be changed to each three months.</li> <li>• If the Net Cash Value is not large enough to pay the unpaid premium, a premium for a more frequent mode will be paid.</li> <li>• If there is not enough to pay the premium for a three-month frequency, a premium Loan will not be made and the "Lapse Options" will apply.</li> </ul>
<b>Reinstatement</b>	You may put this policy and attached riders back in force by Notice to Us if all the following occur: <ul style="list-style-type: none"> <li>• It was not surrendered for cash;</li> <li>• This notice is received within five (5) years from the end of the Grace Period;</li> <li>• Each insured person gives Us Proof of insurability;</li> <li>• All overdue premiums are paid with interest at 6% per year to the date of Reinstatement;</li> <li>• Loans are repaid or reinstated.</li> </ul> <p>The Starting Date of a reinstated policy will be the day We approve the application for Reinstatement. The right to contest provisions will apply from this Starting Date. Our right to contest the death benefit will end two (2) years after such Starting Date, if the Insured is then living.</p>

## PROCEEDS

<b>Proceeds</b>	The proceeds are the amount We pay: <ul style="list-style-type: none"> <li>• On the surrender if this policy;</li> <li>• Upon Proof of death of the Insured.</li> </ul>
<b>Surrender Proceeds</b>	You may surrender this policy for its Net Cash Value at any time while the Insured is living.
<b>Death Proceeds</b>	If the Insured dies prior to the date coverage ends but within three (3) years of the Issue Date, the death benefit We pay will be limited. This limited death benefit is an amount equal to 1.1 times the Cumulative Premium. If the Insured dies prior to the date coverage ends but three (3) years or more after the Issue Date, the death benefit is the Policy or Rider Amount shown on the Schedule. We will pay to the Beneficiary in a lump sum within thirty (30) days of receipt of Proof of death the death benefits less Loans. We pay interest on death benefits from the date of the Insured's death to the date of payment. The rate of interest is not less than that required by law.

## POLICY VALUES

<b>Cash Value</b>	The Schedule shows the Cash Value of Your policy at the end of Policy Years for which premiums have been paid. Any Cash Values not shown will be furnished on request. We will determine the Cash Value as of a date within a Policy Year with due allowance for time elapsed and, if applicable, premiums paid.  The Cash Value within 60 days after the date of lapse will be the same as it was on that date. The Cash Value after 60 days from the date of lapse, while the policy is continued as Reduced Paid-Up or Extended Term Insurance, is the reserve for the policy based on the Insured's then current Age. The Cash Value of paid-up insurance within 31 days after an Annual Date will not be less than it was on that date.
<b>Basis of Values</b>	The basis of guaranteed insurance rates and reserves is shown on the Schedule. All of the values are the same or more than the minimums set by the laws of the State where the policy is delivered. We have filed a detailed statement about this with Your State Insurance Department.

### POLICY VALUES (Continued)

<b>Lapse Options</b>	You have a number of options if the policy lapses. You may apply for Reinstatement. If there is a Net Cash Value, You may withdraw it and surrender the policy, or, You may continue insurance under one of the following options. Guaranteed values are shown on the Schedule.
<b>Reduced Paid-Up Insurance</b>	This is paid-up insurance for the amount that the Net Cash Value will buy on the date of lapse. The amount determined may not exceed the Policy Amount plus the amount of any paid-up additions plus any accumulated dividends. Any Net Cash Value that remains will be treated as a dividend accumulation. This option does not participate in dividends.
<b>Extended Term Insurance</b>	This is term insurance for an amount equal to the Policy Amount plus any paid-up additions plus any accumulated dividends minus any Loans. The term insurance will begin on the date of lapse and continue for as long a period as the Net Cash Value will buy on the date of lapse. This option does not participate in dividends.
<b>Which Option Applies</b>	Extended Term Insurance is the automatic option if Reduced Paid Up Insurance is not put into effect within 60 days after the date of lapse.
<b>Riders Not Included</b>	Riders attached to this policy will stop as of the date of lapse and the lapse options will not apply, unless otherwise stated in such rider.
<b>Policy Rights After Lapse</b>	While this policy is in force as Extended Term Insurance or Reduced Paid-Up Insurance, all policy rights apply, unless the policy states otherwise.

### POLICY LOANS

<b>Policy Loan</b>	<p>You may ask for a policy loan at any time, if:</p> <ul style="list-style-type: none"> <li>• This policy is in force;</li> <li>• You assign this policy to Us as the sole security for the Loan; and</li> <li>• This policy is not being continued as Extended Term Insurance.</li> </ul> <p>The most You can borrow is:</p> <ul style="list-style-type: none"> <li>• The Net Cash Value on a premium due date or in the Grace Period; or</li> <li>• At any other time, an amount which with Loan interest will not exceed the Net Cash Value before such Loan on the next Annual Date, or the next premium due date if sooner.</li> </ul>
<b>Loan Interest</b>	Interest will accrue daily at the rate shown on the Schedule. Interest is due on each Annual Date. If not paid when due, it will be added to the Loan as of the due date and bear interest at the same rate.
<b>Loan Repayment</b>	All or any part of the Loan (but not less than \$25) may be repaid while this policy is in force other than as Extended Term Insurance. The Net Cash Value is increased by 100% of each repayment. Unpaid Loans will be deducted from any settlement of Your policy.

### OWNER AND BENEFICIARY

<b>Owner</b>	<p>This policy belongs to You, the Owner shown on Our records.</p> <p>You have all the rights in this policy while the Insured is living. If there is more than one Owner at a given time, all must exercise the rights of ownership, by joint action.</p> <p>If the Owner should die, and is not the insured, his interest will go to his estate.</p>
<b>Beneficiary</b>	<p>You may designate or change one or more direct Beneficiaries or contingent Beneficiaries while the Insured is living in accordance with the Change of Owner or Beneficiary provision.</p> <p>When the Insured dies, We will pay the proceeds to the direct Beneficiary.</p> <p>If no direct Beneficiary is then living, We will pay the proceeds to the contingent Beneficiary.</p> <p>If no Beneficiaries survive the Insured, You will be the Beneficiary unless You are the Insured. If You are the Insured, We will pay to Your estate.</p> <p>If either class of Beneficiaries includes two or more persons, proceeds will be payable in equal share to those who survive the Insured, or all to the last survivor. You may direct a different method by Notice To Us while the Insured is living.</p>
<b>Change of Owner or Beneficiary</b>	<p>You may change an Owner or Beneficiary by Notice To Us (unless You have previously given up this right by prior Notice To Us). A change of Owner will not, of itself, change the Beneficiary. The change will be subject to any assignment of this policy or other legal restrictions.</p> <p>Such change will then take effect on the date it was signed, or the date specified in the Notice To Us.</p> <p>It will not apply to any payments made by Us or action taken by Us before Notice To Us.</p>
<b>Right to Sell or Give Away</b>	You may sell or give away any of Your rights in this policy unless You state otherwise in writing. The person receiving such rights is called an assignee. We will be bound only after You give Notice To Us, and it will not apply to any payment We made before Notice To Us.

## GENERAL PROVISIONS

<b>The Contract</b>	<p>We issue this policy in return for the application and the payment of the first premium.</p> <p>This policy and the attached copy of the application make up the whole contract.</p> <p>A change in this contract can only be made with Your consent and an endorsement or rider to this policy signed by Our President or Secretary. No agent is authorized to alter or waive any provision of this contract.</p> <p>We rely on all statements made by or for an Insured in an application. Legally, these statements are representations and not warranties. Only statements in an application will be used to defend a claim.</p>
<b>Conformity with Statutes</b>	<p>If any provision in this policy is in conflict with the laws of the state which govern this policy, the provision will be deemed to be amended to conform with such laws.</p>
<b>Payments by Us and Right to Defer Payment</b>	<p>All payments to be made by Us will be made from Our Home Office.</p> <p>We have the right to wait up to six (6) months after Notice To Us before We:</p> <ul style="list-style-type: none"> <li>• pay surrender proceeds;</li> <li>• make a policy loan, unless it is used to pay premiums on Our policies.</li> </ul> <p>If We wait more than thirty (30) days to pay surrender proceeds, interest at the guaranteed rate, or such other rate as may be required by applicable state law if such a rate is greater, will be added for the time We waited.</p>
<b>Right to Contest</b>	<p>Our right to contest the death benefit will end two (2) years after the Issue Date (or the Starting Date of Your reinstated policy), if the Insured is then living. We may contest the death benefit at any time for non-payment of premiums.</p>
<b>Suicide</b>	<p>If the Insured commits suicide within two (2) years (one (1) year in Colorado, Missouri or North Dakota) after the Issue Date, the amount We pay will be limited. We will return all premiums paid less Loans.</p>
<b>Error in Age and Sex</b>	<p>If the Age or sex of the Insured is stated wrong, the proceeds will be adjusted. We will adjust the proceeds to those based on premiums for the correct Age and sex.</p>
<b>Termination</b>	<p>All coverage under this policy will end on the earliest of the following events:</p> <ul style="list-style-type: none"> <li>• the Insured dies;</li> <li>• the policy is surrendered for cash;</li> <li>• the policy expires under Extended Term Insurance;</li> <li>• Loans are equal to or greater than the Net Cash Value. If this happens, the policy will end 31 days after We mail written notice to the last known address of You and any assignee.</li> </ul> <p>We may require return of this policy.</p>
<b>Dividends</b>	<p>As long as this policy is in force other than as Extended Term Insurance or Reduced Paid-Up insurance, You will receive the dividends We declare, if any, annually.</p> <p>You have these options:</p> <ol style="list-style-type: none"> <li>1. Take the dividends in cash;</li> <li>2. Use the dividends to reduce the premium. If the balance of a premium is not paid, the option will change to option 3;</li> <li>3. Leave the dividends with Us to accumulate at Our current rate of interest as declared by Us from time to time;</li> <li>4. Use the dividends to buy paid-up dividend additions.</li> </ol> <p>You may choose any option by Notice To Us. If no option is chosen, option 1 will be used.</p> <p>As used in this policy, “dividend credits” means the sum of dividend accumulations, the cash value of paid-up additions, and any dividend not yet applied under an option. The cash value of paid-up additions is their reserve or the original cash dividends, if greater.</p> <p>You may withdraw dividend credits at any time, unless they are required as security for a loan. Dividend credits not withdrawn will increase the Net Cash Value.</p>
<b>Change of Plan</b>	<p>You may change this policy to another plan of insurance designated by Us, if available, or add additional benefit riders, if available, or make other changes subject to Our rules at the time of change.</p>
<b>Your Right to Vote</b>	<p>This is a Mutual company. You may vote at the annual election of directors if You have one or more of Our policies in force. The annual election is held at Our Home Office in Madison, Wisconsin, on the fourth (4th) Friday in April.</p>

## PAYMENT OF PROCEEDS

<p><b>Options</b></p>	<p>You may choose to have proceeds applied under one or more of the options which follow. If no option is in effect, the proceeds will be paid in cash in one sum. If You do not make this choice before the Insured dies, the beneficiary will then have this right. The person to receive payments is called a payee. The payee may name or change a contingent payee to receive any amounts still due at the payee's death.</p> <p>Options</p> <ol style="list-style-type: none"> <li>1. Payments for a Fixed Period. Equal payments for the number of years elected.</li> <li>2. Life Income. Equal payments for any certain period You and We agree to, and for so long thereafter as the payee lives.</li> <li>3. Payments of a Fixed Amount. Equal payments until the proceeds plus interest are exhausted.</li> <li>4. Retained at Interest. We will hold the amount left with Us for an agreed period and pay interest on the amount. The proceeds may be transferred to any other option after such agreed period.</li> <li>5. Current Life Income Option. The proceeds may be applied to provide any form of single Premium Immediate Annuity we issue when the proceeds become payable. Annuity payments under this option will be at least 103% of the payments provided by Our rates then in effect. If more liberal, this replaces Option 2.</li> </ol> <p>The options will not be available:</p> <ul style="list-style-type: none"> <li>• to any assignee;</li> <li>• to a payee who is not a natural person (such as a corporation);</li> <li>• if the proceeds are less than \$5,000 or if any payment would be less than \$50.</li> </ul>
<p><b>Unpaid Proceeds at Payee's Death</b></p>	<p>At the death of the payee, we will pay the contingent payee, if any, otherwise the estate of the payee. The amount we pay will be:</p> <ul style="list-style-type: none"> <li>• Under Options 1, 2 and 5: the value of any remaining payments certain discounted at the guaranteed interest rate.</li> <li>• Under Options 3 and 4: any unpaid proceeds with interest at not less than the guaranteed rate.</li> </ul>
<p><b>Guaranteed Interest Rate</b></p>	<p>Options 1, 3 and 4 are computed on a guaranteed interest rate of 2.5% per year, compounded yearly. Option 2 is computed on a guaranteed interest rate of 3.5% per year, compounded yearly. We may use a higher interest rate at Our option. Option 5 is computed at the rate in effect when the proceeds are applied to this option.</p>
<p><b>Identity of Payee</b></p>	<p>We may determine the existence, identity, ages or other facts about any payee solely on affidavit or other written Proof. In such case, any payment made by us will, to the extent of such payment, be a valid discharge of Our obligation</p>
<p><b>Payments</b></p>	<p>Payments will be made monthly unless:</p> <ul style="list-style-type: none"> <li>• You elect otherwise; or</li> <li>• a less frequent payment is needed to exceed Our minimum payment.</li> </ul> <p>Payments under Options 1, 2, 3 and 5 will start on the date the proceeds are applied to the option. Interest payments under Option 4 will start at the end of the period selected.</p> <p>The amount of monthly payment under Options 2 and 5 will be determined by the age and sex of the payee on the date the proceeds are applied to this option.</p>
<p><b>Request for Payment Information</b></p>	<p>On request, we will give information on the amount of payments under any option.</p>

**OPTION 1, INSTALLMENTS FOR FIXED PERIODS****Monthly Installment Payment for Each \$1,000 Retained by Us**

Number of Years Specified	Amount of Each Monthly Installment	Number of Years Specified	Amount of Each Monthly Installment	Number of Years Specified	Amount of Each Monthly Installment
1	\$84.28	11	\$8.64	21	\$5.08
2	42.66	12	8.02	22	4.90
3	28.79	13	7.49	23	4.74
4	21.86	14	7.03	24	4.60
5	17.70	15	6.64	25	4.46
6	14.93	16	6.30	26	4.34
7	12.95	17	6.00	27	4.22
8	11.47	18	5.73	28	4.12
9	10.32	19	5.49	29	4.02
10	9.39	20	5.27	30	3.93

To determine the amount for quarterly payment, multiply the monthly installment by 2.99; for semiannual by 5.97; and for annual by 11.87.

**OPTION 2, LIFE INCOME – 10 YEARS CERTAIN****MINIMUM - GUARANTEED****Monthly Installment Payment for Each \$1,000 Retained by Us**

Age of Payee Nearest Birthday At Date of First Payment	No Guaranteed Period	10 Years Guaranteed	Age of Payee Nearest Birthday At Date of First Payment	No Guaranteed Period	10 Years Guaranteed
50	\$4.80	\$4.73	65	\$7.03	\$6.48
51	4.90	4.81	66	7.26	6.63
52	5.00	4.90	67	7.50	6.79
53	5.11	5.00	68	7.76	6.95
54	5.22	5.10	69	8.04	7.11
55	5.34	5.20	70	8.33	7.27
56	5.47	5.31	71	8.65	7.43
57	5.60	5.42	72	8.99	7.60
58	5.74	5.53	73	9.35	7.76
59	5.89	5.66	74	9.75	7.93
60	6.06	5.78			
61	6.23	5.91			
62	6.41	6.05			
63	6.60	6.19			
64	6.81	6.33			

Please refer to any attached applications or riders for additional Contract language.  
This marks the end of the base Contract language.