

SERFF Tracking Number: NAWS-127826022 State: Arkansas  
 Filing Company: National Western Life Insurance Company State Tracking Number: 50268  
 Company Tracking Number: 01-1129-11, 01-1131-11, 01-1132-11 DEFERRED ANNUITIES WITH MVA  
 TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.002 Flexible Premium  
 Variable  
 Product Name: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA  
 Project Name/Number: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA/01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA

## Filing at a Glance

Company: National Western Life Insurance Company

Product Name: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA SERFF Tr Num: NAWS-127826022 State: Arkansas

TOI: A02I Individual Annuities- Deferred Non- Variable SERFF Status: Closed-Approved- Closed State Tr Num: 50268

Sub-TOI: A02I.002 Flexible Premium Co Tr Num: 01-1129-11, 01-1131-11, 01-1132-11 DEFERRED ANNUITIES WITH MVA State Status: Approved-Closed

Filing Type: Form

Reviewer(s): Linda Bird

Authors: Stephanie Foskitt, Kitty Kennedy Disposition Date: 11/21/2011

Date Submitted: 11/15/2011 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA Status of Filing in Domicile: Authorized with MVA

Project Number: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments: These forms are deemed exempt in our state of domicile, Colorado, under Bulletin B-4.1.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 11/21/2011

State Status Changed: 11/21/2011

Deemer Date:

Created By: Stephanie Foskitt

Submitted By: Stephanie Foskitt

Corresponding Filing Tracking Number:

SERFF Tracking Number: NAWS-127826022 State: Arkansas  
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**Filing Description:**

Re: Individual Flexible Premium Deferred Annuity, Form Number 01-1129-11  
Individual Flexible Premium Deferred Annuity, Form Number 01-1131-11  
Individual Single Premium Deferred Annuity, Form Number 01-1132-11  
Cash Loan Endorsement, Form Number 01-4087RX  
National Western Life Insurance Company, NAIC 66850, FEIN 84-0467208

**To Whom It May Concern:**

Please find attached the above captioned forms submitted for formal approval. These forms are new and will NOT replace any previously approved forms. This filing contains no unusual or possibly controversial items from normal industry standards. All three forms contain Market Value Adjustments.

The following features may be found in these three policy forms:

Account Value Death Benefit provides the full policy value, with no withdrawal charges or market value adjustments, upon the death of the annuitant.

Free Withdrawal Option provides one annual fee-free withdrawal up to 10% of the account value each policy year.

Systematic Withdrawal of Interest Earnings Option provides a fee-free withdrawal of all interest earned in a policy year.

Terminal Illness Benefit provides a withdrawal in any amount free of withdrawal charges if the annuitant's life expectancy reaches 12 months or less.

Waiver of Withdrawal Charge After Qualifying Medical Stay provides a withdrawal of up to 75% of the Account Value without a withdrawal charge, based on a medically necessary stay.

The policies may be issued with any of a series of previously approved endorsements or riders as indicated in the table below.

Thank you for your time and consideration in this matter. If you have any questions or need more information, please feel free to contact me by email at SFoskitt@NationalWesternLife.com or by phone at 512-719-1563.

Sincerely,

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Stephanie Foskitt  
Contract Compliance Analyst

We reserve the right to change the format of this form without changing any of the language. Printing standards will never be less than those required.

Form Name Form Number Approval Date  
Deferred Annuity Application 01-9046AR-10 June 1, 2010  
Co-Annuitant Endorsement 01-4322-00 October 20, 2000  
Section 72(s) Endorsement 01-4289-97 April 10, 1997  
Assignment Endorsement 01-4137(Rev.04/95) April 21, 1995  
Tax Deferred Endorsement 01-4253-04 January 15, 2004  
Roth IRA Endorsement 01-4307-07 March 3, 2008  
IRA Endorsement 01-4010-07 March 3, 2008  
Required Minimum Distribution Endorsement 01-4336-03 March 4, 2005

## Company and Contact

### Filing Contact Information

Stephanie Foskitt, Contract Compliance Analyst SFoskitt@NationalWesternLife.com  
National Western Life Insurance Company 512-719-1563 [Phone]  
850 East Anderson Lane 512-719-8522 [FAX]  
Austin, TX 78752

### Filing Company Information

National Western Life Insurance Company CoCode: 66850 State of Domicile: Colorado  
850 East Anderson Lane Group Code: Company Type:  
Austin, TX 78752-1602 Group Name: State ID Number:  
(512) 836-1010 ext. [Phone] FEIN Number: 84-0467208

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## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00

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 TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.002 Flexible Premium  
 Variable  
 Product Name: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA  
 Project Name/Number: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA/01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA  
 Retaliatory? No  
 Fee Explanation: \$50 per previously approved filing (From General Instructions "4. Policy and contract forms, all lines, filing corrections in previously filed policy and contract form...\$50.00")  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
National Western Life Insurance Company	\$50.00	11/15/2011	53749157

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	11/21/2011	11/21/2011

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Flexible Premium Deferred Annuity with MVA	Stephanie Foskitt	11/15/2011	11/15/2011
Form	Flexible Premium Deferred Annuity with MVA	Stephanie Foskitt	11/15/2011	11/15/2011
Form	Single Premium Deferred Annuity with MVA	Stephanie Foskitt	11/15/2011	11/15/2011
Supporting Document	01-1129-11, et a. Statements of Variability	Stephanie Foskitt	11/15/2011	11/15/2011

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MVA

## Disposition

Disposition Date: 11/21/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Actuarial Memo		No
Supporting Document	Cover Letter		Yes
Supporting Document (revised)	01-1129-11, et a. Statements of Variability		Yes
Supporting Document	01-1129-11, et a. Statements of Variability	Replaced	Yes
Supporting Document	01-1129-11 Actuarial Material		No
Supporting Document	01-1131-11 Actuarial Material		No
Supporting Document	01-1132-11 Actuarial Material		No
Form (revised)	Flexible Premium Deferred Annuity with MVA		Yes
Form	Flexible Premium Deferred Annuity with MVA	Replaced	Yes
Form (revised)	Flexible Premium Deferred Annuity with MVA		Yes
Form	Flexible Premium Deferred Annuity with MVA	Replaced	Yes
Form (revised)	Single Premium Deferred Annuity with MVA		Yes
Form	Single Premium Deferred Annuity with MVA	Replaced	Yes
Form	Cash Loan Endorsement		Yes

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**Amendment Letter**

Submitted Date: 11/15/2011

**Comments:**

With one exception, this filing is identical to SERFF tracking number NAWS-127769114 which was "Closed-Approved" on November 8. The one exception is a bracketed variable. We inadvertently missed one of the values that should have been bracketed. That value is the percent of additional first year interest shown on the specification page. The value is now bracketed on that page of the policies and the Statements of Variability are revised.

Upon approval, this filing should replace that one. Apologies for not getting this extra information into this filing before clicking on the "Submit" button.

Thank you for your time and consideration in this matter. If you have any questions or need any additional information, please feel free to contact me at (512) 719-1563 or by email at SFoskitt@NationalWesternLife.com.

Sincerely,  
 Stephanie Foskitt  
 Contract Compliance Analyst

**Changed Items:**

**Form Schedule Item Changes:**

**Form Schedule Item Changes:**

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
01-1129-11	Policy/Contract/Certificate	Flexible Premium Deferred Annuity with MVA	Initial				54.000	01-1129-11 Flex Prem Def Ann w- MVA.pdf
01-1131-11	Policy/Contract/Certificate	Flexible Premium Deferred Annuity with MVA	Initial				54.000	01-1131-11 Flex Prem Def Ann w- MVA.pdf

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01-1132-11	Policy/Contr	Single	Initial	52.000	01-1132-11
	act/Fraternal	Premium			Single Prem
	Certificate	Deferred			Def Ann w-
		Annuity with			MVA.pdf
		MVA			

**Supporting Document Schedule Item Changes:**

**User Added -Name: 01-1129-11, et a. Statements of Variability**

Comment:

01-1129-11 Statement of Variability.pdf

01-1131-11 Statement of Variability.pdf

01-1132-11 Statement of Variability.pdf

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## Form Schedule

### Lead Form Number: 01-1129-11

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	01-1129-11	Policy/Cont	Flexible Premium ract/Fratern al MVA Certificate	Initial		54.000	01-1129-11 Flex Prem Def Ann w- MVA.pdf
	01-1131-11	Policy/Cont	Flexible Premium ract/Fratern al MVA Certificate	Initial		54.000	01-1131-11 Flex Prem Def Ann w- MVA.pdf
	01-1132-11	Policy/Cont	Single Premium ract/Fratern al MVA Certificate	Initial		52.000	01-1132-11 Single Prem Def Ann w- MVA.pdf
	01-4087RX	Policy/Cont	Cash Loan ract/Fratern al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		63.000	01-4087RX Cash Loan Endorsement. pdf

# NATIONAL WESTERN LIFE INSURANCE COMPANY

A Stock Company

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

ANNUITANT  
POLICY DATE  
OWNER

POLICY NUMBER  
ISSUE AGE

ANNUITY DATE

## POLICY

**NATIONAL WESTERN LIFE INSURANCE COMPANY** is called "we", "our" or "us". The Owner is called "you". We will pay you a monthly income beginning on the Annuity Date. Income payments are subject to the conditions and provisions contained herein.

## PREMIUM PAYMENTS

The initial premium payment is due in an amount determined by you on your Policy Date. Further premium payments can be made at any time thereafter at your option. We do have the right to limit premium payments in any renewal year to the amount of premium payments made in the preceding year. Each payment must be at least \$100.00.

## RIGHT TO CANCEL

You may cancel this Policy by delivering or mailing a written notice or sending a telegram to us in Austin, Texas 78752-1602 or to our authorized agent. You must send the notice and return the Policy to us or our authorized agent before midnight of the thirtieth day after the date you receive it. Notice given by mail and return of the Policy by mail are effective on being postmarked, if properly addressed and postage prepaid. We must return all premiums paid for this Policy within 10 days after we receive such notice to cancel and the returned Policy.



Secretary



President

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

**This Policy is a legal contract between you and us.**

**NOTICE TO OWNER:** If you have questions or need information about this Policy or need assistance, please call us at 1-800-922-9422.

## **ARTICLE I - DEFINITIONS**

**Age** refers to attained age on the last birthday.

**Annuitant** is the person named as Annuitant on Page 3.

**Annuity Date** means the date we begin annuity income payments, and is shown on Page 3. This date is 24 years from the Policy Date.

**Policy Anniversary** means the month and day shown on Page 3 in the Policy Date for each year after the Policy Date.

**Policy Year** means the yearly period which starts on the Policy Date and yearly periods that start on each Policy Anniversary thereafter.

**Contract Term** is the time period, as shown on Page 3, during which withdrawal charges apply. At the end of the Contract Term, the Minimum Guaranteed Interest Rate will be re-determined.

**Issue Age** is Annuitant's age on the Policy Date as shown on Page 3.

**Joint Annuitant** is the person named as the second payee under the Survivorship Annuity in Option 4 under Section 3.1.

**Owner** is the person named as Owner on Page 3. The Annuitant is the Owner, unless another Owner is named on the Application or later changed.

**Policy** means the annuity Policy issued to the Owner.

**You/your/yours** refers to an Owner.

**Free Withdrawal** refers to withdrawals on which no withdrawal charge is made.

**Withdrawal Charge Period** means the Policy Years over which Withdrawal Charge Rates apply as shown on Page 3.

## POLICY DATA PAGE

NATIONAL WESTERN LIFE INSURANCE COMPANY  
850 EAST ANDERSON LANE, AUSTIN, TEXAS 78752-1602  
1-800-922-9422

ANNUITANT	[ JOHN DOE ]	[ 0100012345 ]	POLICY NUMBER
POLICY DATE	[ JANUARY 15, 2012 ]	[ 35 ]	ISSUE AGE
OWNER	[ JOHN DOE ]	[ JANUARY 15, 2036 ]	ANNUITY DATE

01-1129-11 FLEXIBLE PREMIUM DEFERRED ANNUITY

INITIAL PREMIUM: [ \$10,000.00 ]

CONTRACT TERM: 10 POLICY YEARS

MINIMUM ACCUMULATION ACCOUNT [ \$5,000.00 ]

MARKET VALUE INTEREST RATE: [ 2.00% ]

MARKET VALUE ADJUSTMENT PERIOD: 10 POLICY YEARS

MINIMUM GUARANTEED INTEREST RATE FOR THE CONTRACT TERM:

<u>POLICY YEAR</u>	<u>PERCENTAGE</u>
1	[ 3.00% ] [ (INCLUDING [ 1.00% ] ADDITIONAL 1ST YEAR INTEREST) ]
THEREAFTER	[ 1.00% ]

THE GUARANTEED MINIMUM INTEREST RATE IN THE FIRST POLICY YEAR APPLIES TO THE INITIAL PREMIUM SHOWN ABOVE. FOR SUBSEQUENT PREMIUM PAYMENTS MADE IN THE FIRST POLICY YEAR, THE GUARANTEED MINIMUM INTEREST RATE TO THE END OF THE FIRST POLICY YEAR IS THE INTEREST RATE CURRENTLY AVAILABLE (NOT LESS THAN [ 1.00% ] ) FOR NEW POLICIES UNDER THIS POLICY FORM ON THE DATE THE PREMIUM PAYMENT IS RECEIVED.

MAXIMUM ACCUMULATED FREE WITHDRAWAL PERCENTAGE: [ 50% ]

THE LOAN INTEREST RATE IS: 7.40%

### WITHDRAWAL CHARGE RATES:

<u>POLICY YEAR</u>	<u>RATE</u>
1	10.00%
2	10.00%
3	9.00%
4	9.00%
5	7.00%
6	5.00%
7	5.00%
8	5.00%
9	5.00%
10	5.00%
THEREAFTER	0.00%



## ARTICLE II – GENERAL PROVISIONS

**Section 2.1 - Entire Contract.** The entire contract is made up of:

1. the Policy;
2. the Application for the Policy, a copy of which is attached; and
3. any attached endorsements, riders, and amendments.

We issued the Policy to the Owner. The Policy describes the principle terms and provisions of the contract. The Application is attached to the Policy and made a part thereof.

Only our officers may change the benefits under the Policy or waive a right or requirement. No agent may do this. Such change or waiver must be in writing.

**Section 2.2 - Owner.** Unless changed, the Owner is named in the Application. If the Owner is not the Annuitant and the named Owner and contingent Owner, if any, die, the Annuitant becomes the Owner.

The Owner may use all rights while the Annuitant is alive. These include the right to:

1. change the Beneficiary;
2. receive proceeds;
3. elect options; and
4. change the Owner.

**Section 2.3 - Beneficiary.** Unless changed, the payee to whom the death benefit is paid is the Beneficiary named in the Application. A payee is one living on the earlier of:

1. the day we receive due proof of the Annuitant's death; or
2. the 15th day past the Annuitant's death.

Unless changed:

1. If there is more than one payee in the same class, equal shares will be paid;
2. The share of any Beneficiary not living will be paid to the rest of the payees of the same class in proportion to their respective shares; and
3. If no Beneficiary is living, the payee will be the Annuitant's estate.

**Section 2.4 - Change of Owner or Beneficiary.** Changes in the designation of the Beneficiary or Owner may be made by the Owner's written request on forms provided by us, completed by the Owner, and forwarded to us during the lifetime of the Annuitant. After the change is recorded at our office in Austin, Texas, it will be effective as of the date of the Owner's request. It will not apply to any payment made or action taken by us before it was recorded.

Once we accept this change, it takes effect as of the date you signed the request, subject to any action we take before we accept the change.

**Section 2.5 - Incontestability.** All statements made in the Application are representations and not warranties.

We may not contest your annuity Policy once this Policy has been in force, while the Annuitant is alive, for two years from its Policy Date.

**Section 2.6 - Assignment.** This Policy, and the annuity benefits under the Policy cannot be assigned, sold, transferred or pledged as collateral for a loan or for any other purpose.

**Section 2.7 - Misstatement of Age or Sex.** If the age or sex of the Annuitant or Joint Annuitant is incorrect, we will change the amounts we pay to the amounts based on the correct age and sex.

1. Any overpayment we made will be deducted from future payments.
2. Any underpayment we made will be paid in full with the next payment due.

**ARTICLE II**  
**GENERAL PROVISIONS (Continued)**

**Section 2.8 - Proof of Age and Sex.** No income payments will be made until we receive satisfactory proof of the age and sex of the Annuitant and the Joint-Annuitant, if any.

**Section 2.9 - Proof of Survival.** We have the right to require proof that the Annuitant and Joint-Annuitant, if any, is alive at the time each income payment is due.

**Section 2.10 - Settlement.** All payments made by us under the Policy shall be made from our office in Austin, Texas.

**Section 2.11 - Nonparticipating.** The Policy is a nonparticipating Policy. The Policy will not participate in our surplus earnings.

**Section 2.12 - Annual Report.** We will prepare a report at the end of each calendar year that this Policy is in force. We will mail this report to you within 60 days of the end of each calendar year. The report will show the Accumulation Account and the Cash Surrender Value.

## ARTICLE III – ANNUITY BENEFITS

**Section 3.1 - Settlement Options.** Before the Annuity Date, you may write to us and choose one of the options below. If you do not later change your choice, such option will apply.

The amount used on the Annuity Date to provide any of the Settlement Options is the Accumulation Account.

**Option 1 - Income for Life.** Monthly payments based on the Option 1 Table will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 2 - Life Income with a Guaranteed Period.** Monthly payments based on the Option 2 Table may be guaranteed for 5, 10, 15 or 20 years. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 3 - Life Income with Installment Refund.** Monthly payments based on the Option 3 Table are guaranteed until the total amount paid equals the amount applied to this option on the Annuity Date. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 4 - Survivorship Annuity.** Monthly payments will be made as long as the Annuitant lives. After the Annuitant dies, payments are made for as long as the Joint Annuitant lives. Monthly income payments will begin on the Annuity Date.

**Option 5 - Monthly Income for a Fixed Period.** Equal monthly income payments, beginning on the Annuity Date, will be made for not less than 5 years nor more than 30 years.

**Option 6 - Annual Income for a Fixed Period.** Equal annual income payments will be made for not less than 5 years nor more than 30 years. Payments will begin one year after the Annuity Date.

**Option 7 - Proceeds Held at Interest Only.** The proceeds are held by us at interest only for such period that you and we agree upon, but not less than 5 years. You may elect to have the interest payments held by us and accumulated with the proceeds or paid on a periodic basis. Before the end of the interest period you may elect to have the funds applied to any other option described in this section. At the end of the interest period you may take the remaining balance in cash.

If you do not choose an option before the Annuity Date, the Option 2 Life Income with a 10-Year Guaranteed Period will be paid.

On request, we may provide other options based upon actuarial equivalents of Options 1, 2, 3, or 4.

Guaranteed payments for Options 1, 2, 3, and 4 are calculated using the 1983 Table a (female), projected to 1995, and 1.50% interest rate. The attained age of the Annuitant(s) when the option payment starts will be adjusted downward by 1 year for each full 5 year period that has elapsed since January 1, 1995. For Options 5, 6, and 7 the guaranteed interest rate is 1.50%.

We may, at our option, use an interest rate that is higher than the guaranteed interest rate to calculate payments and credit funds left on deposit.

If the monthly income payment is less than \$100, we may change to quarterly, semi-annual, or annual payments to equal or exceed such minimum amount. The amount of such payments will be calculated based on the same mortality table, if any, and the interest rate we use in calculating the monthly income.

We reserve the right to reduce the payments under this section after such payments have begun, to reflect any Federal, State, or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, which have not otherwise been deducted or offset.

**Section 3.2 - Accumulation Account.** The Accumulation Account is 100% of premiums, less partial withdrawals and withdrawal charges on such partial withdrawals, plus or minus any Market Value

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

Adjustments on such partial withdrawals, with interest. Interest is credited at annual effective rates at least equal to the Minimum Guaranteed Interest Rate shown on Page 3. We reserve the right to credit a different interest rate, not less than the Minimum Guaranteed Interest Rate, to the Accumulation Account while the Accumulation Account is less than \$10,000.

**Section 3.3 - Withdrawal of Cash (Cash Surrender Value.)** The Cash Surrender Value is the Accumulation Account multiplied by the Market Value Adjustment Factor, less the withdrawal charge, if any. The Accumulation Account multiplied by the Market Value Adjustment Factor will never be less than the premiums paid less any partial withdrawals and withdrawal charges on such partial withdrawals, accumulated at the Minimum Guaranteed Interest Rate. You may withdraw all or part of the Cash Surrender Value at any time on or before the Annuity Date.

1. You must tell us how much you want to withdraw and complete all forms required by us.
2. The amount withdrawn must be at least \$500.00 or the Cash Surrender Value, if less. You may not take a partial withdrawal, unless the Accumulation Account, after the withdrawal, is at least equal to the Minimum Accumulation Account shown on Page 3.
3. The Withdrawal Charge Rates are shown on Page 3. The withdrawal charge is calculated as follows:
  - (a) partial withdrawal charge - multiply the partial withdrawal amount you receive, plus any amount necessary to provide for the withdrawal charge, by the applicable Withdrawal Charge Rate shown on Page 3.
  - (b) full surrender charge - multiply the Accumulation Account, plus any Free Withdrawal amounts taken in the 12 months prior to request for full surrender of Cash Surrender Value, by the applicable Withdrawal Charge Rate shown on Page 3.
4. You may withdraw amounts as described in the Free Withdrawal Option section or Systematic Withdrawal of Interest Earnings Option section below without withdrawal charges.
5. Your Accumulation Account will be reduced by any cash withdrawn and any withdrawal charges on such cash withdrawals and adjusted for any Market Value Adjustments on such cash withdrawals.
6. If you withdraw the entire Cash Surrender Value, this Policy will terminate.
7. We may defer payment for up to 6 months after we receive your request for cash after making written request and receiving written approval from the commissioner.

**Section 3.4 - Market Value Adjustment.** The amount payable for a partial withdrawal or a full surrender of the Cash Surrender Value may be adjusted up or down by applying a Market Value Adjustment. The applicable Market Value Adjustment Factor is shown in Section 3.5. Free Withdrawals as described in Section 3.6 and Systematic Withdrawals of Interest as described in Section 3.7 are not subject to any Market Value Adjustment.

**Section 3.5 - Market Value Adjustment Factors.** The Market Value Adjustment Factor applicable to the Accumulation Account or a partial withdrawal amount is  $(1 + (A-B) \times N / 12)$  where:

*A* is the Market Value Interest Rate shown on Page 3.

*B* is the Market Value Interest Rate for new policies under this policy form at the time of full or partial withdrawal, plus one half of one percent. A different rate may be used, subject to our state of domicile's Department of Insurance approval, if required.

*N* is the number of complete months from the date of full withdrawal or partial withdrawal to the end of the Market Value Adjustment Period shown on Page 3. After the Market Value Adjustment Period the value of *N* is equal to zero.

**Section 3.6 - Free Withdrawal Option.** Each Policy Year you may make one Free Withdrawal of up to 10% of your Accumulation Account. Such partial withdrawal will be made without a withdrawal charge. Any partial withdrawal amount in excess of the Free Withdrawal amount will be subject to a withdrawal charge.

You may accumulate unused Free Withdrawal amounts in 10% increments only. This means that any unused Free Withdrawals of less than 10% may not be accumulated. The maximum accumulated Free

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

Withdrawal expressed as a percentage of the Accumulation Account may not exceed the Maximum Accumulated Free Withdrawal Percentage shown on Page 3. You may not exercise a withdrawal under Section 3.7 in the same Policy Year in which you make a withdrawal under this Section 3.6.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.7 - Systematic Withdrawal of Interest Earnings Option.** The Owner may elect to make withdrawals of interest earnings without withdrawal charges for the year in which the request is made and for each Policy Year thereafter without withdrawal charges subject to the following conditions:

1. The request must be made on a form furnished by us;
2. The interest to be withdrawn is limited to that credited, if any, during the last complete Policy Year preceding the date of request. Interest to be withdrawn under this option in any Policy Year is limited to the annual amount of interest credited during the prior Policy Year;
3. Selecting this option will nullify any right under Section 3.6 to make Free Withdrawals from the Accumulation Account once each Policy Year and to accumulate unused Free Withdrawals during the period the election of this option remains in effect;
4. Once requested, the withdrawal of interest earnings each year will continue until and unless we receive written notice at our office in Austin, Texas that you wish to terminate this option;
5. Although payments under this option may be made, as directed by you, either monthly, quarterly, semi-annually or annually, no payment will be made for an amount less than \$100, nor will a payment be made that includes principal. Any payment for an amount due less than \$100 will be deferred until a payment due date when a payment can be made that equals or exceeds \$100; and
6. Additional withdrawals in any Policy Year during which this election is in effect will be subject to the withdrawal charges shown on Page 3.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.8 – Terminal Illness Benefit.** Withdrawal charges and any Market Value Adjustment will be waived if the Annuitant is first diagnosed after the Policy Date with a Terminal Illness as defined below.

You may file a written request for full surrender or partial withdrawal along with documentation that qualifying conditions for waiving withdrawal charges and Market Value Adjustments have been met.

A Terminal Illness is an illness:

1. from which the Annuitant is not expected to recover; and
2. from which the Annuitant is expected to die within twelve (12) months after your written request for full surrender or partial withdrawal described in this section above.

We will require that we be given satisfactory proof of the Annuitant's Terminal Illness. Satisfactory proof will include the certification by a licensed physician who is not the Annuitant, the Owner, nor a member of the family of either, that the Annuitant has a Terminal Illness. We reserve the right to obtain a second medical opinion at our expense.

If the withdrawal charge and Market Value Adjustment waiver applies, we will then process the withdrawal with all withdrawal charges and any Market Value Adjustment waived. If the waiver does not apply, we will give you the choice of withdrawing your withdrawal request or having it processed under the contract's regular withdrawal provisions.

One or more withdrawal requests may be made under this provision. The amounts withdrawn are subject to the conditions of Section 3.3(2).

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

**Section 3.9 - Minimum Guaranteed Interest Rate.** The Minimum Guaranteed Interest Rate, as shown on Page 3, is set on the Policy Date and is guaranteed for the Contract Term. It is calculated as an effective annual rate and is the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average for the 6 month period ending 1 month prior to the calendar quarter in which the Policy Date occurs of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25%.

The Minimum Guaranteed Interest Rate will be re-determined on the first Policy Anniversary that coincides with the last day of the Contract Term. For example, if the Policy Date is January 7, 2011, the Contract Term ends on January 6, 2021. In this example, the Minimum Guaranteed Interest Rate would be re-determined on January 7, 2021.

It will be recalculated as the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25% for the 6-month period ending 1 month prior to the calendar quarter in which the first Policy Anniversary that coincides with the last day of the Contract Term, as described above, occurs.

The Minimum Guaranteed Interest Rate that has been re-determined will be guaranteed until the Annuity Date.

The Minimum Guaranteed Interest Rate is rounded to the nearest 1/20th of 1.00% and is never less than 1.00%.

**Section 3.10 – Paid-Up Annuity.** This Policy will be continued as a paid-up deferred annuity:

1. on the Policy Anniversary following a Policy Year during which no premiums were paid; or
2. the date we receive a written request from you for this option.

While continued as a paid-up annuity this Policy will continue in full force and effect. You may exercise all rights described in this Policy.

**Section 3.11 - Death Benefit if Annuitant Dies Before Annuity Date.** We will pay to the Beneficiary:

1. the Accumulation Account as of the date of death as a single sum with no Market Value Adjustment applied; or
2. benefits provided by the Accumulation Account if applied under one of the Settlement Options in Section 3.1, where for purposes of Section 3.1, the term Beneficiary replaces the term Annuitant.

Payment will be made when we receive due proof of the Annuitant's death.

If no election is made by the Beneficiary, we will pay the Accumulation Account as of the date of death as a single sum, as described in 1 above in this Section 3.11.

**Section 3.12 - Death Benefit If Annuitant Dies On Or After Annuity Date.** We will pay to the Beneficiary any unpaid guaranteed amounts as provided by the Settlement Option in force on the date of death. No other death benefits will be paid.

**Section 3.13 - Taxes, Fees, Assessments.** Any Federal, State or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, will be deducted from the benefits under Article III.

**Section 3.14 - Minimum State Requirements.** The cash values, paid-up annuity benefit and the death benefits are no less than the benefits required by the State where this contract is delivered.

**OPTION 1 AND 2 TABLE - MINIMUM INCOME FOR LIFE  
OR LIFE INCOME WITH GUARANTEED PERIOD**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant	Income For Life	5 Years Guaranteed	10 Years Guaranteed	15 Years Guaranteed	20 Years Guaranteed
50	\$2.86	\$2.86	\$2.85	\$2.84	\$2.82
51	2.92	2.91	2.91	2.89	2.87
52	2.97	2.97	2.96	2.94	2.92
53	3.03	3.03	3.02	3.00	2.97
54	3.09	3.09	3.08	3.06	3.02
55	3.15	3.15	3.14	3.12	3.08
56	3.22	3.22	3.20	3.18	3.13
57	3.29	3.29	3.27	3.24	3.19
58	3.37	3.36	3.35	3.31	3.25
59	3.45	3.44	3.42	3.38	3.32
60	3.53	3.52	3.50	3.45	3.38
61	3.62	3.61	3.58	3.53	3.45
62	3.71	3.70	3.67	3.61	3.52
63	3.81	3.80	3.76	3.69	3.59
64	3.91	3.90	3.86	3.78	3.66
65	4.02	4.01	3.96	3.87	3.73
66	4.14	4.12	4.07	3.96	3.80
67	4.26	4.24	4.18	4.06	3.88
68	4.40	4.37	4.30	4.16	3.95
69	4.53	4.51	4.42	4.26	4.02
70	4.68	4.65	4.55	4.37	4.09
71	4.84	4.81	4.69	4.48	4.16
72	5.01	4.97	4.84	4.59	4.23
73	5.19	5.15	4.99	4.7	4.29
74	5.39	5.33	5.15	4.81	4.36
75	5.60	5.53	5.31	4.92	4.41
76	5.83	5.75	5.49	5.03	4.47
77	6.07	5.98	5.67	5.14	4.52
78	6.34	6.23	5.85	5.25	4.56
79	6.63	6.49	6.04	5.35	4.60
80*	6.94	6.77	6.23	5.45	4.64

\* and over

**OPTION 3 TABLE - LIFE INCOME WITH INSTALLMENT REFUND**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant		Adjusted Age of Annuitant		Adjusted Age of Annuitant	
50	\$2.74	60	\$3.26	70	\$4.06
51	2.78	61	3.32	71	4.16
52	2.82	62	3.39	72	4.27
53	2.87	63	3.46	73	4.38
54	2.92	64	3.53	74	4.5
55	2.97	65	3.61	75	4.62
56	3.02	66	3.69	76	4.75
57	3.08	67	3.78	77	4.89
58	3.13	68	3.87	78	5.04
59	3.19	69	3.96	79	5.19
				80*	5.35

\* and over

# NATIONAL WESTERN LIFE INSURANCE COMPANY

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

This Policy is a legal contract between you and us.

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# NATIONAL WESTERN LIFE INSURANCE COMPANY

A Stock Company

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

ANNUITANT  
POLICY DATE  
OWNER

POLICY NUMBER  
ISSUE AGE

ANNUITY DATE

## POLICY

**NATIONAL WESTERN LIFE INSURANCE COMPANY** is called "we", "our" or "us". The Owner is called "you". We will pay you a monthly income beginning on the Annuity Date. Income payments are subject to the conditions and provisions contained herein.

## PREMIUM PAYMENTS

The initial premium payment is due in an amount determined by you on your Policy Date. Further premium payments can be made at any time thereafter at your option. We do have the right to limit premium payments in any renewal year to the amount of premium payments made in the preceding year. Each payment must be at least \$100.00.

## RIGHT TO CANCEL

You may cancel this Policy by delivering or mailing a written notice or sending a telegram to us in Austin, Texas 78752-1602 or to our authorized agent. You must send the notice and return the Policy to us or our authorized agent before midnight of the thirtieth day after the date you receive it. Notice given by mail and return of the Policy by mail are effective on being postmarked, if properly addressed and postage prepaid. We must return all premiums paid for this Policy within 10 days after we receive such notice to cancel and the returned Policy.



Secretary



President

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

**This Policy is a legal contract between you and us.**

**NOTICE TO OWNER:** If you have questions or need information about this Policy or need assistance, please call us at 1-800-922-9422.

## ARTICLE I - DEFINITIONS

**Age** refers to attained age on the last birthday.

**Annuitant** is the person named as Annuitant on Page 3.

**Annuity Date** means the date we begin annuity income payments, and is shown on Page 3. This date is 24 years from the Policy Date.

**Policy Anniversary** means the month and day shown on Page 3 in the Policy Date for each year after the Policy Date.

**Policy Year** means the yearly period which starts on the Policy Date and yearly periods that start on each Policy Anniversary thereafter.

**Contract Term** is the time period, as shown on Page 3, during which withdrawal charges apply. At the end of the Contract Term, the Minimum Guaranteed Interest Rate will be re-determined.

**Issue Age** is Annuitant's age on the Policy Date as shown on Page 3.

**Joint Annuitant** is the person named as the second payee under the Survivorship Annuity in Option 4 under Section 3.1.

**Owner** is the person named as Owner on Page 3. The Annuitant is the Owner, unless another Owner is named on the Application or later changed.

**Policy** means the annuity Policy issued to the Owner.

**You/your/yours** refers to an Owner.

**Free Withdrawal** refers to withdrawals on which no withdrawal charge is made.

**Withdrawal Charge Period** means the Policy Years over which Withdrawal Charge Rates apply as shown on Page 3.

## POLICY DATA PAGE

NATIONAL WESTERN LIFE INSURANCE COMPANY  
850 EAST ANDERSON LANE, AUSTIN, TEXAS 78752-1602  
1-800-922-9422

ANNUITANT	[ JOHN DOE ]	[ JOHN DOE ]	POLICY NUMBER
POLICY DATE	[ JANUARY 15, 2012 ]	[ 35 ]	ISSUE AGE
OWNER	[ JOHN DOE ]	[ JANUARY 15, 2036 ]	ANNUITY DATE

01-1131-11 FLEXIBLE PREMIUM DEFERRED ANNUITY

INITIAL PREMIUM: [ \$10,000.00 ]

CONTRACT TERM: 10 POLICY YEARS

MINIMUM ACCUMULATION ACCOUNT [ \$5,000.00 ]

MARKET VALUE INTEREST RATE: [ 2.00% ]

MARKET VALUE ADJUSTMENT PERIOD: 10 POLICY YEARS

MINIMUM GUARANTEED INTEREST RATE FOR THE CONTRACT TERM:

<u>POLICY YEAR</u>	<u>PERCENTAGE</u>
1	[ 7.00% ] [ (INCLUDING [ 5.00% ] ADDITIONAL 1ST YEAR INTEREST) ]
THEREAFTER	[ 1.00% ]

THE GUARANTEED MINIMUM INTEREST RATE IN THE FIRST POLICY YEAR APPLIES TO THE INITIAL PREMIUM SHOWN ABOVE. FOR SUBSEQUENT PREMIUM PAYMENTS MADE IN THE FIRST POLICY YEAR, THE GUARANTEED MINIMUM INTEREST RATE TO THE END OF THE FIRST POLICY YEAR IS THE INTEREST RATE CURRENTLY AVAILABLE (NOT LESS THAN [ 1.00% ] ) FOR NEW POLICIES UNDER THIS POLICY FORM ON THE DATE THE PREMIUM PAYMENT IS RECEIVED.

MAXIMUM ACCUMULATED FREE WITHDRAWAL PERCENTAGE: [ 30% ]

THE LOAN INTEREST RATE IS: 7.40%

### WITHDRAWAL CHARGE RATES:

<u>POLICY YEAR</u>	<u>RATE</u>
1	10.00%
2	10.00%
3	9.00%
4	9.00%
5	7.00%
6	5.00%
7	5.00%
8	5.00%
9	5.00%
10	5.00%
THEREAFTER	0.00%



## **ARTICLE II – GENERAL PROVISIONS**

**Section 2.1 - Entire Contract.** The entire contract is made up of:

1. the Policy;
2. the Application for the Policy, a copy of which is attached; and
3. any attached endorsements, riders, and amendments.

We issued the Policy to the Owner. The Policy describes the principle terms and provisions of the contract. The Application is attached to the Policy and made a part thereof.

Only our officers may change the benefits under the Policy or waive a right or requirement. No agent may do this. Such change or waiver must be in writing.

**Section 2.2 - Owner.** Unless changed, the Owner is named in the Application. If the Owner is not the Annuitant and the named Owner and contingent Owner, if any, die, the Annuitant becomes the Owner.

The Owner may use all rights while the Annuitant is alive. These include the right to:

1. change the Beneficiary;
2. receive proceeds;
3. elect options; and
4. change the Owner.

**Section 2.3 - Beneficiary.** Unless changed, the payee to whom the death benefit is paid is the Beneficiary named in the Application. A payee is one living on the earlier of:

1. the day we receive due proof of the Annuitant's death; or
2. the 15th day past the Annuitant's death.

Unless changed:

1. If there is more than one payee in the same class, equal shares will be paid;
2. The share of any Beneficiary not living will be paid to the rest of the payees of the same class in proportion to their respective shares; and
3. If no Beneficiary is living, the payee will be the Annuitant's estate.

**Section 2.4 - Change of Owner or Beneficiary.** Changes in the designation of the Beneficiary or Owner may be made by the Owner's written request on forms provided by us, completed by the Owner, and forwarded to us during the lifetime of the Annuitant. After the change is recorded at our office in Austin, Texas, it will be effective as of the date of the Owner's request. It will not apply to any payment made or action taken by us before it was recorded.

Once we accept this change, it takes effect as of the date you signed the request, subject to any action we take before we accept the change.

**Section 2.5 - Incontestability.** All statements made in the Application are representations and not warranties.

We may not contest your annuity Policy once this Policy has been in force, while the Annuitant is alive, for two years from its Policy Date.

**Section 2.6 - Assignment.** This Policy and the annuity benefits under the Policy cannot be assigned, sold, transferred or pledged as collateral for a loan or for any other purpose.

**ARTICLE II**  
**GENERAL PROVISIONS (Continued)**

**Section 2.7 - Misstatement of Age or Sex.** If the age or sex of the Annuitant or Joint Annuitant is incorrect, we will change the amounts we pay to the amounts based on the correct age and sex.

1. Any overpayment we made will be deducted from future payments.
2. Any underpayment we made will be paid in full with the next payment due.

**Section 2.8 - Proof of Age and Sex.** No income payments will be made until we receive satisfactory proof of the age and sex of the Annuitant and the Joint-Annuitant, if any.

**Section 2.9 - Proof of Survival.** We have the right to require proof that the Annuitant is alive at the time each income payment is due.

**Section 2.10 - Settlement.** All payments made by us under the Policy shall be made from our office in Austin, Texas.

**Section 2.11 - Nonparticipating.** The Policy is a nonparticipating Policy. The Policy will not participate in our surplus earnings.

**Section 2.12 - Annual Report.** We will prepare a report at the end of each calendar year that this Policy is in force. We will mail this report to you within 60 days of the end of each calendar year. The report will show the Accumulation Account and the Cash Surrender Value.

## ARTICLE III – ANNUITY BENEFITS

**Section 3.1 - Settlement Options.** Before the Annuity Date, you may write to us and choose one of the options below. If you do not later change your choice, such option will apply.

The amount used on the Annuity Date to provide any of the Settlement Options is the Accumulation Account.

**Option 1 - Income for Life.** Monthly payments based on the Option 1 Table will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 2 - Life Income with a Guaranteed Period.** Monthly payments based on the Option 2 Table may be guaranteed for 5, 10, 15 or 20 years. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 3 - Life Income with Installment Refund.** Monthly payments based on the Option 3 Table are guaranteed until the total amount paid equals the amount applied to this option on the Annuity Date. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 4 - Survivorship Annuity.** Monthly payments will be made as long as the Annuitant lives. After the Annuitant dies, payments are made for as long as the Joint Annuitant lives. Monthly income payments will begin on the Annuity Date.

**Option 5 - Monthly Income for a Fixed Period.** Equal monthly income payments, beginning on the Annuity Date, will be made for not less than 5 years nor more than 30 years.

**Option 6 - Annual Income for a Fixed Period.** Equal annual income payments will be made for not less than 5 years nor more than 30 years. Payments will begin one year after the Annuity Date.

**Option 7 - Proceeds Held at Interest Only.** The proceeds are held by us at interest only for such period that you and we agree upon, but not less than 5 years. You may elect to have the interest payments held by us and accumulated with the proceeds or paid on a periodic basis. Before the end of the interest period you may elect to have the funds applied to any other option described in this section. At the end of the interest period you may take the remaining balance in cash.

If you do not choose an option before the Annuity Date, the Option 2 Life Income with a 10-Year Guaranteed Period will be paid.

On request, we may provide other options based upon actuarial equivalents of Options 1, 2, 3, or 4.

Guaranteed payments for Options 1, 2, 3, and 4 are calculated using the 1983 Table a (female), projected to 1995, and 1.50% interest rate. The attained age of the Annuitant(s) when the option payment starts will be adjusted downward by 1 year for each full 5 year period that has elapsed since January 1, 1995. For Options 5, 6, and 7 the guaranteed interest rate is 1.50%.

We may, at our option, use an interest rate that is higher than the guaranteed interest rate to calculate payments and credit funds left on deposit.

If the monthly income payment is less than \$100, we may change to quarterly, semi-annual, or annual payments to equal or exceed such minimum amount. The amount of such payments will be calculated based on the same mortality table, if any, and the interest rate we use in calculating the monthly income.

We reserve the right to reduce the payments under this section after such payments have begun, to reflect any Federal, State, or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, which have not otherwise been deducted or offset.

**Section 3.2 - Accumulation Account.** The Accumulation Account is 100% of premiums, less partial withdrawals and withdrawal charges on such partial withdrawals, plus or minus any Market Value

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

Adjustments on such partial withdrawals, with interest. Interest is credited at annual effective rates at least equal to the Minimum Guaranteed Interest Rate shown on Page 3. We reserve the right to credit a different interest rate, not less than the Minimum Guaranteed Interest Rate, to the Accumulation Account while the Accumulation Account is less than \$10,000.

**Section 3.3 - Withdrawal of Cash (Cash Surrender Value.)** The Cash Surrender Value is the Accumulation Account multiplied by the Market Value Adjustment Factor, less the withdrawal charge, if any. The Accumulation Account multiplied by the Market Value Adjustment Factor will never be less than the premiums paid less any partial withdrawals and withdrawal charges on such partial withdrawals, accumulated at the Minimum Guaranteed Interest Rate. You may withdraw all or part of the Cash Surrender Value at any time on or before the Annuity Date.

1. You must tell us how much you want to withdraw and complete all forms required by us.
2. The amount withdrawn must be at least \$500.00 or the Cash Surrender Value, if less. You may not take a partial withdrawal, unless the Accumulation Account, after the withdrawal, is at least equal to the Minimum Accumulation Account shown on Page 3.
3. The Withdrawal Charge Rates are shown on Page 3. The withdrawal charge is calculated as follows:
  - (a) Partial withdrawal charge - multiply the partial withdrawal amount you receive, plus any amount necessary to provide for the withdrawal charge, by the applicable Withdrawal Charge Rate shown on Page 3.
  - (b) Full surrender charge - multiply the Accumulation Account, plus any Free Withdrawal amounts taken in the 12 months prior to request for full surrender of Cash Surrender Value, by the applicable Withdrawal Charge Rate shown on Page 3.
4. You may withdraw amounts as described in the Free Withdrawal Option section or Systematic Withdrawal of Interest Earnings Option section below without withdrawal charges.
5. Your Accumulation Account will be reduced by any cash withdrawn and any withdrawal charges on such cash withdrawals and adjusted for any Market Value Adjustments on such cash withdrawals.
6. If you withdraw the entire Cash Surrender Value, this Policy will terminate.
7. We may defer payment for up to 6 months after we receive your request for cash after making written request and receiving written approval from the commissioner.

**Section 3.4 - Market Value Adjustment.** The amount payable for a partial withdrawal or a full surrender of the Cash Surrender Value may be adjusted up or down by applying a Market Value Adjustment. The applicable Market Value Adjustment Factor is shown in Section 3.5. Free Withdrawals as described in Section 3.6 and Systematic Withdrawals of Interest as described in Section 3.7 are not subject to any Market Value Adjustment.

**Section 3.5 - Market Value Adjustment Factors.** The Market Value Adjustment Factor applicable to the Accumulation Account or a partial withdrawal amount is  $(1 + (A-B) \times N / 12)$  where:

*A* is the Market Value Interest Rate shown on Page 3.

*B* is the Market Value Interest Rate for new policies under this policy form at the time of full or partial withdrawal, plus one half of one percent. A different rate may be used, subject to our state of domicile's Department of Insurance approval, if required.

*N* is the number of complete months from the date of full withdrawal or partial withdrawal to the end of the Market Value Adjustment Period shown on Page 3. After the Market Value Adjustment Period the value of *N* is equal to zero.

**Section 3.6 - Free Withdrawal Option.** Each Policy Year you may make one Free Withdrawal of up to 10% of your Accumulation Account. Such partial withdrawal will be made without a withdrawal charge. Any partial withdrawal amount in excess of the Free Withdrawal amount will be subject to a withdrawal charge.

You may accumulate unused Free Withdrawal amounts in 10% increments only. This means that any unused Free Withdrawals of less than 10% may not be accumulated. The maximum accumulated Free Withdrawal expressed as a percentage of the Accumulation Account may not exceed the Maximum

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

Accumulated Free Withdrawal Percentage shown on Page 3. You may not exercise a withdrawal under Section 3.7 in the same Policy Year in which you make a withdrawal under this Section 3.6.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.7 - Systematic Withdrawal of Interest Earnings Option.** The Owner may elect to make withdrawals of interest earnings without withdrawal charges for the year in which the request is made and for each Policy Year thereafter without withdrawal charges subject to the following conditions:

1. The request must be made on a form furnished by us;
2. The interest to be withdrawn is limited to that credited, if any, during the last Policy Year preceding the date of request. Interest to be withdrawn under this option in any Policy Year is limited to the annual amount of interest credited during the prior Policy Year;
3. Selecting this option will nullify any right under Section 3.6 to make Free Withdrawals from the Accumulation Account once each Policy Year and to accumulate unused Free Withdrawals during the period the election of this option remains in effect;
4. Once requested, the withdrawal of interest earnings each year will continue until and unless we receive written notice at our office in Austin, Texas that you wish to terminate this option;
5. Although payments under this option may be made, as directed by you, either monthly, quarterly, semi-annually or annually, no payment will be made for an amount less than \$100, nor will a payment be made that includes principal. Any payment for an amount due less than \$100 will be deferred until a payment due date when a payment can be made that equals or exceeds \$100; and
6. Additional withdrawals in any Policy Year during which this election is in effect will be subject to the withdrawal charges shown on Page 3.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.8 - Minimum Guaranteed Interest Rate.** The Minimum Guaranteed Interest Rate, as shown on Page 3, is set on the Policy Date and is guaranteed for the Contract Term. It is calculated as an effective annual rate and is the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average for the 6 month period ending 1 month prior to the calendar quarter in which the Policy Date occurs of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25%.

The Minimum Guaranteed Interest Rate will be re-determined on the first Policy Anniversary that coincides with the last day of the Contract Term. For example, if the Policy Date is January 7, 2011, the Contract Term ends on January 6, 2021. In this example, the Minimum Guaranteed Interest Rate would be re-determined on January 7, 2021.

It will be recalculated as the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25% for the 6-month period ending 1 month prior to the calendar quarter in which the first Policy Anniversary that coincides with the last day of the Contract Term, as described above, occurs.

The Minimum Guaranteed Interest Rate that has been re-determined will be guaranteed until the Annuity Date.

The Minimum Guaranteed Interest Rate is rounded to the nearest 1/20th of 1.00% and is never less than 1.00%.

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

**Section 3.9 – Paid-Up Annuity.** This Policy will be continued as a paid-up deferred annuity:

1. on the Policy Anniversary following a Policy Year during which no premiums were paid; or
2. the date we receive a written request from you for this option.

While continued as a paid-up annuity this Policy will continue in full force and effect. You may exercise all rights described in this Policy.

**Section 3.10 - Death Benefit if Annuitant Dies Before Annuity Date.** We will pay to the Beneficiary:

1. the Accumulation Account as of the date of death as a single sum with no Market Value Adjustment applied; or
2. benefits provided by the Accumulation Account if applied under one of the Settlement Options in Section 3.1, where for purposes of Section 3.1, the term Beneficiary replaces the term Annuitant.

Payment will be made when we receive due proof of the Annuitant's death.

If no election is made by the Beneficiary, we will pay the Accumulation Account as of the date of death as a single sum, as described in 1 above in this Section 3.10.

**Section 3.11 - Death Benefit If Annuitant Dies On Or After Annuity Date.** We will pay to the Beneficiary any unpaid guaranteed amounts as provided by the Settlement Option in force on the date of death. No other death benefits will be paid.

**Section 3.12 – Accidental Death Benefit.** We will pay the Accidental Death Benefit to the Beneficiary when we receive due proof that the Annuitant died solely from accidental bodily injury occurring while this benefit was in force, provided the Annuitant died within 90 days of the accident and while this benefit was in force. The amount of the Accidental Death Benefit is the total premiums paid less partial withdrawals as of the date of the accidental death. The maximum benefit payable will be \$250,000.

We will not pay the Accidental Death Benefit if death was caused, directly or indirectly, by:

1. intentionally self-inflicted injuries or suicide, while sane or insane;
2. war or any act of war, declared or undeclared;
3. operating, riding in, descending or falling from or with, any kind of aircraft, except as a fare-paying passenger, without duties of any kind, on a regularly scheduled civilian commercial airline, operating between definitely established airports or established airlines routes, flown by a pilot with both a current pilot's license, and a current medical certificate, certifying him/her to pilot the aircraft with fare-paying passengers;
4. bodily or mental infirmity, or disease, or medical or surgical treatment of any of these;
5. service in the military, naval, or air forces of any country, group of countries, or international organization at war, declared or undeclared;
6. participating or engaging in a riot;
7. voluntarily taking poison, or inhaling gas or fumes;
8. voluntarily taking drugs or narcotics unless as prescribed by a qualified doctor; or
9. attempting to commit or committing a felony.

This benefit will terminate:

1. on the Policy Anniversary when the Annuitant's age is 75;
2. when this Policy terminates by full surrender or upon the exercise of a Settlement Option.

This benefit shall not be considered in determining guaranteed values in this Policy.

**Section 3.13 - Taxes, Fees, Assessments.** Any Federal, State or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, will be deducted from the benefits under Article III.

**Section 3.14 - Minimum State Requirements.** The cash values, paid-up annuity benefit and the death benefits are no less than the benefits required by the State where this contract is delivered.

**OPTION 1 AND 2 TABLE - MINIMUM INCOME FOR LIFE  
OR LIFE INCOME WITH GUARANTEED PERIOD**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant	Income For Life	5 Years Guaranteed	10 Years Guaranteed	15 Years Guaranteed	20 Years Guaranteed
50	\$2.86	\$2.86	\$2.85	\$2.84	\$2.82
51	2.92	2.91	2.91	2.89	2.87
52	2.97	2.97	2.96	2.94	2.92
53	3.03	3.03	3.02	3.00	2.97
54	3.09	3.09	3.08	3.06	3.02
55	3.15	3.15	3.14	3.12	3.08
56	3.22	3.22	3.20	3.18	3.13
57	3.29	3.29	3.27	3.24	3.19
58	3.37	3.36	3.35	3.31	3.25
59	3.45	3.44	3.42	3.38	3.32
60	3.53	3.52	3.50	3.45	3.38
61	3.62	3.61	3.58	3.53	3.45
62	3.71	3.70	3.67	3.61	3.52
63	3.81	3.80	3.76	3.69	3.59
64	3.91	3.90	3.86	3.78	3.66
65	4.02	4.01	3.96	3.87	3.73
66	4.14	4.12	4.07	3.96	3.80
67	4.26	4.24	4.18	4.06	3.88
68	4.40	4.37	4.30	4.16	3.95
69	4.53	4.51	4.42	4.26	4.02
70	4.68	4.65	4.55	4.37	4.09
71	4.84	4.81	4.69	4.48	4.16
72	5.01	4.97	4.84	4.59	4.23
73	5.19	5.15	4.99	4.7	4.29
74	5.39	5.33	5.15	4.81	4.36
75	5.60	5.53	5.31	4.92	4.41
76	5.83	5.75	5.49	5.03	4.47
77	6.07	5.98	5.67	5.14	4.52
78	6.34	6.23	5.85	5.25	4.56
79	6.63	6.49	6.04	5.35	4.60
80*	6.94	6.77	6.23	5.45	4.64

\* and over

**OPTION 3 TABLE - LIFE INCOME WITH INSTALLMENT REFUND**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant		Adjusted Age of Annuitant		Adjusted Age of Annuitant	
50	\$2.74	60	\$3.26	70	\$4.06
51	2.78	61	3.32	71	4.16
52	2.82	62	3.39	72	4.27
53	2.87	63	3.46	73	4.38
54	2.92	64	3.53	74	4.5
55	2.97	65	3.61	75	4.62
56	3.02	66	3.69	76	4.75
57	3.08	67	3.78	77	4.89
58	3.13	68	3.87	78	5.04
59	3.19	69	3.96	79	5.19
				80*	5.35

\* and over

# NATIONAL WESTERN LIFE INSURANCE COMPANY

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

This Policy is a legal contract between you and us.

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# NATIONAL WESTERN LIFE INSURANCE COMPANY

A Stock Company

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

ANNUITANT  
POLICY DATE  
OWNER

POLICY NUMBER  
ISSUE AGE

ANNUITY DATE

## POLICY

**NATIONAL WESTERN LIFE INSURANCE COMPANY** is called "we", "our" or "us". The Owner is called "you". We will pay you a monthly income beginning on the Annuity Date. Income payments are subject to the conditions and provisions contained herein.

## PREMIUM PAYMENTS

The single premium payment is due on the Policy Date.

## RIGHT TO CANCEL

You may cancel this Policy by delivering or mailing a written notice or sending a telegram to us in Austin, Texas 78752-1602 or to our authorized agent. You must send the notice and return the Policy to us or our authorized agent before midnight of the thirtieth day after the date you receive it. Notice given by mail and return of the Policy by mail are effective on being postmarked, if properly addressed and postage prepaid. We must return all premiums paid for this Policy within 10 days after we receive such notice to cancel and the returned Policy.



Secretary



President

## READ YOUR POLICY CAREFULLY

SINGLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

This Policy is a legal contract between you and us.

**NOTICE TO OWNER:** If you have questions or need information about this Policy or need assistance, please call us at 1-800-922-9422.

## ARTICLE I - DEFINITIONS

**Age** refers to attained age on the last birthday.

**Annuitant** is the person named as Annuitant on Page 3.

**Annuity Date** means the date we begin annuity income payments, and is shown on Page 3. This date is 17 years from the Policy Date.

**Policy Anniversary** means the month and day shown on Page 3 in the Policy Date for each year after the Policy Date.

**Policy Year** means the yearly period which starts on the Policy Date and yearly periods that start on each Policy Anniversary thereafter.

**Contract Term** is the time period, as shown on Page 3, during which withdrawal charges apply. At the end of the Contract Term, the Minimum Guaranteed Interest Rate will be re-determined.

**Issue Age** is Annuitant's age on the Policy Date as shown on Page 3.

**Joint Annuitant** is the person named as the second payee under the Survivorship Annuity in Option 4 under Section 3.1.

**Owner** is the person named as Owner on Page 3. The Annuitant is the Owner, unless another Owner is named on the Application or later changed.

**Policy** means the annuity Policy issued to the Owner.

**You/your/yours** refers to an Owner.

**Free Withdrawal** refers to withdrawals on which no withdrawal charge is made.

**Withdrawal Charge Period** means the Policy Years over which Withdrawal Charge Rates apply as shown on Page 3.

**POLICY DATA PAGE**

NATIONAL WESTERN LIFE INSURANCE COMPANY  
850 EAST ANDERSON LANE, AUSTIN, TEXAS 78752-1602  
1-800-922-9422

---

ANNUITANT	[ JOHN DOE ]	[ 0100012345 ]	POLICY NUMBER
POLICY DATE	[ JANUARY 15, 2003 ]	[ 35 ]	ISSUE AGE
OWNER	[ JOHN DOE ]	[ JANUARY 15, 2020 ]	ANNUITY DATE

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01-1132-11 SINGLE PREMIUM DEFERRED ANNUITY

SINGLE PREMIUM: [ \$10,000.00 ]

CONTRACT TERM: 10 POLICY YEARS

MINIMUM ACCUMULATION ACCOUNT [ \$5,000.00 ]

MARKET VALUE INTEREST RATE: [ 2.00% ]

MARKET VALUE ADJUSTMENT PERIOD: 10 POLICY YEARS

MINIMUM GUARANTEED INTEREST RATE FOR THE CONTRACT TERM:

<u>POLICY YEAR</u>	<u>PERCENTAGE</u>
1	[ 9.00% ] [ (INCLUDING [ 7.00% ] ADDITIONAL 1ST YEAR INTEREST) ]
THEREAFTER	[ 1.00% ]

THE LOAN INTEREST RATE IS: 7.40%

WITHDRAWAL CHARGE RATES:

<u>POLICY YEAR</u>	<u>RATE</u>
1	10.00%
2	10.00%
3	9.00%
4	9.00%
5	8.00%
6	7.00%
7	6.00%
8	5.00%
9	5.00%
10	5.00%
THEREAFTER	0.00%

## **ARTICLE II – GENERAL PROVISIONS**

**Section 2.1 - Entire Contract.** The entire contract is made up of:

1. the Policy;
2. the Application for the Policy, a copy of which is attached; and
3. any attached endorsements, riders, and amendments.

We issued the Policy to the Owner. The Policy describes the principle terms and provisions of the contract. The Application is attached to the Policy and made a part thereof.

Only our officers may change the benefits under the Policy or waive a right or requirement. No agent may do this. Such change or waiver must be in writing.

**Section 2.2 - Owner.** Unless changed, the Owner is named in the Application. If the Owner is not the Annuitant and the named Owner and contingent Owner, if any, die, the Annuitant becomes the Owner.

The Owner may use all rights while the Annuitant is alive. These include the right to:

1. change the Beneficiary;
2. receive proceeds;
3. elect options; and
4. change the Owner.

**Section 2.3 - Beneficiary.** Unless changed, the payee to whom the death benefit is paid is the Beneficiary named in the Application. A payee is one living on the earlier of:

1. the day we receive due proof of the Annuitant's death; or
2. the 15th day past the Annuitant's death.

Unless changed:

1. If there is more than one payee in the same class, equal shares will be paid;
2. The share of any Beneficiary not living will be paid to the rest of the payees of the same class in proportion to their respective shares; and
3. If no Beneficiary is living, the payee will be the Annuitant's estate.

**Section 2.4 - Change of Owner or Beneficiary.** Changes in the designation of the Beneficiary or Owner may be made by the Owner's written request on forms provided by us, completed by the Owner, and forwarded to us during the lifetime of the Annuitant. After the change is recorded at our office in Austin, Texas, it will be effective as of the date of the Owner's request. It will not apply to any payment made or action taken by us before it was recorded.

Once we accept this change, it takes effect as of the date you signed the request, subject to any action we take before we accept the change.

**Section 2.5 - Incontestability.** All statements made in the Application are representations and not warranties.

We may not contest your annuity Policy once this Policy has been in force, while the Annuitant is alive, for two years from its Policy Date.

**Section 2.6 - Assignment.** This Policy and the annuity benefits under the Policy cannot be assigned, sold, transferred or pledged as collateral for a loan or for any other purpose.

**Section 2.7 - Misstatement of Age or Sex.** If the age or sex of the Annuitant or Joint Annuitant is incorrect, we will change the amounts we pay to the amounts based on the correct age and sex.

1. Any overpayment we made will be deducted from future payments.
2. Any underpayment we made will be paid in full with the next payment due.

**ARTICLE II**  
**GENERAL PROVISIONS (Continued)**

**Section 2.8 - Proof of Age and Sex.** No income payments will be made until we receive satisfactory proof of the age and sex of the Annuitant and the Joint-Annuitant, if any.

**Section 2.9 - Proof of Survival.** We have the right to require proof that the Annuitant is alive at the time each income payment is due.

**Section 2.10 - Settlement.** All payments made by us under the Policy shall be made from our office in Austin, Texas.

**Section 2.11 - Nonparticipating.** The Policy is a nonparticipating Policy. The Policy will not participate in our surplus earnings.

**Section 2.12 - Annual Report.** We will prepare a report at the end of each calendar year that this Policy is in force. We will mail this report to you within 60 days of the end of each calendar year. The report will show the Accumulation Account and the Cash Surrender Value.

## ARTICLE III – ANNUITY BENEFITS

**Section 3.1 - Settlement Options.** Before the Annuity Date, you may write to us and choose one of the options below. If you do not later change your choice, such option will apply.

The amount used on the Annuity Date to provide any of the Settlement Options is the Accumulation Account.

**Option 1 - Income for Life.** Monthly payments based on the Option 1 Table will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 2 - Life Income with a Guaranteed Period.** Monthly payments based on the Option 2 Table may be guaranteed for 5, 10, 15 or 20 years. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 3 - Life Income with Installment Refund.** Monthly payments based on the Option 3 Table are guaranteed until the total amount paid equals the amount applied to this option on the Annuity Date. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 4 - Survivorship Annuity.** Monthly payments will be made as long as the Annuitant lives. After the Annuitant dies, payments are made for as long as the Joint Annuitant lives. Monthly income payments will begin on the Annuity Date.

**Option 5 - Monthly Income for a Fixed Period.** Equal monthly income payments, beginning on the Annuity Date, will be made for not less than 5 years nor more than 30 years.

**Option 6 - Annual Income for a Fixed Period.** Equal annual income payments will be made for not less than 5 years nor more than 30 years. Payments will begin one year after the Annuity Date.

**Option 7 - Proceeds Held at Interest Only.** The proceeds are held by us at interest only for such period that you and we agree upon, but not less than 5 years. You may elect to have the interest payments held by us and accumulated with the proceeds or paid on a periodic basis. Before the end of the interest period you may elect to have the funds applied to any other option described in this section. At the end of the interest period you may take the remaining balance in cash.

If you do not choose an option before the Annuity Date, the Option 2 Life Income with a 10-Year Guaranteed Period will be paid.

On request, we may provide other options based upon actuarial equivalents of Options 1, 2, 3, or 4.

Guaranteed payments for Options 1, 2, 3, and 4 are calculated using the 1983 Table a (female), projected to 1995, and 1.50% interest rate. The attained age of the Annuitant(s) when the option payment starts will be adjusted downward by 1 year for each full 5 year period that has elapsed since January 1, 1995. For Options 5, 6, and 7 the guaranteed interest rate is 1.50%.

We may, at our option, use an interest rate that is higher than the guaranteed interest rate to calculate payments and credit funds left on deposit.

If the monthly income payment is less than \$100, we may change to quarterly, semi-annual, or annual payments to equal or exceed such minimum amount. The amount of such payments will be calculated based on the same mortality table, if any, and the interest rate we use in calculating the monthly income.

We reserve the right to reduce the payments under this section after such payments have begun, to reflect any Federal, State, or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, which have not otherwise been deducted or offset.

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

**Section 3.2 - Accumulation Account.** The Accumulation Account is 100% of the premium, less partial withdrawals and withdrawal charges on such partial withdrawals, plus or minus any Market Value Adjustments on such partial withdrawals, with interest. Interest is credited at annual effective rates at least equal to the Minimum Guaranteed Interest Rate shown on Page 3. We reserve the right to credit a different interest rate, not less than the Minimum Guaranteed Interest Rate, to the Accumulation Account while the Accumulation Account is less than \$10,000.

**Section 3.3 - Withdrawal of Cash (Cash Surrender Value.)** The Cash Surrender Value is the Accumulation Account multiplied by the Market Value Adjustment Factor, less the withdrawal charge, if any. The Accumulation Account multiplied by the Market Value Adjustment Factor will never be less than the premium paid less any partial withdrawals and withdrawal charges on such partial withdrawals, accumulated at the Minimum Guaranteed Interest Rate. You may withdraw all or part of the Cash Surrender Value at any time on or before the Annuity Date.

1. You must tell us how much you want to withdraw and complete all forms required by us.
2. The amount withdrawn must be at least \$500.00 or the Cash Surrender Value, if less. You may not take a partial withdrawal, unless the Accumulation Account, after the withdrawal, is at least equal to the Minimum Accumulation Account shown on Page 3.
3. The Withdrawal Charge Rates are shown on Page 3. The withdrawal charge is calculated as follows:
  - (a) partial withdrawal charge - multiply the partial withdrawal amount you receive, plus any amount necessary to provide for the withdrawal charge, by the applicable Withdrawal Charge Rate shown on Page 3.
  - (b) full surrender charge - multiply the Accumulation Account, plus any Free Withdrawal amounts taken in the 12 months prior to request for full surrender of Cash Surrender Value, by the applicable Withdrawal Charge Rate shown on Page 3.
4. You may withdraw amounts as described in the Free Withdrawal Option section or Systematic Withdrawal of Interest Earnings Option section below without withdrawal charges.
5. Your Accumulation Account will be reduced by any cash withdrawn and any withdrawal charges on such cash withdrawals and adjusted for any Market Value Adjustments on such cash withdrawals.
6. If you withdraw the entire Cash Surrender Value, this Policy will terminate.
7. We may defer payment for up to 6 months after we receive your request for cash after making written request and receiving written approval from the commissioner.

**Section 3.4 - Market Value Adjustment.** The amount payable for a partial withdrawal or a full surrender of the Cash Surrender Value may be adjusted up or down by applying a Market Value Adjustment. The applicable Market Value Adjustment Factor is shown in Section 3.5. Free Withdrawals as described in Section 3.6 and Systematic Withdrawals of Interest as described in Section 3.7 are not subject to any Market Value Adjustment.

**Section 3.5 - Market Value Adjustment Factors.** The Market Value Adjustment Factor applicable to the Accumulation Account or a partial withdrawal amount is  $(1 + (A-B) \times N / 12)$  where:

*A* is the Market Value Interest Rate shown on Page 3.

*B* is the Market Value Interest Rate for new policies under this policy form at the time of full or partial withdrawal, plus one half of one percent. A different rate may be used, subject to our state of domicile's Department of Insurance approval, if required.

*N* is the number of complete months from the date of full withdrawal or partial withdrawal to the end of the Market Value Adjustment Period shown on Page 3. After the Market Value Adjustment Period the value of *N* is equal to zero.

**Section 3.6 - Free Withdrawal Option.** Each Policy Year you may make one Free Withdrawal of up to 10% of your Accumulation Account. Such partial withdrawal will be made without a withdrawal charge. Any partial withdrawal amount in excess of the Free Withdrawal amount will be subject to a withdrawal charge.

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.7 - Systematic Withdrawal of Interest Earnings Option.** The Owner may elect to make withdrawals of interest earnings without withdrawal charges for the year in which the request is made and for each Policy Year thereafter without withdrawal charges subject to the following conditions:

1. The request must be made on a form furnished by us;
2. The interest to be withdrawn is limited to that credited, if any, during the last complete Policy year preceding the date of request. Interest to be withdrawn under this option in any Policy Year is limited to the annual amount of interest credited during the prior Policy Year;
3. Selecting this option will nullify any right under Section 3.6 to make Free Withdrawals from the Accumulation Account once each Policy Year during the period the election of this option remains in effect;
4. Once requested, the withdrawal of interest earnings each year will continue until and unless we receive written notice at our office in Austin, Texas that you wish to terminate this option;
5. Although payments under this option may be made, as directed by you, either monthly, quarterly, semi-annually or annually, no payment will be made for an amount less than \$100, nor will a payment be made that includes principal. Any payment for an amount due less than \$100 will be deferred until a payment due date when a payment can be made that equals or exceeds \$100; and
6. Additional withdrawals in any Policy Year during which this election is in effect will be subject to the withdrawal charges shown on Page 3.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.8 – Waiver of Withdrawal Charge and Market Value Adjustments after Qualifying Medical Stay.** Up to 75% of the Accumulation Account may be withdrawn without withdrawal charge or Market Value Adjustment after certain medically necessary stays of the Annuitant. To qualify: (a) the Annuitant must be 75 or younger on the Policy Date; (b) each stay must be for at least 90 consecutive days; (c) the stay must be in a hospital and/or nursing facility (as defined below); (d) the Annuitant must receive at least intermediate nursing care (as described below) for 90 consecutive days during the stay; (e) the stay must begin at least 180 days after the Policy Date; (f) the stay must not have been recommended by a physician in the two-year period before the Policy Date; and (g) the stay must not be for a medical condition that involved a prior stay of any length in that same two-year period.

Once a stay reaches 90 consecutive days, you may file a partial withdrawal request along with documentation that qualifying conditions for waiving withdrawal charges and any Market Value Adjustment have been met. You must also provide any reasonable additional information we request to properly evaluate whether the stay qualifies. The withdrawal request and documentation must be filed no later than 91 days after the end of the stay. If we determine the withdrawal charge waiver applies, we will then process the withdrawal with withdrawal charges and any Market Value Adjustment waived on up to 75% of the Accumulation Account. The withdrawal condition of Section 3.3(2) will be waived. If the waiver does not apply, we will give you the choice of withdrawing your withdrawal request or having it processed under the Policy's regular withdrawal provisions. Any withdrawal in excess of 75% of the Accumulation Account will be subject to the Policy's regular withdrawal charge and Market Value Adjustment provisions.

One or more withdrawal requests may be made during the 91 day period after the end of the stay.

A "hospital" is a facility that:

- a. is licensed as a hospital and operated pursuant to law;
- b. is primarily engaged in providing or operating (either on its premises or in facilities available to the hospital on a contractual prearranged basis and under the supervision of a staff of one or more

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

- duly licensed physicians), medical, diagnostic, and major surgery facilities for the medical care and treatment of sick or injured persons on an inpatient basis for which a charge is made;
- c. provides 24-hour nursing service by or under the supervision of a registered graduate professional nurse (R.N.);
  - d. is an institution which maintains and operates a minimum of five beds;
  - e. has x-ray and laboratory facilities either on the premises or available on a contractual prearranged basis; and
  - f. maintains permanent medical history records.

A "hospital" does not include:

- a. convalescent homes, convalescent facilities, rest facilities, or nursing facilities; or
- b. homes or facilities primarily for the aged, drug addicts, alcoholics, those primarily affording custodial care, educational care or those primarily affording care for mental and nervous disorders.

A "nursing facility" is a facility or a part of one: that is state-licensed as a skilled nursing facility or an intermediate care facility if the facility is located in a state requiring licensure; that provides nursing care for 24 hours a day which is supervised by a registered nurse, licensed practical nurse, or licensed vocational nurse; and that has at least one registered nurse on duty for 8 hours a day.

"Intermediate nursing care" is regular nursing and/or rehabilitative care furnished on a physician's written order that requires the skills of technical or professional persons such as nurses or physical therapists. It is not custodial care, which is care that can be given by a person without professional skills or training.

**Section 3.9 - Minimum Guaranteed Interest Rate.** The Minimum Guaranteed Interest Rate, as shown on Page 3, is set on the Policy Date and is guaranteed for the Contract Term. It is calculated as an effective annual rate and is the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average for the 6 month period ending 1 month prior to the calendar quarter in which the Policy Date occurs of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25%.

The Minimum Guaranteed Interest Rate will be re-determined on the first Policy Anniversary that coincides with the last day of the Contract Term. For example, if the Policy Date is January 7, 2011, the Contract Term ends on January 6, 2021. In this example, the Minimum Guaranteed Interest Rate would be re-determined on January 7, 2021.

It will be recalculated as the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25% for the 6-month period ending 1 month prior to the calendar quarter in which the first Policy Anniversary that coincides with the last day of the Contract Term, as described above, occurs.

The Minimum Guaranteed Interest Rate that has been re-determined will be guaranteed until the Annuity Date.

The Minimum Guaranteed Interest Rate is rounded to the nearest 1/20th of 1.00% and is never less than 1.00%.

**Section 3.10 - Death Benefit if Annuitant Dies Before Annuity Date.** We will pay to the Beneficiary:

1. the Accumulation Account as of the date of death as a single sum with no Market Value Adjustment applied, or
2. benefits provided by the Accumulation Account if applied under one of the Settlement Options in Section 3.1, where for purposes of Section 3.1, the term Beneficiary replaces the term Annuitant.

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

Payment will be made when we receive due proof of the Annuitant's death.

If no election is made by the Beneficiary, we will pay the Accumulation Account as of the date of death as a single sum as described in 1 above in this Section 3.10.

**Section 3.11 - Death Benefit If Annuitant Dies On Or After Annuity Date.** We will pay to the Beneficiary any unpaid guaranteed amounts as provided by the Settlement Option in force on the date of death. No other death benefits will be paid.

**Section 3.12 - Taxes, Fees, Assessments.** Any Federal, State or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, will be deducted from the benefits under Article III.

**Section 3.13 - Minimum State Requirements.** The cash values, paid-up annuity benefit and the death benefits are no less than the benefits required by the State where this contract is delivered.

**OPTION 1 AND 2 TABLE - MINIMUM INCOME FOR LIFE  
OR LIFE INCOME WITH GUARANTEED PERIOD**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant	Income For Life	5 Years Guaranteed	10 Years Guaranteed	15 Years Guaranteed	20 Years Guaranteed
50	\$2.86	\$2.86	\$2.85	\$2.84	\$2.82
51	2.92	2.91	2.91	2.89	2.87
52	2.97	2.97	2.96	2.94	2.92
53	3.03	3.03	3.02	3.00	2.97
54	3.09	3.09	3.08	3.06	3.02
55	3.15	3.15	3.14	3.12	3.08
56	3.22	3.22	3.20	3.18	3.13
57	3.29	3.29	3.27	3.24	3.19
58	3.37	3.36	3.35	3.31	3.25
59	3.45	3.44	3.42	3.38	3.32
60	3.53	3.52	3.50	3.45	3.38
61	3.62	3.61	3.58	3.53	3.45
62	3.71	3.70	3.67	3.61	3.52
63	3.81	3.80	3.76	3.69	3.59
64	3.91	3.90	3.86	3.78	3.66
65	4.02	4.01	3.96	3.87	3.73
66	4.14	4.12	4.07	3.96	3.80
67	4.26	4.24	4.18	4.06	3.88
68	4.40	4.37	4.30	4.16	3.95
69	4.53	4.51	4.42	4.26	4.02
70	4.68	4.65	4.55	4.37	4.09
71	4.84	4.81	4.69	4.48	4.16
72	5.01	4.97	4.84	4.59	4.23
73	5.19	5.15	4.99	4.7	4.29
74	5.39	5.33	5.15	4.81	4.36
75	5.60	5.53	5.31	4.92	4.41
76	5.83	5.75	5.49	5.03	4.47
77	6.07	5.98	5.67	5.14	4.52
78	6.34	6.23	5.85	5.25	4.56
79	6.63	6.49	6.04	5.35	4.60
80*	6.94	6.77	6.23	5.45	4.64

\* and over

**OPTION 3 TABLE - LIFE INCOME WITH INSTALLMENT REFUND**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant		Adjusted Age of Annuitant		Adjusted Age of Annuitant	
50	\$2.74	60	\$3.26	70	\$4.06
51	2.78	61	3.32	71	4.16
52	2.82	62	3.39	72	4.27
53	2.87	63	3.46	73	4.38
54	2.92	64	3.53	74	4.5
55	2.97	65	3.61	75	4.62
56	3.02	66	3.69	76	4.75
57	3.08	67	3.78	77	4.89
58	3.13	68	3.87	78	5.04
59	3.19	69	3.96	79	5.19
				80*	5.35

\* and over

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# NATIONAL WESTERN LIFE INSURANCE COMPANY

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

## READ YOUR POLICY CAREFULLY

SINGLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

This Policy is a legal contract between you and us.

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## NATIONAL WESTERN LIFE INSURANCE COMPANY

### CASH LOAN ENDORSEMENT

This endorsement is issued as a part of the contract to which it is attached. Notwithstanding anything to the contrary in the contract, the following changes and/or additions apply with respect to the contract:

You may obtain a loan from us using this contract as loan security. The loan must be requested in writing. It will have the following conditions:

1. The loan may not exceed 60% of the Accumulation Account less any existing loans and loan interest to the next Policy Anniversary. A loan may not be made for less than \$500.00. The Cash Surrender Value less the loan must be at least \$500.00. No loans will be made within 30 days of the Policy Date.
2. All or part of the loan may be repaid to us any time before the Annuity Date. Each payment must be at least \$25.00.
3. Any amount owed to us will be deducted from the Cash Surrender Value. If any amount is owed to us when a Settlement

Option is elected, such amount will be treated as a cash withdrawal.

4. If the amount owed to us becomes more than the Cash Surrender Value, we will mail notice to your last known address. Your contract will terminate 31 days after we mail notice.

Interest on the loan will be paid in advance at the beginning of each Policy Year. Any interest not paid when due will be added to the amount of the loan and bear interest at the same rate. The loan interest rate is on Page 3.

The interest rate credited to the portion of the Accumulation Account which is equal to the loan may differ from the interest rate credited on the remainder of the Accumulation Account, but will not be less than the Minimum Guaranteed Interest Rate.

This endorsement takes effect and expires with the contract to which it is attached. It is subject to all the applicable terms, conditions, limitations and exclusions of the contract that are not inconsistent with it. Nothing contained in this endorsement will be held to change, waive or extend any provisions of the contract except as stated above.



President

SERFF Tracking Number: NAWS-127826022 State: Arkansas  
 Filing Company: National Western Life Insurance Company State Tracking Number: 50268  
 Company Tracking Number: 01-1129-11, 01-1131-11, 01-1132-11 DEFERRED ANNUITIES WITH MVA  
 TOI: A021 Individual Annuities- Deferred Non- Variable Sub-TOI: A021.002 Flexible Premium  
 Product Name: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA  
 Project Name/Number: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA/01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Flesch Certification		
<b>Comments:</b>		
<b>Attachment:</b> 01-1129-11, et al with CLE - Officer Flesch.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Application		
<b>Comments:</b> Deferred Annuity Application 01-9046AR-10 June 1, 2010		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Life & Annuity - Actuarial Memo		
<b>Comments:</b> All Actuarial material is attached below.		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Cover Letter		
<b>Comments:</b>		
<b>Attachment:</b> AR 1129, 1131, 1132 Cover Letter.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> 01-1129-11, et a. Statements of Variability		

SERFF Tracking Number: NAWS-127826022 State: Arkansas  
 Filing Company: National Western Life Insurance Company State Tracking Number: 50268  
 Company Tracking Number: 01-1129-11, 01-1131-11, 01-1132-11 DEFERRED ANNUITIES WITH MVA  
 TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.002 Flexible Premium  
 Variable  
 Product Name: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA  
 Project Name/Number: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA/01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA

**Comments:**

**Attachments:**

- 01-1129-11 Statement of Variability.pdf
- 01-1131-11 Statement of Variability.pdf
- 01-1132-11 Statement of Variability.pdf

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

**Satisfied - Item:** 01-1129-11 Actuarial Material

**Comments:**

**Attachments:**

- 01-1129-11 Act Memo.pdf
- 01-1129-11 MVA.pdf
- 01-1129-11 Reserve Demonstration.pdf
- 01-1129-11 SNFL.pdf

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

**Satisfied - Item:** 01-1131-11 Actuarial Material

**Comments:**

**Attachments:**

- 01-1131-11 Act Memo.pdf
- 01-1131-11 MVA.pdf
- 01-1131-11 Reserve Demonstration.pdf
- 01-1131-11 SNFL.pdf

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

**Satisfied - Item:** 01-1132-11 Actuarial Material

**Comments:**

**Attachments:**

- 01-1132-11 Act Memo.pdf
- 01-1132-11 MVA.pdf
- 01-1132-11 Reserve Demonstration.pdf



**NATIONAL WESTERN LIFE INSURANCE COMPANY**  
**NAIC COMPANY NUMBER 66850**  
**FLESCH READING EASE TEST SCORE CERTIFICATE**  
Flexible Premium Deferred Annuity, Form Number 01-1129-11  
Flexible Premium Deferred Annuity, Form Number 01-1131-11  
Single Premium Deferred Annuity, Form Number 01-1132-11  
Cash Loan Endorsement, 01-4087RX

I hereby certify the following:

1. The Flesch Reading Ease Test score is as indicated below.
2. The form is printed, except for specifications pages, schedules and tables, in not less than ten point type.
3. The number of words contained in the text is as indicated below.
4. The entire form was analyzed.

<b><u>Form No.</u></b>	<b><u>Flesch Score</u></b>	<b><u>Words</u></b>
01-1129-11	54	3,567
01-1131-11	54	3,628
01-1132-11	52	3,753
01-4087RX	63	357



Paul D. Facey, FSA, MAAA  
Senior Vice President – Chief Actuary



October 31, 2011

Mr. Jay Bradford  
Insurance Commissioner  
Arkansas Department of Insurance  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

Re: Individual Flexible Premium Deferred Annuity, Form Number 01-1129-11  
Individual Flexible Premium Deferred Annuity, Form Number 01-1131-11  
Individual Single Premium Deferred Annuity, Form Number 01-1132-11  
Cash Loan Endorsement, Form Number 01-4087RX  
National Western Life Insurance Company, NAIC 66850, FEIN 84-0467208

To Whom It May Concern:

Please find attached the above captioned forms submitted for formal approval. These forms are new and will NOT replace any previously approved forms. This filing contains no unusual or possibly controversial items from normal industry standards. All three forms contain Market Value Adjustments.

The following features may be found in these three policy forms:

Account Value Death Benefit provides the full policy value, with no withdrawal charges or market value adjustments, upon the death of the annuitant.

Free Withdrawal Option provides one annual fee-free withdrawal up to 10% of the account value each policy year.

Systematic Withdrawal of Interest Earnings Option provides a fee-free withdrawal of all interest earned in a policy year.

Terminal Illness Benefit provides a withdrawal in any amount free of withdrawal charges if the annuitant's life expectancy reaches 12 months or less.

Waiver of Withdrawal Charge After Qualifying Medical Stay provides a withdrawal of up to 75% of the Account Value without a withdrawal charge, based on a medically necessary stay.

The policies may be issued with any of a series of previously approved endorsements or riders as indicated in the table below.

Thank you for your time and consideration in this matter. If you have any questions or need more information, please feel free to contact me by email at [SFoskitt@NationalWesternLife.com](mailto:SFoskitt@NationalWesternLife.com) or by phone at 512-719-1563.

Sincerely,

A handwritten signature in black ink that reads "SFoskitt". The signature is written in a cursive, flowing style.

Stephanie Foskitt  
Contract Compliance Analyst

We reserve the right to change the format of this form without changing any of the language. Printing standards will never be less than those required.

<b><u>Form Name</u></b>	<b><u>Form Number</u></b>	<b><u>Approval Date</u></b>
Deferred Annuity Application	01-9046AR-10	June 1, 2010
Co-Annuitant Endorsement	01-4322-00	October 20, 2000
Section 72(s) Endorsement	01-4289-97	April 10, 1997
Assignment Endorsement	01-4137(Rev.04/95)	April 21, 1995
Tax Deferred Endorsement	01-4253-04	January 15, 2004
Roth IRA Endorsement	01-4307-07	March 3, 2008
IRA Endorsement	01-4010-07	March 3, 2008
Required Minimum Distribution Endorsement	01-4336-03	March 4, 2005

**NATIONAL WESTERN LIFE INSURANCE COMPANY  
STATEMENT OF VARIABILITY**

The following information is applicable where shown on the specification page for annuity policy form number: **01-1129-11**

**Annuitant, Policy Number, Policy Date, Issue Age, Owner** are "John Doe" variables.

**Annuity Date [January 15, 2036]** – At issue, the annuity date is twenty-four years and cannot be changed.

**The Initial Premium [\$10,000]** – The initial premium minimum is \$5,000.

**Minimum Accumulation Account [\$5,000]** – \$1,000 is the minimum for both tax-qualified and non-qualified annuities.

**Market Value Interest Rate** – Minimum 1.00%, maximum 20.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Policy Year 1) - [3.00%]** – This value will never be lower than the minimum nonforfeiture rate of 1.0%.

**Including [1.00%] Additional 1st Year Interest** – Additional 1<sup>st</sup> Year Interest rate will be between 0% and 20%, though the company does not anticipate a rate greater or less than 1.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Thereafter) - [1.00%]** – The minimum is 1.00%, the maximum is 3.00%. This value is set for the length of the Contract Term of 10 years and will change according to the formula in the policy for subsequent years.

**NOT LESS THAN [ 1.00% ]** – This value is the same as the Minimum Guaranteed Interest Rate for the Contract Term (Thereafter).

**Maximum Accumulated Free Withdrawal Percentage [50%]** – Minimum 10%, maximum 90%.

**NATIONAL WESTERN LIFE INSURANCE COMPANY  
STATEMENT OF VARIABILITY**

The following information is applicable where shown on the specification page for annuity policy form number: **01-1131-11**

**Annuitant, Policy Number, Policy Date, Issue Age, Owner** are "John Doe" variables.

**Annuity Date [January 15, 2036]** – At issue, the annuity date is twenty-four years and cannot be changed.

**The Initial Premium [\$10,000]** – The initial premium minimum is \$5,000.

**Minimum Accumulation Account [\$5,000]** – \$1,000 is the minimum for both tax-qualified and non-qualified annuities.

**Market Value Interest Rate** – Minimum 1.00%, maximum 20.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Policy Year 1) - [3.00%]** – This value will never be lower than the minimum nonforfeiture rate of 1.0%.

**Including [5.00%] Additional 1st Year Interest** – Additional 1<sup>st</sup> Year Interest rate will be between 0% and 20%, though the company does not anticipate a rate greater or less than 5.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Thereafter) - [1.00%]** – The minimum is 1.00%, the maximum is 3.00%. This value is set for the length of the Contract Term of 10 years and will change according to the formula in the policy for subsequent years.

**NOT LESS THAN [ 1.00% ]** – This value is the same as the Minimum Guaranteed Interest Rate for the Contract Term (Thereafter).

**Maximum Accumulated Free Withdrawal Percentage [50%]** – Minimum 10%, maximum 90%.

**NATIONAL WESTERN LIFE INSURANCE COMPANY  
STATEMENT OF VARIABILITY**

The following information is applicable where shown on the specification page for annuity policy form number: **01-1132-11**

**Annuitant, Policy Number, Policy Date, Issue Age, Owner** are "John Doe" variables.

**Annuity Date [January 15, 2036]** – At issue, the annuity date is twenty-four years and cannot be changed.

**The Initial Premium [\$10,000]** – The initial premium minimum is \$5,000.

**Minimum Accumulation Account [\$5,000]** – \$1,000 is the minimum for both tax-qualified and non-qualified annuities.

**Market Value Interest Rate** – Minimum 1.00%, maximum 20.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Policy Year 1) - [3.00%]** – This value will never be lower than the minimum nonforfeiture rate of 1.0%.

**Including [7.00%] Additional 1st Year Interest** –Additional 1<sup>st</sup> Year Interest rate will be between 0% and 20%, though the company does not anticipate a rate greater or less than 7.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Thereafter) - [1.00%]** – The minimum is 1.00%, the maximum is 3.00%. This value is set for the length of the Contract Term of 10 years and will change according to the formula in the policy for subsequent years.

SERFF Tracking Number: NAWS-127826022 State: Arkansas  
 Filing Company: National Western Life Insurance Company State Tracking Number: 50268  
 Company Tracking Number: 01-1129-11, 01-1131-11, 01-1132-11 DEFERRED ANNUITIES WITH MVA  
 TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.002 Flexible Premium  
 Variable  
 Product Name: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA  
 Project Name/Number: 01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA/01-1129-11, 01-1131-11, 01-1132-11 Deferred Annuities with MVA

## 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.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
11/15/2011	Form	Flexible Premium Deferred Annuity with MVA	11/15/2011	01-1129-11 Flex Prem Def Ann w-MVA.pdf (Superseded)
11/15/2011	Form	Flexible Premium Deferred Annuity with MVA	11/15/2011	01-1131-11 Flex Prem Def Ann w-MVA.pdf (Superseded)
11/15/2011	Form	Single Premium Deferred Annuity with MVA	11/15/2011	01-1132-11 Single Prem Def Ann w-MVA.pdf (Superseded)
11/15/2011	Supporting Document	01-1129-11, et a. Statements of Variability	11/15/2011	01-1129-11 Statement of Variability.pdf (Superseded) 01-1131-11 Statement of Variability.pdf (Superseded) 01-1132-11 Statement of Variability.pdf (Superseded)

# NATIONAL WESTERN LIFE INSURANCE COMPANY

A Stock Company

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

ANNUITANT  
POLICY DATE  
OWNER

POLICY NUMBER  
ISSUE AGE

ANNUITY DATE

## POLICY

**NATIONAL WESTERN LIFE INSURANCE COMPANY** is called "we", "our" or "us". The Owner is called "you". We will pay you a monthly income beginning on the Annuity Date. Income payments are subject to the conditions and provisions contained herein.

## PREMIUM PAYMENTS

The initial premium payment is due in an amount determined by you on your Policy Date. Further premium payments can be made at any time thereafter at your option. We do have the right to limit premium payments in any renewal year to the amount of premium payments made in the preceding year. Each payment must be at least \$100.00.

## RIGHT TO CANCEL

You may cancel this Policy by delivering or mailing a written notice or sending a telegram to us in Austin, Texas 78752-1602 or to our authorized agent. You must send the notice and return the Policy to us or our authorized agent before midnight of the thirtieth day after the date you receive it. Notice given by mail and return of the Policy by mail are effective on being postmarked, if properly addressed and postage prepaid. We must return all premiums paid for this Policy within 10 days after we receive such notice to cancel and the returned Policy.



Secretary



President

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

**This Policy is a legal contract between you and us.**

**NOTICE TO OWNER:** If you have questions or need information about this Policy or need assistance, please call us at 1-800-922-9422.

## ARTICLE I - DEFINITIONS

**Age** refers to attained age on the last birthday.

**Annuitant** is the person named as Annuitant on Page 3.

**Annuity Date** means the date we begin annuity income payments, and is shown on Page 3. This date is 24 years from the Policy Date.

**Policy Anniversary** means the month and day shown on Page 3 in the Policy Date for each year after the Policy Date.

**Policy Year** means the yearly period which starts on the Policy Date and yearly periods that start on each Policy Anniversary thereafter.

**Contract Term** is the time period, as shown on Page 3, during which withdrawal charges apply. At the end of the Contract Term, the Minimum Guaranteed Interest Rate will be re-determined.

**Issue Age** is Annuitant's age on the Policy Date as shown on Page 3.

**Joint Annuitant** is the person named as the second payee under the Survivorship Annuity in Option 4 under Section 3.1.

**Owner** is the person named as Owner on Page 3. The Annuitant is the Owner, unless another Owner is named on the Application or later changed.

**Policy** means the annuity Policy issued to the Owner.

**You/your/yours** refers to an Owner.

**Free Withdrawal** refers to withdrawals on which no withdrawal charge is made.

**Withdrawal Charge Period** means the Policy Years over which Withdrawal Charge Rates apply as shown on Page 3.

## POLICY DATA PAGE

NATIONAL WESTERN LIFE INSURANCE COMPANY  
850 EAST ANDERSON LANE, AUSTIN, TEXAS 78752-1602  
1-800-922-9422

ANNUITANT	[ JOHN DOE ]	[ 0100012345 ]	POLICY NUMBER
POLICY DATE	[ JANUARY 15, 2012 ]	[ 35 ]	ISSUE AGE
OWNER	[ JOHN DOE ]	[ JANUARY 15, 2036 ]	ANNUITY DATE

01-1129-11 FLEXIBLE PREMIUM DEFERRED ANNUITY

INITIAL PREMIUM: [ \$10,000.00 ]

CONTRACT TERM: 10 POLICY YEARS

MINIMUM ACCUMULATION ACCOUNT [ \$5,000.00 ]

MARKET VALUE INTEREST RATE: [ 2.00% ]

MARKET VALUE ADJUSTMENT PERIOD: 10 POLICY YEARS

MINIMUM GUARANTEED INTEREST RATE FOR THE CONTRACT TERM:

<u>POLICY YEAR</u>	<u>PERCENTAGE</u>
1	[ 3.00% ] [ (INCLUDING 1.00% ADDITIONAL 1ST YEAR INTEREST) ]
THEREAFTER	[ 1.00% ]

THE GUARANTEED MINIMUM INTEREST RATE IN THE FIRST POLICY YEAR APPLIES TO THE INITIAL PREMIUM SHOWN ABOVE. FOR SUBSEQUENT PREMIUM PAYMENTS MADE IN THE FIRST POLICY YEAR, THE GUARANTEED MINIMUM INTEREST RATE TO THE END OF THE FIRST POLICY YEAR IS THE INTEREST RATE CURRENTLY AVAILABLE (NOT LESS THAN [ 1.00% ] ) FOR NEW POLICIES UNDER THIS POLICY FORM ON THE DATE THE PREMIUM PAYMENT IS RECEIVED.

MAXIMUM ACCUMULATED FREE WITHDRAWAL PERCENTAGE: [ 50% ]

THE LOAN INTEREST RATE IS: 7.40%

### WITHDRAWAL CHARGE RATES:

<u>POLICY YEAR</u>	<u>RATE</u>
1	10.00%
2	10.00%
3	9.00%
4	9.00%
5	7.00%
6	5.00%
7	5.00%
8	5.00%
9	5.00%
10	5.00%
THEREAFTER	0.00%



## ARTICLE II – GENERAL PROVISIONS

**Section 2.1 - Entire Contract.** The entire contract is made up of:

1. the Policy;
2. the Application for the Policy, a copy of which is attached; and
3. any attached endorsements, riders, and amendments.

We issued the Policy to the Owner. The Policy describes the principle terms and provisions of the contract. The Application is attached to the Policy and made a part thereof.

Only our officers may change the benefits under the Policy or waive a right or requirement. No agent may do this. Such change or waiver must be in writing.

**Section 2.2 - Owner.** Unless changed, the Owner is named in the Application. If the Owner is not the Annuitant and the named Owner and contingent Owner, if any, die, the Annuitant becomes the Owner.

The Owner may use all rights while the Annuitant is alive. These include the right to:

1. change the Beneficiary;
2. receive proceeds;
3. elect options; and
4. change the Owner.

**Section 2.3 - Beneficiary.** Unless changed, the payee to whom the death benefit is paid is the Beneficiary named in the Application. A payee is one living on the earlier of:

1. the day we receive due proof of the Annuitant's death; or
2. the 15th day past the Annuitant's death.

Unless changed:

1. If there is more than one payee in the same class, equal shares will be paid;
2. The share of any Beneficiary not living will be paid to the rest of the payees of the same class in proportion to their respective shares; and
3. If no Beneficiary is living, the payee will be the Annuitant's estate.

**Section 2.4 - Change of Owner or Beneficiary.** Changes in the designation of the Beneficiary or Owner may be made by the Owner's written request on forms provided by us, completed by the Owner, and forwarded to us during the lifetime of the Annuitant. After the change is recorded at our office in Austin, Texas, it will be effective as of the date of the Owner's request. It will not apply to any payment made or action taken by us before it was recorded.

Once we accept this change, it takes effect as of the date you signed the request, subject to any action we take before we accept the change.

**Section 2.5 - Incontestability.** All statements made in the Application are representations and not warranties.

We may not contest your annuity Policy once this Policy has been in force, while the Annuitant is alive, for two years from its Policy Date.

**Section 2.6 - Assignment.** This Policy, and the annuity benefits under the Policy cannot be assigned, sold, transferred or pledged as collateral for a loan or for any other purpose.

**Section 2.7 - Misstatement of Age or Sex.** If the age or sex of the Annuitant or Joint Annuitant is incorrect, we will change the amounts we pay to the amounts based on the correct age and sex.

1. Any overpayment we made will be deducted from future payments.
2. Any underpayment we made will be paid in full with the next payment due.

**ARTICLE II**  
**GENERAL PROVISIONS (Continued)**

**Section 2.8 - Proof of Age and Sex.** No income payments will be made until we receive satisfactory proof of the age and sex of the Annuitant and the Joint-Annuitant, if any.

**Section 2.9 - Proof of Survival.** We have the right to require proof that the Annuitant and Joint-Annuitant, if any, is alive at the time each income payment is due.

**Section 2.10 - Settlement.** All payments made by us under the Policy shall be made from our office in Austin, Texas.

**Section 2.11 - Nonparticipating.** The Policy is a nonparticipating Policy. The Policy will not participate in our surplus earnings.

**Section 2.12 - Annual Report.** We will prepare a report at the end of each calendar year that this Policy is in force. We will mail this report to you within 60 days of the end of each calendar year. The report will show the Accumulation Account and the Cash Surrender Value.

## ARTICLE III – ANNUITY BENEFITS

**Section 3.1 - Settlement Options.** Before the Annuity Date, you may write to us and choose one of the options below. If you do not later change your choice, such option will apply.

The amount used on the Annuity Date to provide any of the Settlement Options is the Accumulation Account.

**Option 1 - Income for Life.** Monthly payments based on the Option 1 Table will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 2 - Life Income with a Guaranteed Period.** Monthly payments based on the Option 2 Table may be guaranteed for 5, 10, 15 or 20 years. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 3 - Life Income with Installment Refund.** Monthly payments based on the Option 3 Table are guaranteed until the total amount paid equals the amount applied to this option on the Annuity Date. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 4 - Survivorship Annuity.** Monthly payments will be made as long as the Annuitant lives. After the Annuitant dies, payments are made for as long as the Joint Annuitant lives. Monthly income payments will begin on the Annuity Date.

**Option 5 - Monthly Income for a Fixed Period.** Equal monthly income payments, beginning on the Annuity Date, will be made for not less than 5 years nor more than 30 years.

**Option 6 - Annual Income for a Fixed Period.** Equal annual income payments will be made for not less than 5 years nor more than 30 years. Payments will begin one year after the Annuity Date.

**Option 7 - Proceeds Held at Interest Only.** The proceeds are held by us at interest only for such period that you and we agree upon, but not less than 5 years. You may elect to have the interest payments held by us and accumulated with the proceeds or paid on a periodic basis. Before the end of the interest period you may elect to have the funds applied to any other option described in this section. At the end of the interest period you may take the remaining balance in cash.

If you do not choose an option before the Annuity Date, the Option 2 Life Income with a 10-Year Guaranteed Period will be paid.

On request, we may provide other options based upon actuarial equivalents of Options 1, 2, 3, or 4.

Guaranteed payments for Options 1, 2, 3, and 4 are calculated using the 1983 Table a (female), projected to 1995, and 1.50% interest rate. The attained age of the Annuitant(s) when the option payment starts will be adjusted downward by 1 year for each full 5 year period that has elapsed since January 1, 1995. For Options 5, 6, and 7 the guaranteed interest rate is 1.50%.

We may, at our option, use an interest rate that is higher than the guaranteed interest rate to calculate payments and credit funds left on deposit.

If the monthly income payment is less than \$100, we may change to quarterly, semi-annual, or annual payments to equal or exceed such minimum amount. The amount of such payments will be calculated based on the same mortality table, if any, and the interest rate we use in calculating the monthly income.

We reserve the right to reduce the payments under this section after such payments have begun, to reflect any Federal, State, or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, which have not otherwise been deducted or offset.

**Section 3.2 - Accumulation Account.** The Accumulation Account is 100% of premiums, less partial withdrawals and withdrawal charges on such partial withdrawals, plus or minus any Market Value

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

Adjustments on such partial withdrawals, with interest. Interest is credited at annual effective rates at least equal to the Minimum Guaranteed Interest Rate shown on Page 3. We reserve the right to credit a different interest rate, not less than the Minimum Guaranteed Interest Rate, to the Accumulation Account while the Accumulation Account is less than \$10,000.

**Section 3.3 - Withdrawal of Cash (Cash Surrender Value.)** The Cash Surrender Value is the Accumulation Account multiplied by the Market Value Adjustment Factor, less the withdrawal charge, if any. The Accumulation Account multiplied by the Market Value Adjustment Factor will never be less than the premiums paid less any partial withdrawals and withdrawal charges on such partial withdrawals, accumulated at the Minimum Guaranteed Interest Rate. You may withdraw all or part of the Cash Surrender Value at any time on or before the Annuity Date.

1. You must tell us how much you want to withdraw and complete all forms required by us.
2. The amount withdrawn must be at least \$500.00 or the Cash Surrender Value, if less. You may not take a partial withdrawal, unless the Accumulation Account, after the withdrawal, is at least equal to the Minimum Accumulation Account shown on Page 3.
3. The Withdrawal Charge Rates are shown on Page 3. The withdrawal charge is calculated as follows:
  - (a) partial withdrawal charge - multiply the partial withdrawal amount you receive, plus any amount necessary to provide for the withdrawal charge, by the applicable Withdrawal Charge Rate shown on Page 3.
  - (b) full surrender charge - multiply the Accumulation Account, plus any Free Withdrawal amounts taken in the 12 months prior to request for full surrender of Cash Surrender Value, by the applicable Withdrawal Charge Rate shown on Page 3.
4. You may withdraw amounts as described in the Free Withdrawal Option section or Systematic Withdrawal of Interest Earnings Option section below without withdrawal charges.
5. Your Accumulation Account will be reduced by any cash withdrawn and any withdrawal charges on such cash withdrawals and adjusted for any Market Value Adjustments on such cash withdrawals.
6. If you withdraw the entire Cash Surrender Value, this Policy will terminate.
7. We may defer payment for up to 6 months after we receive your request for cash after making written request and receiving written approval from the commissioner.

**Section 3.4 - Market Value Adjustment.** The amount payable for a partial withdrawal or a full surrender of the Cash Surrender Value may be adjusted up or down by applying a Market Value Adjustment. The applicable Market Value Adjustment Factor is shown in Section 3.5. Free Withdrawals as described in Section 3.6 and Systematic Withdrawals of Interest as described in Section 3.7 are not subject to any Market Value Adjustment.

**Section 3.5 - Market Value Adjustment Factors.** The Market Value Adjustment Factor applicable to the Accumulation Account or a partial withdrawal amount is  $(1 + (A-B) \times N / 12)$  where:

*A* is the Market Value Interest Rate shown on Page 3.

*B* is the Market Value Interest Rate for new policies under this policy form at the time of full or partial withdrawal, plus one half of one percent. A different rate may be used, subject to our state of domicile's Department of Insurance approval, if required.

*N* is the number of complete months from the date of full withdrawal or partial withdrawal to the end of the Market Value Adjustment Period shown on Page 3. After the Market Value Adjustment Period the value of *N* is equal to zero.

**Section 3.6 - Free Withdrawal Option.** Each Policy Year you may make one Free Withdrawal of up to 10% of your Accumulation Account. Such partial withdrawal will be made without a withdrawal charge. Any partial withdrawal amount in excess of the Free Withdrawal amount will be subject to a withdrawal charge.

You may accumulate unused Free Withdrawal amounts in 10% increments only. This means that any unused Free Withdrawals of less than 10% may not be accumulated. The maximum accumulated Free

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

Withdrawal expressed as a percentage of the Accumulation Account may not exceed the Maximum Accumulated Free Withdrawal Percentage shown on Page 3. You may not exercise a withdrawal under Section 3.7 in the same Policy Year in which you make a withdrawal under this Section 3.6.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.7 - Systematic Withdrawal of Interest Earnings Option.** The Owner may elect to make withdrawals of interest earnings without withdrawal charges for the year in which the request is made and for each Policy Year thereafter without withdrawal charges subject to the following conditions:

1. The request must be made on a form furnished by us;
2. The interest to be withdrawn is limited to that credited, if any, during the last complete Policy Year preceding the date of request. Interest to be withdrawn under this option in any Policy Year is limited to the annual amount of interest credited during the prior Policy Year;
3. Selecting this option will nullify any right under Section 3.6 to make Free Withdrawals from the Accumulation Account once each Policy Year and to accumulate unused Free Withdrawals during the period the election of this option remains in effect;
4. Once requested, the withdrawal of interest earnings each year will continue until and unless we receive written notice at our office in Austin, Texas that you wish to terminate this option;
5. Although payments under this option may be made, as directed by you, either monthly, quarterly, semi-annually or annually, no payment will be made for an amount less than \$100, nor will a payment be made that includes principal. Any payment for an amount due less than \$100 will be deferred until a payment due date when a payment can be made that equals or exceeds \$100; and
6. Additional withdrawals in any Policy Year during which this election is in effect will be subject to the withdrawal charges shown on Page 3.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.8 – Terminal Illness Benefit.** Withdrawal charges and any Market Value Adjustment will be waived if the Annuitant is first diagnosed after the Policy Date with a Terminal Illness as defined below.

You may file a written request for full surrender or partial withdrawal along with documentation that qualifying conditions for waiving withdrawal charges and Market Value Adjustments have been met.

A Terminal Illness is an illness:

1. from which the Annuitant is not expected to recover; and
2. from which the Annuitant is expected to die within twelve (12) months after your written request for full surrender or partial withdrawal described in this section above.

We will require that we be given satisfactory proof of the Annuitant's Terminal Illness. Satisfactory proof will include the certification by a licensed physician who is not the Annuitant, the Owner, nor a member of the family of either, that the Annuitant has a Terminal Illness. We reserve the right to obtain a second medical opinion at our expense.

If the withdrawal charge and Market Value Adjustment waiver applies, we will then process the withdrawal with all withdrawal charges and any Market Value Adjustment waived. If the waiver does not apply, we will give you the choice of withdrawing your withdrawal request or having it processed under the contract's regular withdrawal provisions.

One or more withdrawal requests may be made under this provision. The amounts withdrawn are subject to the conditions of Section 3.3(2).

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

**Section 3.9 - Minimum Guaranteed Interest Rate.** The Minimum Guaranteed Interest Rate, as shown on Page 3, is set on the Policy Date and is guaranteed for the Contract Term. It is calculated as an effective annual rate and is the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average for the 6 month period ending 1 month prior to the calendar quarter in which the Policy Date occurs of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25%.

The Minimum Guaranteed Interest Rate will be re-determined on the first Policy Anniversary that coincides with the last day of the Contract Term. For example, if the Policy Date is January 7, 2011, the Contract Term ends on January 6, 2021. In this example, the Minimum Guaranteed Interest Rate would be re-determined on January 7, 2021.

It will be recalculated as the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25% for the 6-month period ending 1 month prior to the calendar quarter in which the first Policy Anniversary that coincides with the last day of the Contract Term, as described above, occurs.

The Minimum Guaranteed Interest Rate that has been re-determined will be guaranteed until the Annuity Date.

The Minimum Guaranteed Interest Rate is rounded to the nearest 1/20th of 1.00% and is never less than 1.00%.

**Section 3.10 – Paid-Up Annuity.** This Policy will be continued as a paid-up deferred annuity:

1. on the Policy Anniversary following a Policy Year during which no premiums were paid; or
2. the date we receive a written request from you for this option.

While continued as a paid-up annuity this Policy will continue in full force and effect. You may exercise all rights described in this Policy.

**Section 3.11 - Death Benefit if Annuitant Dies Before Annuity Date.** We will pay to the Beneficiary:

1. the Accumulation Account as of the date of death as a single sum with no Market Value Adjustment applied; or
2. benefits provided by the Accumulation Account if applied under one of the Settlement Options in Section 3.1, where for purposes of Section 3.1, the term Beneficiary replaces the term Annuitant.

Payment will be made when we receive due proof of the Annuitant's death.

If no election is made by the Beneficiary, we will pay the Accumulation Account as of the date of death as a single sum, as described in 1 above in this Section 3.11.

**Section 3.12 - Death Benefit If Annuitant Dies On Or After Annuity Date.** We will pay to the Beneficiary any unpaid guaranteed amounts as provided by the Settlement Option in force on the date of death. No other death benefits will be paid.

**Section 3.13 - Taxes, Fees, Assessments.** Any Federal, State or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, will be deducted from the benefits under Article III.

**Section 3.14 - Minimum State Requirements.** The cash values, paid-up annuity benefit and the death benefits are no less than the benefits required by the State where this contract is delivered.

**OPTION 1 AND 2 TABLE - MINIMUM INCOME FOR LIFE  
OR LIFE INCOME WITH GUARANTEED PERIOD**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant	Income For Life	5 Years Guaranteed	10 Years Guaranteed	15 Years Guaranteed	20 Years Guaranteed
50	\$2.86	\$2.86	\$2.85	\$2.84	\$2.82
51	2.92	2.91	2.91	2.89	2.87
52	2.97	2.97	2.96	2.94	2.92
53	3.03	3.03	3.02	3.00	2.97
54	3.09	3.09	3.08	3.06	3.02
55	3.15	3.15	3.14	3.12	3.08
56	3.22	3.22	3.20	3.18	3.13
57	3.29	3.29	3.27	3.24	3.19
58	3.37	3.36	3.35	3.31	3.25
59	3.45	3.44	3.42	3.38	3.32
60	3.53	3.52	3.50	3.45	3.38
61	3.62	3.61	3.58	3.53	3.45
62	3.71	3.70	3.67	3.61	3.52
63	3.81	3.80	3.76	3.69	3.59
64	3.91	3.90	3.86	3.78	3.66
65	4.02	4.01	3.96	3.87	3.73
66	4.14	4.12	4.07	3.96	3.80
67	4.26	4.24	4.18	4.06	3.88
68	4.40	4.37	4.30	4.16	3.95
69	4.53	4.51	4.42	4.26	4.02
70	4.68	4.65	4.55	4.37	4.09
71	4.84	4.81	4.69	4.48	4.16
72	5.01	4.97	4.84	4.59	4.23
73	5.19	5.15	4.99	4.7	4.29
74	5.39	5.33	5.15	4.81	4.36
75	5.60	5.53	5.31	4.92	4.41
76	5.83	5.75	5.49	5.03	4.47
77	6.07	5.98	5.67	5.14	4.52
78	6.34	6.23	5.85	5.25	4.56
79	6.63	6.49	6.04	5.35	4.60
80*	6.94	6.77	6.23	5.45	4.64

\* and over

**OPTION 3 TABLE - LIFE INCOME WITH INSTALLMENT REFUND**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant		Adjusted Age of Annuitant		Adjusted Age of Annuitant	
50	\$2.74	60	\$3.26	70	\$4.06
51	2.78	61	3.32	71	4.16
52	2.82	62	3.39	72	4.27
53	2.87	63	3.46	73	4.38
54	2.92	64	3.53	74	4.5
55	2.97	65	3.61	75	4.62
56	3.02	66	3.69	76	4.75
57	3.08	67	3.78	77	4.89
58	3.13	68	3.87	78	5.04
59	3.19	69	3.96	79	5.19
				80*	5.35

\* and over

# NATIONAL WESTERN LIFE INSURANCE COMPANY

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

This Policy is a legal contract between you and us.

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# NATIONAL WESTERN LIFE INSURANCE COMPANY

A Stock Company

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

ANNUITANT  
POLICY DATE  
OWNER

POLICY NUMBER  
ISSUE AGE

ANNUITY DATE

## POLICY

**NATIONAL WESTERN LIFE INSURANCE COMPANY** is called "we", "our" or "us". The Owner is called "you". We will pay you a monthly income beginning on the Annuity Date. Income payments are subject to the conditions and provisions contained herein.

## PREMIUM PAYMENTS

The initial premium payment is due in an amount determined by you on your Policy Date. Further premium payments can be made at any time thereafter at your option. We do have the right to limit premium payments in any renewal year to the amount of premium payments made in the preceding year. Each payment must be at least \$100.00.

## RIGHT TO CANCEL

You may cancel this Policy by delivering or mailing a written notice or sending a telegram to us in Austin, Texas 78752-1602 or to our authorized agent. You must send the notice and return the Policy to us or our authorized agent before midnight of the thirtieth day after the date you receive it. Notice given by mail and return of the Policy by mail are effective on being postmarked, if properly addressed and postage prepaid. We must return all premiums paid for this Policy within 10 days after we receive such notice to cancel and the returned Policy.



Secretary



President

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

**This Policy is a legal contract between you and us.**

**NOTICE TO OWNER:** If you have questions or need information about this Policy or need assistance, please call us at 1-800-922-9422.

## ARTICLE I - DEFINITIONS

**Age** refers to attained age on the last birthday.

**Annuitant** is the person named as Annuitant on Page 3.

**Annuity Date** means the date we begin annuity income payments, and is shown on Page 3. This date is 24 years from the Policy Date.

**Policy Anniversary** means the month and day shown on Page 3 in the Policy Date for each year after the Policy Date.

**Policy Year** means the yearly period which starts on the Policy Date and yearly periods that start on each Policy Anniversary thereafter.

**Contract Term** is the time period, as shown on Page 3, during which withdrawal charges apply. At the end of the Contract Term, the Minimum Guaranteed Interest Rate will be re-determined.

**Issue Age** is Annuitant's age on the Policy Date as shown on Page 3.

**Joint Annuitant** is the person named as the second payee under the Survivorship Annuity in Option 4 under Section 3.1.

**Owner** is the person named as Owner on Page 3. The Annuitant is the Owner, unless another Owner is named on the Application or later changed.

**Policy** means the annuity Policy issued to the Owner.

**You/your/yours** refers to an Owner.

**Free Withdrawal** refers to withdrawals on which no withdrawal charge is made.

**Withdrawal Charge Period** means the Policy Years over which Withdrawal Charge Rates apply as shown on Page 3.

## POLICY DATA PAGE

NATIONAL WESTERN LIFE INSURANCE COMPANY  
850 EAST ANDERSON LANE, AUSTIN, TEXAS 78752-1602  
1-800-922-9422

ANNUITANT	[ JOHN DOE ]	[ JOHN DOE ]	POLICY NUMBER
POLICY DATE	[ JANUARY 15, 2012 ]	[ 35 ]	ISSUE AGE
OWNER	[ JOHN DOE ]	[ JANUARY 15, 2036 ]	ANNUITY DATE

01-1131-11 FLEXIBLE PREMIUM DEFERRED ANNUITY

INITIAL PREMIUM: [ \$10,000.00 ]

CONTRACT TERM: 10 POLICY YEARS

MINIMUM ACCUMULATION ACCOUNT [ \$5,000.00 ]

MARKET VALUE INTEREST RATE: [ 2.00% ]

MARKET VALUE ADJUSTMENT PERIOD: 10 POLICY YEARS

MINIMUM GUARANTEED INTEREST RATE FOR THE CONTRACT TERM:

<u>POLICY YEAR</u>	<u>PERCENTAGE</u>
1	[ 7.00% ] [ (INCLUDING 5.00% ADDITIONAL 1ST YEAR INTEREST) ]
THEREAFTER	[ 1.00% ]

THE GUARANTEED MINIMUM INTEREST RATE IN THE FIRST POLICY YEAR APPLIES TO THE INITIAL PREMIUM SHOWN ABOVE. FOR SUBSEQUENT PREMIUM PAYMENTS MADE IN THE FIRST POLICY YEAR, THE GUARANTEED MINIMUM INTEREST RATE TO THE END OF THE FIRST POLICY YEAR IS THE INTEREST RATE CURRENTLY AVAILABLE (NOT LESS THAN [ 1.00% ] ) FOR NEW POLICIES UNDER THIS POLICY FORM ON THE DATE THE PREMIUM PAYMENT IS RECEIVED.

MAXIMUM ACCUMULATED FREE WITHDRAWAL PERCENTAGE: [ 30% ]

THE LOAN INTEREST RATE IS: 7.40%

### WITHDRAWAL CHARGE RATES:

<u>POLICY YEAR</u>	<u>RATE</u>
1	10.00%
2	10.00%
3	9.00%
4	9.00%
5	7.00%
6	5.00%
7	5.00%
8	5.00%
9	5.00%
10	5.00%
THEREAFTER	0.00%



## **ARTICLE II – GENERAL PROVISIONS**

**Section 2.1 - Entire Contract.** The entire contract is made up of:

1. the Policy;
2. the Application for the Policy, a copy of which is attached; and
3. any attached endorsements, riders, and amendments.

We issued the Policy to the Owner. The Policy describes the principle terms and provisions of the contract. The Application is attached to the Policy and made a part thereof.

Only our officers may change the benefits under the Policy or waive a right or requirement. No agent may do this. Such change or waiver must be in writing.

**Section 2.2 - Owner.** Unless changed, the Owner is named in the Application. If the Owner is not the Annuitant and the named Owner and contingent Owner, if any, die, the Annuitant becomes the Owner.

The Owner may use all rights while the Annuitant is alive. These include the right to:

1. change the Beneficiary;
2. receive proceeds;
3. elect options; and
4. change the Owner.

**Section 2.3 - Beneficiary.** Unless changed, the payee to whom the death benefit is paid is the Beneficiary named in the Application. A payee is one living on the earlier of:

1. the day we receive due proof of the Annuitant's death; or
2. the 15th day past the Annuitant's death.

Unless changed:

1. If there is more than one payee in the same class, equal shares will be paid;
2. The share of any Beneficiary not living will be paid to the rest of the payees of the same class in proportion to their respective shares; and
3. If no Beneficiary is living, the payee will be the Annuitant's estate.

**Section 2.4 - Change of Owner or Beneficiary.** Changes in the designation of the Beneficiary or Owner may be made by the Owner's written request on forms provided by us, completed by the Owner, and forwarded to us during the lifetime of the Annuitant. After the change is recorded at our office in Austin, Texas, it will be effective as of the date of the Owner's request. It will not apply to any payment made or action taken by us before it was recorded.

Once we accept this change, it takes effect as of the date you signed the request, subject to any action we take before we accept the change.

**Section 2.5 - Incontestability.** All statements made in the Application are representations and not warranties.

We may not contest your annuity Policy once this Policy has been in force, while the Annuitant is alive, for two years from its Policy Date.

**Section 2.6 - Assignment.** This Policy and the annuity benefits under the Policy cannot be assigned, sold, transferred or pledged as collateral for a loan or for any other purpose.

**ARTICLE II**  
**GENERAL PROVISIONS (Continued)**

**Section 2.7 - Misstatement of Age or Sex.** If the age or sex of the Annuitant or Joint Annuitant is incorrect, we will change the amounts we pay to the amounts based on the correct age and sex.

1. Any overpayment we made will be deducted from future payments.
2. Any underpayment we made will be paid in full with the next payment due.

**Section 2.8 - Proof of Age and Sex.** No income payments will be made until we receive satisfactory proof of the age and sex of the Annuitant and the Joint-Annuitant, if any.

**Section 2.9 - Proof of Survival.** We have the right to require proof that the Annuitant is alive at the time each income payment is due.

**Section 2.10 - Settlement.** All payments made by us under the Policy shall be made from our office in Austin, Texas.

**Section 2.11 - Nonparticipating.** The Policy is a nonparticipating Policy. The Policy will not participate in our surplus earnings.

**Section 2.12 - Annual Report.** We will prepare a report at the end of each calendar year that this Policy is in force. We will mail this report to you within 60 days of the end of each calendar year. The report will show the Accumulation Account and the Cash Surrender Value.

## ARTICLE III – ANNUITY BENEFITS

**Section 3.1 - Settlement Options.** Before the Annuity Date, you may write to us and choose one of the options below. If you do not later change your choice, such option will apply.

The amount used on the Annuity Date to provide any of the Settlement Options is the Accumulation Account.

**Option 1 - Income for Life.** Monthly payments based on the Option 1 Table will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 2 - Life Income with a Guaranteed Period.** Monthly payments based on the Option 2 Table may be guaranteed for 5, 10, 15 or 20 years. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 3 - Life Income with Installment Refund.** Monthly payments based on the Option 3 Table are guaranteed until the total amount paid equals the amount applied to this option on the Annuity Date. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 4 - Survivorship Annuity.** Monthly payments will be made as long as the Annuitant lives. After the Annuitant dies, payments are made for as long as the Joint Annuitant lives. Monthly income payments will begin on the Annuity Date.

**Option 5 - Monthly Income for a Fixed Period.** Equal monthly income payments, beginning on the Annuity Date, will be made for not less than 5 years nor more than 30 years.

**Option 6 - Annual Income for a Fixed Period.** Equal annual income payments will be made for not less than 5 years nor more than 30 years. Payments will begin one year after the Annuity Date.

**Option 7 - Proceeds Held at Interest Only.** The proceeds are held by us at interest only for such period that you and we agree upon, but not less than 5 years. You may elect to have the interest payments held by us and accumulated with the proceeds or paid on a periodic basis. Before the end of the interest period you may elect to have the funds applied to any other option described in this section. At the end of the interest period you may take the remaining balance in cash.

If you do not choose an option before the Annuity Date, the Option 2 Life Income with a 10-Year Guaranteed Period will be paid.

On request, we may provide other options based upon actuarial equivalents of Options 1, 2, 3, or 4.

Guaranteed payments for Options 1, 2, 3, and 4 are calculated using the 1983 Table a (female), projected to 1995, and 1.50% interest rate. The attained age of the Annuitant(s) when the option payment starts will be adjusted downward by 1 year for each full 5 year period that has elapsed since January 1, 1995. For Options 5, 6, and 7 the guaranteed interest rate is 1.50%.

We may, at our option, use an interest rate that is higher than the guaranteed interest rate to calculate payments and credit funds left on deposit.

If the monthly income payment is less than \$100, we may change to quarterly, semi-annual, or annual payments to equal or exceed such minimum amount. The amount of such payments will be calculated based on the same mortality table, if any, and the interest rate we use in calculating the monthly income.

We reserve the right to reduce the payments under this section after such payments have begun, to reflect any Federal, State, or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, which have not otherwise been deducted or offset.

**Section 3.2 - Accumulation Account.** The Accumulation Account is 100% of premiums, less partial withdrawals and withdrawal charges on such partial withdrawals, plus or minus any Market Value

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

Adjustments on such partial withdrawals, with interest. Interest is credited at annual effective rates at least equal to the Minimum Guaranteed Interest Rate shown on Page 3. We reserve the right to credit a different interest rate, not less than the Minimum Guaranteed Interest Rate, to the Accumulation Account while the Accumulation Account is less than \$10,000.

**Section 3.3 - Withdrawal of Cash (Cash Surrender Value.)** The Cash Surrender Value is the Accumulation Account multiplied by the Market Value Adjustment Factor, less the withdrawal charge, if any. The Accumulation Account multiplied by the Market Value Adjustment Factor will never be less than the premiums paid less any partial withdrawals and withdrawal charges on such partial withdrawals, accumulated at the Minimum Guaranteed Interest Rate. You may withdraw all or part of the Cash Surrender Value at any time on or before the Annuity Date.

1. You must tell us how much you want to withdraw and complete all forms required by us.
2. The amount withdrawn must be at least \$500.00 or the Cash Surrender Value, if less. You may not take a partial withdrawal, unless the Accumulation Account, after the withdrawal, is at least equal to the Minimum Accumulation Account shown on Page 3.
3. The Withdrawal Charge Rates are shown on Page 3. The withdrawal charge is calculated as follows:
  - (a) Partial withdrawal charge - multiply the partial withdrawal amount you receive, plus any amount necessary to provide for the withdrawal charge, by the applicable Withdrawal Charge Rate shown on Page 3.
  - (b) Full surrender charge - multiply the Accumulation Account, plus any Free Withdrawal amounts taken in the 12 months prior to request for full surrender of Cash Surrender Value, by the applicable Withdrawal Charge Rate shown on Page 3.
4. You may withdraw amounts as described in the Free Withdrawal Option section or Systematic Withdrawal of Interest Earnings Option section below without withdrawal charges.
5. Your Accumulation Account will be reduced by any cash withdrawn and any withdrawal charges on such cash withdrawals and adjusted for any Market Value Adjustments on such cash withdrawals.
6. If you withdraw the entire Cash Surrender Value, this Policy will terminate.
7. We may defer payment for up to 6 months after we receive your request for cash after making written request and receiving written approval from the commissioner.

**Section 3.4 - Market Value Adjustment.** The amount payable for a partial withdrawal or a full surrender of the Cash Surrender Value may be adjusted up or down by applying a Market Value Adjustment. The applicable Market Value Adjustment Factor is shown in Section 3.5. Free Withdrawals as described in Section 3.6 and Systematic Withdrawals of Interest as described in Section 3.7 are not subject to any Market Value Adjustment.

**Section 3.5 - Market Value Adjustment Factors.** The Market Value Adjustment Factor applicable to the Accumulation Account or a partial withdrawal amount is  $(1 + (A-B) \times N / 12)$  where:

*A* is the Market Value Interest Rate shown on Page 3.

*B* is the Market Value Interest Rate for new policies under this policy form at the time of full or partial withdrawal, plus one half of one percent. A different rate may be used, subject to our state of domicile's Department of Insurance approval, if required.

*N* is the number of complete months from the date of full withdrawal or partial withdrawal to the end of the Market Value Adjustment Period shown on Page 3. After the Market Value Adjustment Period the value of *N* is equal to zero.

**Section 3.6 - Free Withdrawal Option.** Each Policy Year you may make one Free Withdrawal of up to 10% of your Accumulation Account. Such partial withdrawal will be made without a withdrawal charge. Any partial withdrawal amount in excess of the Free Withdrawal amount will be subject to a withdrawal charge.

You may accumulate unused Free Withdrawal amounts in 10% increments only. This means that any unused Free Withdrawals of less than 10% may not be accumulated. The maximum accumulated Free Withdrawal expressed as a percentage of the Accumulation Account may not exceed the Maximum

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

Accumulated Free Withdrawal Percentage shown on Page 3. You may not exercise a withdrawal under Section 3.7 in the same Policy Year in which you make a withdrawal under this Section 3.6.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.7 - Systematic Withdrawal of Interest Earnings Option.** The Owner may elect to make withdrawals of interest earnings without withdrawal charges for the year in which the request is made and for each Policy Year thereafter without withdrawal charges subject to the following conditions:

1. The request must be made on a form furnished by us;
2. The interest to be withdrawn is limited to that credited, if any, during the last Policy Year preceding the date of request. Interest to be withdrawn under this option in any Policy Year is limited to the annual amount of interest credited during the prior Policy Year;
3. Selecting this option will nullify any right under Section 3.6 to make Free Withdrawals from the Accumulation Account once each Policy Year and to accumulate unused Free Withdrawals during the period the election of this option remains in effect;
4. Once requested, the withdrawal of interest earnings each year will continue until and unless we receive written notice at our office in Austin, Texas that you wish to terminate this option;
5. Although payments under this option may be made, as directed by you, either monthly, quarterly, semi-annually or annually, no payment will be made for an amount less than \$100, nor will a payment be made that includes principal. Any payment for an amount due less than \$100 will be deferred until a payment due date when a payment can be made that equals or exceeds \$100; and
6. Additional withdrawals in any Policy Year during which this election is in effect will be subject to the withdrawal charges shown on Page 3.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.8 - Minimum Guaranteed Interest Rate.** The Minimum Guaranteed Interest Rate, as shown on Page 3, is set on the Policy Date and is guaranteed for the Contract Term. It is calculated as an effective annual rate and is the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average for the 6 month period ending 1 month prior to the calendar quarter in which the Policy Date occurs of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25%.

The Minimum Guaranteed Interest Rate will be re-determined on the first Policy Anniversary that coincides with the last day of the Contract Term. For example, if the Policy Date is January 7, 2011, the Contract Term ends on January 6, 2021. In this example, the Minimum Guaranteed Interest Rate would be re-determined on January 7, 2021.

It will be recalculated as the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25% for the 6-month period ending 1 month prior to the calendar quarter in which the first Policy Anniversary that coincides with the last day of the Contract Term, as described above, occurs.

The Minimum Guaranteed Interest Rate that has been re-determined will be guaranteed until the Annuity Date.

The Minimum Guaranteed Interest Rate is rounded to the nearest 1/20th of 1.00% and is never less than 1.00%.

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

**Section 3.9 – Paid-Up Annuity.** This Policy will be continued as a paid-up deferred annuity:

1. on the Policy Anniversary following a Policy Year during which no premiums were paid; or
2. the date we receive a written request from you for this option.

While continued as a paid-up annuity this Policy will continue in full force and effect. You may exercise all rights described in this Policy.

**Section 3.10 - Death Benefit if Annuitant Dies Before Annuity Date.** We will pay to the Beneficiary:

1. the Accumulation Account as of the date of death as a single sum with no Market Value Adjustment applied; or
2. benefits provided by the Accumulation Account if applied under one of the Settlement Options in Section 3.1, where for purposes of Section 3.1, the term Beneficiary replaces the term Annuitant.

Payment will be made when we receive due proof of the Annuitant's death.

If no election is made by the Beneficiary, we will pay the Accumulation Account as of the date of death as a single sum, as described in 1 above in this Section 3.10.

**Section 3.11 - Death Benefit If Annuitant Dies On Or After Annuity Date.** We will pay to the Beneficiary any unpaid guaranteed amounts as provided by the Settlement Option in force on the date of death. No other death benefits will be paid.

**Section 3.12 – Accidental Death Benefit.** We will pay the Accidental Death Benefit to the Beneficiary when we receive due proof that the Annuitant died solely from accidental bodily injury occurring while this benefit was in force, provided the Annuitant died within 90 days of the accident and while this benefit was in force. The amount of the Accidental Death Benefit is the total premiums paid less partial withdrawals as of the date of the accidental death. The maximum benefit payable will be \$250,000.

We will not pay the Accidental Death Benefit if death was caused, directly or indirectly, by:

1. intentionally self-inflicted injuries or suicide, while sane or insane;
2. war or any act of war, declared or undeclared;
3. operating, riding in, descending or falling from or with, any kind of aircraft, except as a fare-paying passenger, without duties of any kind, on a regularly scheduled civilian commercial airline, operating between definitely established airports or established airlines routes, flown by a pilot with both a current pilot's license, and a current medical certificate, certifying him/her to pilot the aircraft with fare-paying passengers;
4. bodily or mental infirmity, or disease, or medical or surgical treatment of any of these;
5. service in the military, naval, or air forces of any country, group of countries, or international organization at war, declared or undeclared;
6. participating or engaging in a riot;
7. voluntarily taking poison, or inhaling gas or fumes;
8. voluntarily taking drugs or narcotics unless as prescribed by a qualified doctor; or
9. attempting to commit or committing a felony.

This benefit will terminate:

1. on the Policy Anniversary when the Annuitant's age is 75;
2. when this Policy terminates by full surrender or upon the exercise of a Settlement Option.

This benefit shall not be considered in determining guaranteed values in this Policy.

**Section 3.13 - Taxes, Fees, Assessments.** Any Federal, State or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, will be deducted from the benefits under Article III.

**Section 3.14 - Minimum State Requirements.** The cash values, paid-up annuity benefit and the death benefits are no less than the benefits required by the State where this contract is delivered.

**OPTION 1 AND 2 TABLE - MINIMUM INCOME FOR LIFE  
OR LIFE INCOME WITH GUARANTEED PERIOD**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant	Income For Life	5 Years Guaranteed	10 Years Guaranteed	15 Years Guaranteed	20 Years Guaranteed
50	\$2.86	\$2.86	\$2.85	\$2.84	\$2.82
51	2.92	2.91	2.91	2.89	2.87
52	2.97	2.97	2.96	2.94	2.92
53	3.03	3.03	3.02	3.00	2.97
54	3.09	3.09	3.08	3.06	3.02
55	3.15	3.15	3.14	3.12	3.08
56	3.22	3.22	3.20	3.18	3.13
57	3.29	3.29	3.27	3.24	3.19
58	3.37	3.36	3.35	3.31	3.25
59	3.45	3.44	3.42	3.38	3.32
60	3.53	3.52	3.50	3.45	3.38
61	3.62	3.61	3.58	3.53	3.45
62	3.71	3.70	3.67	3.61	3.52
63	3.81	3.80	3.76	3.69	3.59
64	3.91	3.90	3.86	3.78	3.66
65	4.02	4.01	3.96	3.87	3.73
66	4.14	4.12	4.07	3.96	3.80
67	4.26	4.24	4.18	4.06	3.88
68	4.40	4.37	4.30	4.16	3.95
69	4.53	4.51	4.42	4.26	4.02
70	4.68	4.65	4.55	4.37	4.09
71	4.84	4.81	4.69	4.48	4.16
72	5.01	4.97	4.84	4.59	4.23
73	5.19	5.15	4.99	4.7	4.29
74	5.39	5.33	5.15	4.81	4.36
75	5.60	5.53	5.31	4.92	4.41
76	5.83	5.75	5.49	5.03	4.47
77	6.07	5.98	5.67	5.14	4.52
78	6.34	6.23	5.85	5.25	4.56
79	6.63	6.49	6.04	5.35	4.60
80*	6.94	6.77	6.23	5.45	4.64

\* and over

**OPTION 3 TABLE - LIFE INCOME WITH INSTALLMENT REFUND**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant		Adjusted Age of Annuitant		Adjusted Age of Annuitant	
50	\$2.74	60	\$3.26	70	\$4.06
51	2.78	61	3.32	71	4.16
52	2.82	62	3.39	72	4.27
53	2.87	63	3.46	73	4.38
54	2.92	64	3.53	74	4.5
55	2.97	65	3.61	75	4.62
56	3.02	66	3.69	76	4.75
57	3.08	67	3.78	77	4.89
58	3.13	68	3.87	78	5.04
59	3.19	69	3.96	79	5.19
				80*	5.35

\* and over

# NATIONAL WESTERN LIFE INSURANCE COMPANY

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

This Policy is a legal contract between you and us.

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# NATIONAL WESTERN LIFE INSURANCE COMPANY

A Stock Company

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

ANNUITANT  
POLICY DATE  
OWNER

POLICY NUMBER  
ISSUE AGE  
ANNUITY DATE

## POLICY

**NATIONAL WESTERN LIFE INSURANCE COMPANY** is called "we", "our" or "us". The Owner is called "you". We will pay you a monthly income beginning on the Annuity Date. Income payments are subject to the conditions and provisions contained herein.

## PREMIUM PAYMENTS

The single premium payment is due on the Policy Date.

## RIGHT TO CANCEL

You may cancel this Policy by delivering or mailing a written notice or sending a telegram to us in Austin, Texas 78752-1602 or to our authorized agent. You must send the notice and return the Policy to us or our authorized agent before midnight of the thirtieth day after the date you receive it. Notice given by mail and return of the Policy by mail are effective on being postmarked, if properly addressed and postage prepaid. We must return all premiums paid for this Policy within 10 days after we receive such notice to cancel and the returned Policy.



Secretary



President

## READ YOUR POLICY CAREFULLY

SINGLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

This Policy is a legal contract between you and us.

**NOTICE TO OWNER:** If you have questions or need information about this Policy or need assistance, please call us at 1-800-922-9422.

## **ARTICLE I - DEFINITIONS**

**Age** refers to attained age on the last birthday.

**Annuitant** is the person named as Annuitant on Page 3.

**Annuity Date** means the date we begin annuity income payments, and is shown on Page 3. This date is 17 years from the Policy Date.

**Policy Anniversary** means the month and day shown on Page 3 in the Policy Date for each year after the Policy Date.

**Policy Year** means the yearly period which starts on the Policy Date and yearly periods that start on each Policy Anniversary thereafter.

**Contract Term** is the time period, as shown on Page 3, during which withdrawal charges apply. At the end of the Contract Term, the Minimum Guaranteed Interest Rate will be re-determined.

**Issue Age** is Annuitant's age on the Policy Date as shown on Page 3.

**Joint Annuitant** is the person named as the second payee under the Survivorship Annuity in Option 4 under Section 3.1.

**Owner** is the person named as Owner on Page 3. The Annuitant is the Owner, unless another Owner is named on the Application or later changed.

**Policy** means the annuity Policy issued to the Owner.

**You/your/yours** refers to an Owner.

**Free Withdrawal** refers to withdrawals on which no withdrawal charge is made.

**Withdrawal Charge Period** means the Policy Years over which Withdrawal Charge Rates apply as shown on Page 3.

## POLICY DATA PAGE

NATIONAL WESTERN LIFE INSURANCE COMPANY  
850 EAST ANDERSON LANE, AUSTIN, TEXAS 78752-1602  
1-800-922-9422

ANNUITANT	[ JOHN DOE ]	[ 0100012345 ]	POLICY NUMBER
POLICY DATE	[ JANUARY 15, 2003 ]	[ 35 ]	ISSUE AGE
OWNER	[ JOHN DOE ]	[ JANUARY 15, 2020 ]	ANNUITY DATE

01-1132-11 SINGLE PREMIUM DEFERRED ANNUITY

SINGLE PREMIUM: [ \$10,000.00 ]

CONTRACT TERM: 10 POLICY YEARS

MINIMUM ACCUMULATION ACCOUNT [ \$5,000.00 ]

MARKET VALUE INTEREST RATE: [ 2.00% ]

MARKET VALUE ADJUSTMENT PERIOD: 10 POLICY YEARS

MINIMUM GUARANTEED INTEREST RATE FOR THE CONTRACT TERM:

<u>POLICY YEAR</u>	<u>PERCENTAGE</u>
1	[ 9.00% ] [ (INCLUDING 7.00% ADDITIONAL 1ST YEAR INTEREST) ]
THEREAFTER	[ 1.00% ]

THE LOAN INTEREST RATE IS: 7.40%

### WITHDRAWAL CHARGE RATES:

<u>POLICY YEAR</u>	<u>RATE</u>
1	10.00%
2	10.00%
3	9.00%
4	9.00%
5	8.00%
6	7.00%
7	6.00%
8	5.00%
9	5.00%
10	5.00%
THEREAFTER	0.00%

## ARTICLE II – GENERAL PROVISIONS

**Section 2.1 - Entire Contract.** The entire contract is made up of:

1. the Policy;
2. the Application for the Policy, a copy of which is attached; and
3. any attached endorsements, riders, and amendments.

We issued the Policy to the Owner. The Policy describes the principle terms and provisions of the contract. The Application is attached to the Policy and made a part thereof.

Only our officers may change the benefits under the Policy or waive a right or requirement. No agent may do this. Such change or waiver must be in writing.

**Section 2.2 - Owner.** Unless changed, the Owner is named in the Application. If the Owner is not the Annuitant and the named Owner and contingent Owner, if any, die, the Annuitant becomes the Owner.

The Owner may use all rights while the Annuitant is alive. These include the right to:

1. change the Beneficiary;
2. receive proceeds;
3. elect options; and
4. change the Owner.

**Section 2.3 - Beneficiary.** Unless changed, the payee to whom the death benefit is paid is the Beneficiary named in the Application. A payee is one living on the earlier of:

1. the day we receive due proof of the Annuitant's death; or
2. the 15th day past the Annuitant's death.

Unless changed:

1. If there is more than one payee in the same class, equal shares will be paid;
2. The share of any Beneficiary not living will be paid to the rest of the payees of the same class in proportion to their respective shares; and
3. If no Beneficiary is living, the payee will be the Annuitant's estate.

**Section 2.4 - Change of Owner or Beneficiary.** Changes in the designation of the Beneficiary or Owner may be made by the Owner's written request on forms provided by us, completed by the Owner, and forwarded to us during the lifetime of the Annuitant. After the change is recorded at our office in Austin, Texas, it will be effective as of the date of the Owner's request. It will not apply to any payment made or action taken by us before it was recorded.

Once we accept this change, it takes effect as of the date you signed the request, subject to any action we take before we accept the change.

**Section 2.5 - Incontestability.** All statements made in the Application are representations and not warranties.

We may not contest your annuity Policy once this Policy has been in force, while the Annuitant is alive, for two years from its Policy Date.

**Section 2.6 - Assignment.** This Policy and the annuity benefits under the Policy cannot be assigned, sold, transferred or pledged as collateral for a loan or for any other purpose.

**Section 2.7 - Misstatement of Age or Sex.** If the age or sex of the Annuitant or Joint Annuitant is incorrect, we will change the amounts we pay to the amounts based on the correct age and sex.

1. Any overpayment we made will be deducted from future payments.
2. Any underpayment we made will be paid in full with the next payment due.

**ARTICLE II**  
**GENERAL PROVISIONS (Continued)**

**Section 2.8 - Proof of Age and Sex.** No income payments will be made until we receive satisfactory proof of the age and sex of the Annuitant and the Joint-Annuitant, if any.

**Section 2.9 - Proof of Survival.** We have the right to require proof that the Annuitant is alive at the time each income payment is due.

**Section 2.10 - Settlement.** All payments made by us under the Policy shall be made from our office in Austin, Texas.

**Section 2.11 - Nonparticipating.** The Policy is a nonparticipating Policy. The Policy will not participate in our surplus earnings.

**Section 2.12 - Annual Report.** We will prepare a report at the end of each calendar year that this Policy is in force. We will mail this report to you within 60 days of the end of each calendar year. The report will show the Accumulation Account and the Cash Surrender Value.

## ARTICLE III – ANNUITY BENEFITS

**Section 3.1 - Settlement Options.** Before the Annuity Date, you may write to us and choose one of the options below. If you do not later change your choice, such option will apply.

The amount used on the Annuity Date to provide any of the Settlement Options is the Accumulation Account.

**Option 1 - Income for Life.** Monthly payments based on the Option 1 Table will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 2 - Life Income with a Guaranteed Period.** Monthly payments based on the Option 2 Table may be guaranteed for 5, 10, 15 or 20 years. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 3 - Life Income with Installment Refund.** Monthly payments based on the Option 3 Table are guaranteed until the total amount paid equals the amount applied to this option on the Annuity Date. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

**Option 4 - Survivorship Annuity.** Monthly payments will be made as long as the Annuitant lives. After the Annuitant dies, payments are made for as long as the Joint Annuitant lives. Monthly income payments will begin on the Annuity Date.

**Option 5 - Monthly Income for a Fixed Period.** Equal monthly income payments, beginning on the Annuity Date, will be made for not less than 5 years nor more than 30 years.

**Option 6 - Annual Income for a Fixed Period.** Equal annual income payments will be made for not less than 5 years nor more than 30 years. Payments will begin one year after the Annuity Date.

**Option 7 - Proceeds Held at Interest Only.** The proceeds are held by us at interest only for such period that you and we agree upon, but not less than 5 years. You may elect to have the interest payments held by us and accumulated with the proceeds or paid on a periodic basis. Before the end of the interest period you may elect to have the funds applied to any other option described in this section. At the end of the interest period you may take the remaining balance in cash.

If you do not choose an option before the Annuity Date, the Option 2 Life Income with a 10-Year Guaranteed Period will be paid.

On request, we may provide other options based upon actuarial equivalents of Options 1, 2, 3, or 4.

Guaranteed payments for Options 1, 2, 3, and 4 are calculated using the 1983 Table a (female), projected to 1995, and 1.50% interest rate. The attained age of the Annuitant(s) when the option payment starts will be adjusted downward by 1 year for each full 5 year period that has elapsed since January 1, 1995. For Options 5, 6, and 7 the guaranteed interest rate is 1.50%.

We may, at our option, use an interest rate that is higher than the guaranteed interest rate to calculate payments and credit funds left on deposit.

If the monthly income payment is less than \$100, we may change to quarterly, semi-annual, or annual payments to equal or exceed such minimum amount. The amount of such payments will be calculated based on the same mortality table, if any, and the interest rate we use in calculating the monthly income.

We reserve the right to reduce the payments under this section after such payments have begun, to reflect any Federal, State, or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, which have not otherwise been deducted or offset.

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

**Section 3.2 - Accumulation Account.** The Accumulation Account is 100% of the premium, less partial withdrawals and withdrawal charges on such partial withdrawals, plus or minus any Market Value Adjustments on such partial withdrawals, with interest. Interest is credited at annual effective rates at least equal to the Minimum Guaranteed Interest Rate shown on Page 3. We reserve the right to credit a different interest rate, not less than the Minimum Guaranteed Interest Rate, to the Accumulation Account while the Accumulation Account is less than \$10,000.

**Section 3.3 - Withdrawal of Cash (Cash Surrender Value.)** The Cash Surrender Value is the Accumulation Account multiplied by the Market Value Adjustment Factor, less the withdrawal charge, if any. The Accumulation Account multiplied by the Market Value Adjustment Factor will never be less than the premium paid less any partial withdrawals and withdrawal charges on such partial withdrawals, accumulated at the Minimum Guaranteed Interest Rate. You may withdraw all or part of the Cash Surrender Value at any time on or before the Annuity Date.

1. You must tell us how much you want to withdraw and complete all forms required by us.
2. The amount withdrawn must be at least \$500.00 or the Cash Surrender Value, if less. You may not take a partial withdrawal, unless the Accumulation Account, after the withdrawal, is at least equal to the Minimum Accumulation Account shown on Page 3.
3. The Withdrawal Charge Rates are shown on Page 3. The withdrawal charge is calculated as follows:
  - (a) partial withdrawal charge - multiply the partial withdrawal amount you receive, plus any amount necessary to provide for the withdrawal charge, by the applicable Withdrawal Charge Rate shown on Page 3.
  - (b) full surrender charge - multiply the Accumulation Account, plus any Free Withdrawal amounts taken in the 12 months prior to request for full surrender of Cash Surrender Value, by the applicable Withdrawal Charge Rate shown on Page 3.
4. You may withdraw amounts as described in the Free Withdrawal Option section or Systematic Withdrawal of Interest Earnings Option section below without withdrawal charges.
5. Your Accumulation Account will be reduced by any cash withdrawn and any withdrawal charges on such cash withdrawals and adjusted for any Market Value Adjustments on such cash withdrawals.
6. If you withdraw the entire Cash Surrender Value, this Policy will terminate.
7. We may defer payment for up to 6 months after we receive your request for cash after making written request and receiving written approval from the commissioner.

**Section 3.4 - Market Value Adjustment.** The amount payable for a partial withdrawal or a full surrender of the Cash Surrender Value may be adjusted up or down by applying a Market Value Adjustment. The applicable Market Value Adjustment Factor is shown in Section 3.5. Free Withdrawals as described in Section 3.6 and Systematic Withdrawals of Interest as described in Section 3.7 are not subject to any Market Value Adjustment.

**Section 3.5 - Market Value Adjustment Factors.** The Market Value Adjustment Factor applicable to the Accumulation Account or a partial withdrawal amount is  $(1 + (A-B) \times N / 12)$  where:

*A* is the Market Value Interest Rate shown on Page 3.

*B* is the Market Value Interest Rate for new policies under this policy form at the time of full or partial withdrawal, plus one half of one percent. A different rate may be used, subject to our state of domicile's Department of Insurance approval, if required.

*N* is the number of complete months from the date of full withdrawal or partial withdrawal to the end of the Market Value Adjustment Period shown on Page 3. After the Market Value Adjustment Period the value of *N* is equal to zero.

**Section 3.6 - Free Withdrawal Option.** Each Policy Year you may make one Free Withdrawal of up to 10% of your Accumulation Account. Such partial withdrawal will be made without a withdrawal charge. Any partial withdrawal amount in excess of the Free Withdrawal amount will be subject to a withdrawal charge.

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.7 - Systematic Withdrawal of Interest Earnings Option.** The Owner may elect to make withdrawals of interest earnings without withdrawal charges for the year in which the request is made and for each Policy Year thereafter without withdrawal charges subject to the following conditions:

1. The request must be made on a form furnished by us;
2. The interest to be withdrawn is limited to that credited, if any, during the last complete Policy year preceding the date of request. Interest to be withdrawn under this option in any Policy Year is limited to the annual amount of interest credited during the prior Policy Year;
3. Selecting this option will nullify any right under Section 3.6 to make Free Withdrawals from the Accumulation Account once each Policy Year during the period the election of this option remains in effect;
4. Once requested, the withdrawal of interest earnings each year will continue until and unless we receive written notice at our office in Austin, Texas that you wish to terminate this option;
5. Although payments under this option may be made, as directed by you, either monthly, quarterly, semi-annually or annually, no payment will be made for an amount less than \$100, nor will a payment be made that includes principal. Any payment for an amount due less than \$100 will be deferred until a payment due date when a payment can be made that equals or exceeds \$100; and
6. Additional withdrawals in any Policy Year during which this election is in effect will be subject to the withdrawal charges shown on Page 3.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any Free Withdrawals you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. Therefore, a full withdrawal charge is made on that amount at the time of full surrender.

**Section 3.8 – Waiver of Withdrawal Charge and Market Value Adjustments after Qualifying Medical Stay.** Up to 75% of the Accumulation Account may be withdrawn without withdrawal charge or Market Value Adjustment after certain medically necessary stays of the Annuitant. To qualify: (a) the Annuitant must be 75 or younger on the Policy Date; (b) each stay must be for at least 90 consecutive days; (c) the stay must be in a hospital and/or nursing facility (as defined below); (d) the Annuitant must receive at least intermediate nursing care (as described below) for 90 consecutive days during the stay; (e) the stay must begin at least 180 days after the Policy Date; (f) the stay must not have been recommended by a physician in the two-year period before the Policy Date; and (g) the stay must not be for a medical condition that involved a prior stay of any length in that same two-year period.

Once a stay reaches 90 consecutive days, you may file a partial withdrawal request along with documentation that qualifying conditions for waiving withdrawal charges and any Market Value Adjustment have been met. You must also provide any reasonable additional information we request to properly evaluate whether the stay qualifies. The withdrawal request and documentation must be filed no later than 91 days after the end of the stay. If we determine the withdrawal charge waiver applies, we will then process the withdrawal with withdrawal charges and any Market Value Adjustment waived on up to 75% of the Accumulation Account. The withdrawal condition of Section 3.3(2) will be waived. If the waiver does not apply, we will give you the choice of withdrawing your withdrawal request or having it processed under the Policy's regular withdrawal provisions. Any withdrawal in excess of 75% of the Accumulation Account will be subject to the Policy's regular withdrawal charge and Market Value Adjustment provisions.

One or more withdrawal requests may be made during the 91 day period after the end of the stay.

A "hospital" is a facility that:

- a. is licensed as a hospital and operated pursuant to law;
- b. is primarily engaged in providing or operating (either on its premises or in facilities available to the hospital on a contractual prearranged basis and under the supervision of a staff of one or more

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

- duly licensed physicians), medical, diagnostic, and major surgery facilities for the medical care and treatment of sick or injured persons on an inpatient basis for which a charge is made;
- c. provides 24-hour nursing service by or under the supervision of a registered graduate professional nurse (R.N.);
  - d. is an institution which maintains and operates a minimum of five beds;
  - e. has x-ray and laboratory facilities either on the premises or available on a contractual prearranged basis; and
  - f. maintains permanent medical history records.

A "hospital" does not include:

- a. convalescent homes, convalescent facilities, rest facilities, or nursing facilities; or
- b. homes or facilities primarily for the aged, drug addicts, alcoholics, those primarily affording custodial care, educational care or those primarily affording care for mental and nervous disorders.

A "nursing facility" is a facility or a part of one: that is state-licensed as a skilled nursing facility or an intermediate care facility if the facility is located in a state requiring licensure; that provides nursing care for 24 hours a day which is supervised by a registered nurse, licensed practical nurse, or licensed vocational nurse; and that has at least one registered nurse on duty for 8 hours a day.

"Intermediate nursing care" is regular nursing and/or rehabilitative care furnished on a physician's written order that requires the skills of technical or professional persons such as nurses or physical therapists. It is not custodial care, which is care that can be given by a person without professional skills or training.

**Section 3.9 - Minimum Guaranteed Interest Rate.** The Minimum Guaranteed Interest Rate, as shown on Page 3, is set on the Policy Date and is guaranteed for the Contract Term. It is calculated as an effective annual rate and is the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average for the 6 month period ending 1 month prior to the calendar quarter in which the Policy Date occurs of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25%.

The Minimum Guaranteed Interest Rate will be re-determined on the first Policy Anniversary that coincides with the last day of the Contract Term. For example, if the Policy Date is January 7, 2011, the Contract Term ends on January 6, 2021. In this example, the Minimum Guaranteed Interest Rate would be re-determined on January 7, 2021.

It will be recalculated as the lesser of (a) or (b), where:

- (a) is 3.00%; and
- (b) is the average of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25% for the 6-month period ending 1 month prior to the calendar quarter in which the first Policy Anniversary that coincides with the last day of the Contract Term, as described above, occurs.

The Minimum Guaranteed Interest Rate that has been re-determined will be guaranteed until the Annuity Date.

The Minimum Guaranteed Interest Rate is rounded to the nearest 1/20th of 1.00% and is never less than 1.00%.

**Section 3.10 - Death Benefit if Annuitant Dies Before Annuity Date.** We will pay to the Beneficiary:

1. the Accumulation Account as of the date of death as a single sum with no Market Value Adjustment applied, or
2. benefits provided by the Accumulation Account if applied under one of the Settlement Options in Section 3.1, where for purposes of Section 3.1, the term Beneficiary replaces the term Annuitant.

**ARTICLE III**  
**ANNUITY BENEFITS (Continued)**

Payment will be made when we receive due proof of the Annuitant's death.

If no election is made by the Beneficiary, we will pay the Accumulation Account as of the date of death as a single sum as described in 1 above in this Section 3.10.

**Section 3.11 - Death Benefit If Annuitant Dies On Or After Annuity Date.** We will pay to the Beneficiary any unpaid guaranteed amounts as provided by the Settlement Option in force on the date of death. No other death benefits will be paid.

**Section 3.12 - Taxes, Fees, Assessments.** Any Federal, State or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, will be deducted from the benefits under Article III.

**Section 3.13 - Minimum State Requirements.** The cash values, paid-up annuity benefit and the death benefits are no less than the benefits required by the State where this contract is delivered.

**OPTION 1 AND 2 TABLE - MINIMUM INCOME FOR LIFE  
OR LIFE INCOME WITH GUARANTEED PERIOD**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant	Income For Life	5 Years Guaranteed	10 Years Guaranteed	15 Years Guaranteed	20 Years Guaranteed
50	\$2.86	\$2.86	\$2.85	\$2.84	\$2.82
51	2.92	2.91	2.91	2.89	2.87
52	2.97	2.97	2.96	2.94	2.92
53	3.03	3.03	3.02	3.00	2.97
54	3.09	3.09	3.08	3.06	3.02
55	3.15	3.15	3.14	3.12	3.08
56	3.22	3.22	3.20	3.18	3.13
57	3.29	3.29	3.27	3.24	3.19
58	3.37	3.36	3.35	3.31	3.25
59	3.45	3.44	3.42	3.38	3.32
60	3.53	3.52	3.50	3.45	3.38
61	3.62	3.61	3.58	3.53	3.45
62	3.71	3.70	3.67	3.61	3.52
63	3.81	3.80	3.76	3.69	3.59
64	3.91	3.90	3.86	3.78	3.66
65	4.02	4.01	3.96	3.87	3.73
66	4.14	4.12	4.07	3.96	3.80
67	4.26	4.24	4.18	4.06	3.88
68	4.40	4.37	4.30	4.16	3.95
69	4.53	4.51	4.42	4.26	4.02
70	4.68	4.65	4.55	4.37	4.09
71	4.84	4.81	4.69	4.48	4.16
72	5.01	4.97	4.84	4.59	4.23
73	5.19	5.15	4.99	4.7	4.29
74	5.39	5.33	5.15	4.81	4.36
75	5.60	5.53	5.31	4.92	4.41
76	5.83	5.75	5.49	5.03	4.47
77	6.07	5.98	5.67	5.14	4.52
78	6.34	6.23	5.85	5.25	4.56
79	6.63	6.49	6.04	5.35	4.60
80*	6.94	6.77	6.23	5.45	4.64

\* and over

**OPTION 3 TABLE - LIFE INCOME WITH INSTALLMENT REFUND**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts. The payment for ages not shown will be furnished upon request. Payments based on 1983 Table a (female), projected to 1995, and 1.50% interest.

Adjusted Age of Annuitant		Adjusted Age of Annuitant		Adjusted Age of Annuitant	
50	\$2.74	60	\$3.26	70	\$4.06
51	2.78	61	3.32	71	4.16
52	2.82	62	3.39	72	4.27
53	2.87	63	3.46	73	4.38
54	2.92	64	3.53	74	4.5
55	2.97	65	3.61	75	4.62
56	3.02	66	3.69	76	4.75
57	3.08	67	3.78	77	4.89
58	3.13	68	3.87	78	5.04
59	3.19	69	3.96	79	5.19
				80*	5.35

\* and over

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# NATIONAL WESTERN LIFE INSURANCE COMPANY

EXECUTIVE OFFICE, AUSTIN, TEXAS  
HOME OFFICE, DENVER, COLORADO

## READ YOUR POLICY CAREFULLY

SINGLE PREMIUM DEFERRED ANNUITY - MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. **MARKET VALUE ADJUSTMENT PROVISION MAY INCREASE OR DECREASE CASH SURRENDER VALUES.** DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

This Policy is a legal contract between you and us.

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**NATIONAL WESTERN LIFE INSURANCE COMPANY  
STATEMENT OF VARIABILITY**

The following information is applicable where shown on the specification page for annuity policy form number: **01-1129-11**

**Annuitant, Policy Number, Policy Date, Issue Age, Owner** are "John Doe" variables.

**Annuity Date [January 15, 2036]** – At issue, the annuity date is twenty-four years and cannot be changed.

**The Initial Premium [\$10,000]** – The initial premium minimum is \$5,000.

**Minimum Accumulation Account [\$5,000]** – \$1,000 is the minimum for both tax-qualified and non-qualified annuities.

**Market Value Interest Rate** – Minimum 1.00%, maximum 20.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Policy Year 1) - [3.00%]** –

When there is Additional 1<sup>st</sup> Year Interest –

Minimum = 2.00%, Maximum, 20.00%

When there is no Additional 1<sup>st</sup> Year Interest –

Minimum = 1.00%, Maximum = 20.00%

**Including 1.00% Additional 1st Year Interest** – If Additional 1<sup>st</sup> Year Interest rate is offered at the time of issue, the rate will always be 1.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Thereafter) - [1.00%]** – The minimum is 1.00%, the maximum is 3.00%. This value is set for the length of the Contract Term of 10 years and will change according to the formula in the policy for subsequent years.

**NOT LESS THAN [ 1.00% ]** – This value is the same as the Minimum Guaranteed Interest Rate for the Contract Term (Thereafter).

**Maximum Accumulated Free Withdrawal Percentage [50%]** – Minimum 10%, maximum 90%.

**NATIONAL WESTERN LIFE INSURANCE COMPANY  
STATEMENT OF VARIABILITY**

The following information is applicable where shown on the specification page for annuity policy form number: **01-1131-11**

**Annuitant, Policy Number, Policy Date, Issue Age, Owner** are "John Doe" variables.

**Annuity Date [January 15, 2036]** – At issue, the annuity date is twenty-four years and cannot be changed.

**The Initial Premium [\$10,000]** – The initial premium minimum is \$5,000.

**Minimum Accumulation Account [\$5,000]** – \$1,000 is the minimum for both tax-qualified and non-qualified annuities.

**Market Value Interest Rate** – Minimum 1.00%, maximum 20.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Policy Year 1) - [7.00%]** –

When there is Additional 1<sup>st</sup> Year Interest –  
Minimum = 6.00%, Maximum = 20.00%  
When there is no Additional 1<sup>st</sup> Year Interest –  
Minimum = 1.00%, Maximum = 20.00%

**Including 5.00% Additional 1st Year Interest** – If Additional 1<sup>st</sup> Year Interest rate is offered at the time of issue, the rate will always be 5.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Thereafter) - [1.00%]** – The minimum is 1.00%, the maximum is 3.00%. This value is set for the length of the Contract Term of 10 years and will change according to the formula in the policy for subsequent years.

**NOT LESS THAN [ 1.00% ]** – This value is the same as the Minimum Guaranteed Interest Rate for the Contract Term (Thereafter).

**Maximum Accumulated Free Withdrawal Percentage [50%]** – Minimum 10%, maximum 90%.

**NATIONAL WESTERN LIFE INSURANCE COMPANY  
STATEMENT OF VARIABILITY**

The following information is applicable where shown on the specification page for annuity policy form number: **01-1132-11**

**Annuitant, Policy Number, Policy Date, Issue Age, Owner** are "John Doe" variables.

**Annuity Date [January 15, 2036]** – At issue, the annuity date is twenty-four years and cannot be changed.

**The Initial Premium [\$10,000]** – The initial premium minimum is \$5,000.

**Minimum Accumulation Account [\$5,000]** – \$1,000 is the minimum for both tax-qualified and non-qualified annuities.

**Market Value Interest Rate** – Minimum 1.00%, maximum 20.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Policy Year 1) - [9.00%]** –

When there is Additional 1<sup>st</sup> Year Interest –  
Minimum = 8.00%, Maximum = 20.00%  
When there is no Additional 1<sup>st</sup> Year Interest –  
Minimum = 1.00%, Maximum = 20.00%

**Including 7.00% Additional 1st Year Interest** – If Additional 1<sup>st</sup> Year Interest rate is offered at the time of issue, the rate will always be 7.00%.

**Minimum Guaranteed Interest Rate for the Contract Term (Thereafter) - [1.00%]** – The minimum is 1.00%, the maximum is 3.00%. This value is set for the length of the Contract Term of 10 years and will change according to the formula in the policy for subsequent years.