

SERFF Tracking Number: NAWS-126971398 State: Arkansas  
 Filing Company: National Western Life Insurance Company State Tracking Number: 47645  
 Company Tracking Number: 01-1160-10, 01-1162-10  
 TOI: A071 Individual Annuities - Special Sub-TOI: A071.001 Equity Indexed  
 Product Name: Flexible Premium Deferred Annuities  
 Project Name/Number: Flexible Premium Deferred Annuities/01-1160-10, 01-1162-10

## Filing at a Glance

Company: National Western Life Insurance Company

Product Name: Flexible Premium Deferred Annuities SERFF Tr Num: NAWS-126971398 State: Arkansas

TOI: A071 Individual Annuities - Special

SERFF Status: Closed-Approved- Closed State Tr Num: 47645

Sub-TOI: A071.001 Equity Indexed

Co Tr Num: 01-1160-10, 01-1162-10 State Status: Approved-Closed

Filing Type: Form

Reviewer(s): Linda Bird  
 Authors: Stephanie Foskitt, Kitty Kennedy  
 Disposition Date: 02/03/2011  
 Date Submitted: 01/05/2011  
 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval  
 State Filing Description:

Implementation Date:

## General Information

Project Name: Flexible Premium Deferred Annuities

Project Number: 01-1160-10, 01-1162-10

Requested Filing Mode: Review & Approval

Status of Filing in Domicile: Authorized

Date Approved in Domicile:

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

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Market Type: Individual

Individual Market Type:

Filing Status Changed: 02/03/2011

State Status Changed: 02/03/2011

Deemer Date:

Submitted By: Stephanie Foskitt

Filing Description:

Created By: Stephanie Foskitt

Corresponding Filing Tracking Number:

Re: Individual Flexible Premium Deferred Annuity, Form Number 01-1160-10

Individual Flexible Premium Deferred Annuity, Form Number 01-1162-10

Amendment to the Withdrawal Benefit Rider 01-3128-08, Form Number 01-4382-10

Amendment to the Withdrawal Benefit Rider 01-3128-09, Form Number 01-4383-10

National Western Life Insurance Company, NAIC 66850, FEIN 84-0467208

SERFF Tracking Number:      NAWS-126971398                      State:                      Arkansas  
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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.

Forms 01-1160-10 and 01-1162-10, Flexible Premium Deferred Annuity policy forms, both offer Waiver of Withdrawal Charge After Qualifying Medical Stay, waiver of withdrawal charges for Terminal Illness or Injury, and Bonus Value benefit.

The Bonus Value benefit accrues interest at the same rate as the Account Value, is available for Death Benefits immediately, and is available for withdrawals based on a vesting schedule.

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

Amendment to the Withdrawal Benefit Rider, form 01-4382-10, will be issued with previously approved Withdrawal Benefit Rider form number 01-3128-08 approved on July 18, 2008. Amendment to the Withdrawal Benefit Rider, form 01-4383-10, will be issued with previously approved Withdrawal Benefit Rider form number 01-3128-09 approved on October 5, 2009. These riders do not originally refer to the Bonus Value or Vested Bonus Value in these new annuity policies. The amendments are necessary to include these values in the rider benefit.

The policies may be issued with any of a series of 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,

Stephanie Foskitt  
Contract Compliance Analyst

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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  
Index Interest Credit Option A Endorsement 01-4353AX-04 March 4, 2005  
Index Interest Credit Option B Endorsement 01-4373B-07 February 7, 2008  
Index Interest Credit Option D Endorsement 01-4353DX-04 March 4, 2005  
Index Interest Credit Option J Endorsement 01-4373J-07 February 21, 2008  
Index Interest Credit Option K Endorsement 01-4373K-07 February 7, 2008  
Change of Interest Credit Allocation Endorsement 01-4359Z-06 May 26, 2006  
Cash Loan Endorsement 01-4087XP September 16, 2003

## 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: -99	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: \$200.00

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Retaliatory? No  
Fee Explanation: \$50 per form x 4 forms = \$200 total (greater than the retaliatory state fee of \$0.00)  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
National Western Life Insurance Company	\$200.00	01/05/2011	43467747



*SERFF Tracking Number:*      *NAWS-126971398*                      *State:*                      *Arkansas*  
*Filing Company:*              *National Western Life Insurance Company*      *State Tracking Number:*      *47645*  
*Company Tracking Number:*      *01-1160-10, 01-1162-10*  
*TOI:*                      *A071 Individual Annuities - Special*              *Sub-TOI:*                      *A071.001 Equity Indexed*  
*Product Name:*              *Flexible Premium Deferred Annuities*  
*Project Name/Number:*              *Flexible Premium Deferred Annuities/01-1160-10, 01-1162-10*

## **Disposition**

Disposition Date: 02/03/2011

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	Actuarial Material 01-1160-10		No
Supporting Document	Statements of Variability		Yes
Supporting Document	Actuarial Material 01-1162-10		No
Supporting Document	Cover Letter		Yes
Supporting Document	Agent Information form 01-A002		Yes
Supporting Document	Life & Health Guaranty notice form 01-A013(Rev.01/04)		Yes
Supporting Document	External Indexed Guidelines Certifications		Yes
Form	Flexible Premium Deferred Annuity		Yes
Form	Flexible Premium Deferred Annuity		Yes
Form	Amendment to Withdrawal Benefit Rider		Yes
Form	Amendment to Withdrawal Benefit Rider		Yes

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	01/13/2011
Submitted Date	01/13/2011
Respond By Date	02/14/2011

Dear Stephanie Foskitt,

This will acknowledge receipt of the captioned filing.

### Objection 1

Comment: Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue. Please review your issue procedures and assure us that you are in compliance.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

External Indexed contracts are subject to the External Indexed Guidelines. Please furnish certification that this filing is in compliance with these guidelines and certifications required by these guidelines.

Please feel free to contact me if you have questions.

Sincerely,  
Linda Bird

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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 02/03/2011  
Submitted Date 02/03/2011

Dear Linda Bird,

### Comments:

Thank you for your January 13 correspondence. Following are our responses to your concerns.

### Response 1

Comments: Agent Information form 01-A002 satisfies the requirements of Bulletin 15-2009.

Life & Health Guaranty notice form 01-A013(Rev.01/04) satisfied Rule 49.

Rule 19s10B may not be applicable to this filing as these annuities are sold without respect to sex of any party to the annuity.

Please find attached the External Indexed Guidelines Certifications.

### Related Objection 1

Comment:

Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue. Please review your issue procedures and assure us that you are in compliance.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

External Indexed contracts are subject to the External Indexed Guidelines. Please furnish certification that this filing is in compliance with these guidelines and certifications required by these guidelines.

### Changed Items:

### Supporting Document Schedule Item Changes

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Satisfied -Name: Agent Information form 01-A002

Comment:

Satisfied -Name: Life & Health Guaranty notice form 01-A013(Rev.01/04)

Comment:

Satisfied -Name: External Indexed Guidelines Certifications

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

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

Sincerely,  
Kitty Kennedy, Stephanie Foskitt

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## Form Schedule

### Lead Form Number: 01-1160-10

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	01-1160-10	Policy/Cont Flexible Premium ract/Fratern Deferred Annuity al Certificate	Initial		55.000	01-1160-10 Flexible Premium Deferred Annuity.pdf
	01-1162-10	Policy/Cont Flexible Premium ract/Fratern Deferred Annuity al Certificate	Initial		55.000	01-1162-10 Flexible Premium Deferred Annuity.pdf
	01-4382-10	Policy/Cont Amendment to ract/Fratern Withdrawal Benefit al Rider Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		53.000	01-4382-10 Amendment to WBR.pdf
	01-4383-10	Policy/Cont Amendment to ract/Fratern Withdrawal Benefit al Rider Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		54.000	01-4383-10 Amendment to WBR.pdf

# NATIONAL WESTERN LIFE INSURANCE COMPANY

A Stock Company

EXECUTIVE OFFICE: 850 EAST ANDERSON LANE, AUSTIN, TEXAS 78752

HOME OFFICE, DENVER, COLORADO

ANNUITANT	POLICY NUMBER
POLICY DATE	ISSUE AGE
OWNER	ANNUITY DATE

## ANNUITY PROVISION

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

## PREMIUM PAYMENTS

The Initial Premium payment is due in an amount determined by you on the 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 the agent through whom it was purchased. You must return the Policy to us or the agent through whom it was purchased 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, properly addressed and postage prepaid. We must return all premiums paid for this Policy within ten days after we receive notice to cancel and the returned Policy.



Secretary



President

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY WITH FIXED INDEXED FEATURE IN WHICH INTEREST CREDIT OPTION IS LINKED IN PART TO EXTERNAL INDICES. VALUES IN THIS POLICY MAY BE AFFECTED BY THE EXTERNAL INDICES. THIS POLICY DOES NOT PARTICIPATE IN ANY STOCK OR EQUITY INVESTMENTS. MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. 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 22 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 or Contract 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. At the end of the Contract Term the Policy may continue as described in the Contract Continuation section and the Minimum Guaranteed Interest Rate will be re-determined.

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

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

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

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

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

**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.

**Bonus Value and Vested Bonus Value** are defined and calculated as shown in Section 3.3.

**Initial Premium** is the premium payment due on the Policy Date in an amount determined by you.

**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 1, 2011 ]	[ 35 ]	ISSUE AGE
OWNER	[ JOHN DOE ]	[ JANUARY 1, 2033 ]	ANNUITY DATE

01-1160-10 FLEXIBLE PREMIUM DEFERRED ANNUITY  
 THE INITIAL PREMIUM: [ \$95,000.00 ]  
 CONTRACT TERM: 10 POLICY YEARS  
 MINIMUM VALUE: [ \$5,000.00 ]  
 THE LOAN INTEREST RATE IS: 7.40% IN ADVANCE

OPTION A ASSET FEE RATE FOR THE FIRST POLICY YEAR: [ 0.50% ]  
 MAXIMUM OPTION A ASSET FEE RATE: 6.00%  
 OPTION A PARTICIPATION RATE FOR THE FIRST POLICY YEAR: [ 50.00% ]  
 MINIMUM OPTION A PARTICIPATION RATE: 30.00%

OPTION D MONTHLY INDEX CAP RATE FOR THE FIRST POLICY YEAR: [ 2.15% ]  
 MINIMUM OPTION D MONTHLY INDEX CAP RATE: 0.50%

OPTION J ANNUAL INDEX CAP RATE FOR THE FIRST POLICY YEAR: [ 4.00% ]  
 MINIMUM OPTION J ANNUAL INDEX CAP RATE: 3.00%

OPTION K ASSET FEE RATE FOR THE FIRST POLICY YEAR: [ 2.00% ]  
 MAXIMUM OPTION K ASSET FEE RATE: 2.00%  
 OPTION K PARTICIPATION RATE FOR THE FIRST POLICY YEAR: [ 50.00% ]  
 MINIMUM OPTION K PARTICIPATION RATE: 20.00%

PERCENTAGE OF PREMIUMS [ 100.00% ]  
 MINIMUM GUARANTEED INTEREST RATE FOR THE CONTRACT TERM: [ 1.00% ]  
 OPTION B INTEREST RATE FOR THE FIRST POLICY YEAR: [ 2.30% ]

INTEREST CREDIT ALLOCATION PERCENTAGES FOR THE FIRST POLICY YEAR:  
 INTEREST CREDIT OPTION [ A ] [ 20.00% ] INTEREST CREDIT OPTION [ J ] [ 20.00% ]  
 INTEREST CREDIT OPTION [ B ] [ 20.00% ] INTEREST CREDIT OPTION [ K ] [ 20.00% ]  
 INTEREST CREDIT OPTION [ D ] [ 20.00% ]

BONUS PERCENTAGE: [ 5.00% ]  
 BONUS VESTING SCHEDULE AT THE END OF EACH POLICY YEAR (NOT PRO-RATED)

YEARS 1 TO 5	[ 0% ]	YEAR 8	[ 30% ]
YEAR 6	[ 10% ]	YEAR 9	[ 50% ]
YEAR 7	[ 20% ]	YEAR 10	[ 100% ]
		THEREAFTER	[ 100% ]

WITHDRAWAL CHARGE RATES:

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

01-3128-09 WITHDRAWAL BENEFIT RIDER

## **ARTICLE II - GENERAL PROVISIONS**

**Section 2.1 - Contract.** This Policy, any endorsements, any riders, any amendments, and the Application are the Contract. A copy of the Application is attached. All statements made in the Application are representations and not warranties.

Only our officers may change this Contract 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 on Page 3. 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 rights 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 Owner and/or the Beneficiary 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 described herein. 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.** We may not contest this Contract once it has been in force, while the Annuitant is alive, for two years from its Policy Date.

**Section 2.6 - Assignment.** This Contract, and the benefits of this Contract, 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.

**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 Joint-Annuitant, if any.

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

**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 Contract shall be made from our office in Austin, Texas.

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

**Section 2.12 - Annual Report.** We will prepare a report at the end of each Policy Year that this Contract is in force. We will mail this report to you within 60 days of the end of each Policy Year. The report will show:

1. Premiums received during the Policy Year;
2. Withdrawals during the Policy Year;
3. Interest credits during the Policy Year;
4. Account Value;
5. Contract Value; and
6. 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 which will apply on or after the Annuity Date. Such option will continue to apply until you change your option.

The amount used on the Annuity Date to provide any of the Settlement Options is the Contract Value.

**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 the interest rates shown on the Option 1 and 2 Table and Option 3 Table made part of this Policy. The attained age of the payee 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 - Contract Value.** The Contract Value equals the greater of:

1. the Account Value plus any Vested Bonus Value; or
2. the Minimum Guaranteed Contract Value.

**Section 3.3 – Vesting Percentage, Bonus Value, and Vested Bonus Value.**

The Vesting Percentage equals:

1. On any date that is not an Option Term End Date, the Vesting Percentage equals the rate found in the Bonus Vesting Schedule on Page 3 for the end of the prior Policy Year.
2. On an Option Term End Date, the Vesting Percentage equals the rate found in the Bonus Vesting Schedule on Page 3 for the end of the current Policy Year.

The Bonus Value equals:

1. On your Policy Date - The Initial Premium times the Bonus Percentage;
2. Between the Policy Date and the first Option Term End Date:
  - (a) The Initial Premium plus premiums received after the Policy Date and on or before the 20th calendar day following the Policy Date, multiplied by the Bonus Percentage; plus
  - (b) interest as we declare on 2(a) above multiplied by the Interest Credit Allocation Percentage for the first Policy Year for Interest Credit Option B, if any; plus
  - (c) any premiums received after the 20th calendar day following the Policy Date, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, for the period from the date received to the current date; less
  - (d) any partial withdrawal amount in excess of the Free Withdrawal amount including any applicable withdrawal charge, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, from the date withdrawn to the current date.
3. On the first Option Term End Date:
  - (a) the Initial Premium and premiums received after the Policy Date and on or before the 20th calendar day following the Policy Date, multiplied by the Bonus Percentage; plus
  - (b) the Bonus Interest of the Interest Credit under Interest Credit Options established for the first Option Term Period, if any; plus
  - (c) any premiums received after the 20th calendar day following the Policy Date, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, for the period from the date received to the first Option Term End Date; less
  - (d) any partial withdrawal amount in excess of the Free Withdrawal amount including any applicable withdrawal charge, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, from the date withdrawn to the first Option Term End Date.
4. Between Option Term End Dates after the first Option Term End Date:
  - (a) your Bonus Value on the last Option Term End Date; plus
  - (b) interest as we declare on 4(a) above multiplied by the Interest Credit Allocation Percentage for the current Policy Year for Interest Credit Option B, if any; less
  - (c) any partial withdrawal amount in excess of the Free Withdrawal amount including any applicable withdrawal charge, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, from the date withdrawn to the current date; plus
  - (d) the Vesting Percentage for the date of the withdrawal, multiplied by item 4(c).
5. On any Option Term End Date after the first Option Term End Date:
  - (a) your Bonus Value on the last Option Term End Date; plus
  - (b) the Bonus Interest of the Interest Credit under Interest Credit Options established for the current Option Term Period, if any; less
  - (c) any partial withdrawal amount in excess of the Free Withdrawal amount including any applicable withdrawal charge, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, from the date withdrawn to the Option Term End Date; plus
  - (d) the Vesting Percentage for the date of the withdrawal, multiplied by item 5(c).

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

The Bonus Interest equals (a) divided by (b), and then multiplied by (c), where:

- (a) the Interest Credit under Interest Credit Options; and
- (b) your Account Value on the last Option Term End Date (except at the end of the first Policy Year, then this is the amount described in Section 3.4(2)(a)); and
- (c) the Bonus Value before the day before the Option Term End Date.

Option Term Periods and Option Term End Dates are defined in the endorsements establishing Interest Credit Options under this Policy.

The Vested Bonus Value equals:

1. the Bonus Value multiplied by the Vesting Percentage; plus
2. for every partial withdrawal where such amount exceeds the Free Withdrawal, including any applicable withdrawal charge, the product of (a) multiplied by (b) multiplied by (c), where:
  - (a) is the partial withdrawal amount in excess of the Free Withdrawal amount including any applicable withdrawal charge, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, from the date withdrawn to the current date;
  - (b) is the Vesting Percentage for the date of the withdrawal;
  - (c) is 100% less the Vesting percentage for the current date.

**Section 3.4 - Account Value.** The Account Value equals:

1. On your Policy Date - The Percentage of Premiums as shown on Page 3, times the Initial Premium;
2. Between the Policy Date and the first Option Term End Date:
  - (a) The Percentage of Premiums as shown on Page 3, times the sum of the Initial Premium and premiums received after the Policy Date and on or before the 20th calendar day following the Policy Date; less
  - (b) any withdrawals and applicable withdrawal charges taken during the Option Term Period, with interest, as we declare, from the date withdrawn to the current date; plus
  - (c) the Interest Credit under Option B, if any; plus
  - (d) The Percentage of Premiums as shown on Page 3, times any premiums received after the 20th calendar day following the Policy Date, such amount increased by interest, as we declare, for the period from the date received to the current date.
3. On the first Option Term End Date:
  - (a) The Percentage of Premiums as shown on Page 3, times the sum of the Initial Premium and premiums received after the Policy Date and on or before the 20th calendar day following the Policy Date; less
  - (b) any withdrawals and applicable withdrawal charges taken during the Option Term Period, with interest, as we declare, from the date withdrawn to the first Option Term End Date; plus
  - (c) the Interest Credit under Interest Credit Options established for the first Option Term Period; plus
  - (d) The Percentage of Premiums as shown on Page 3, times any premiums received after the 20th calendar day following the Policy Date, such amount increased by interest, as we declare, for the period from the date received to the first Option Term End Date.
4. Between Option Term End Dates after the first Option Term End Date:
  - (a) your Account Value on the last Option Term End Date; less
  - (b) any withdrawals and applicable withdrawal charges taken during the current Option Term Period, with interest, as we declare, from the date withdrawn to the current date; plus
  - (c) the Interest Credit under Option B, if any; plus
  - (d) The Percentage of Premiums as shown on Page 3, times any premiums received since the last Option Term End Date, such amount increased by interest, as we declare, for the period from the date received to the current date;
5. On any Option Term End Date after the first Option Term End Date:
  - (a) your Account Value on the last Option Term End Date; less
  - (b) any withdrawals and applicable withdrawal charges taken during the Option Term Period, with interest, as we declare, from the date withdrawn to the current Option Term End Date; plus
  - (c) the Interest Credit under Interest Credit Options established for the current Option Term Period; plus

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

- (d) the Percentage of Premiums as shown on Page 3, times any premiums received since the last Option Term End Date, such amount increased by interest, as we declare, for the period from the date received to the current Option Term End Date.

Option Term Periods and Option Term End Dates are defined in the endorsements establishing Interest Credit Options under this Policy.

**Section 3.5 - Minimum Guaranteed Contract Value.** The Minimum Guaranteed Contract Value on any day equals:

1. 87.5% of premiums received; less
2. any withdrawals and withdrawal charges; and
3. all accumulated at the Minimum Guaranteed Interest Rate described in Section 3.11.

**Section 3.6 - Cash Surrender Value/Withdrawal of Cash.** The Cash Surrender Value of this Contract is the greater of:

- a. the Account Value less the withdrawal charge, plus any Vested Bonus Value; or
- b. the Minimum Guaranteed Contract Value.

You may withdraw cash 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 Contract Value, after the withdrawal, is at least equal to the Minimum Value 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 Account Value by the applicable Withdrawal Charge Rate shown on Page 3.
4. You may withdraw amounts as described in the Free Withdrawal Option section and the Systematic Withdrawal of Interest Option section below without withdrawal charges.
5. Your Contract Value will be adjusted as described in the Account Value and Minimum Guaranteed Contract Value sections.
6. Your Bonus Value and Vested Bonus Value may be adjusted as described in Section 3.3 – Vesting Percentage, Bonus Value, and Vested Bonus Value.
7. If you withdraw the entire Cash Surrender Value, this Contract will terminate.
8. 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 3.7 - Free Withdrawal Option.** Each Policy Year, after the first Policy Year, you may make one Free Withdrawal of up to 10% of the total of the Account Value plus any Vested Bonus Value. 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. In any Policy Year prior to the end of the Contract Term, if you withdraw more than the Free Withdrawal amount, the Bonus Value and Vested Bonus Value will be decreased as described in Section 3.3.

You may not exercise a withdrawal under Section 3.8 or 3.9 in the same Policy Year in which you make a withdrawal under this Section 3.7.

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.

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

**Section 3.8 - Systematic Withdrawal of Interest 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 3.7 to make Free Withdrawals from the Account Value once each Policy Year during the period the election of this option remains in effect;
4. Selecting this option will nullify any right to make withdrawals under Section 3.9 during the period the election of this option remains in effect;
5. 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;
6. 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
7. 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 Systematic Withdrawal of Interest 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 3.9 – Waiver of Withdrawal Charge after Qualifying Medical Stay.** Up to 75% of the total of the Account Value plus any Vested Bonus Value may be withdrawn without withdrawal charge 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 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 waived on up to 75% of the total of the Account Value plus any Vested Bonus Value. The withdrawal conditions of Sections 3.6(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 total of the Account Value plus any Vested Bonus Value will be subject to the Policy's regular withdrawal charge.

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 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;

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

- 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.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any withdrawals made under this Section 3.9 that you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. A full withdrawal charge, therefore, is made on that amount at the time of full surrender.

Selecting this option will nullify any rights you have under Sections 3.7 and 3.8 during the Policy Year this option is selected.

**Section 3.10 – Terminal Illness Benefit.** Withdrawal charges 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 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, as determined by us, 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 we determine the withdrawal charge waiver applies, we will then process the withdrawal with all withdrawal charges 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 3.6(2).

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

**Section 3.11 - 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 3.12 - Contract Continuation.** At the end of the Contract Term we will continue your Contract under the following conditions:

1. Your Contract Value will equal your Contract Value on the last day of the Contract Term, plus premiums received since the last day of the Contract Term, less any withdrawals, with interest credited at rate(s) of interest we declare in advance for periods of not less than one year, but never less than the re-determined Minimum Guaranteed Interest Rate described in Section 3.10;
2. Your Cash Surrender Value will equal your Contract Value;
3. If you take any withdrawals at the end of the Contract Term, we will adjust your values by subtracting the withdrawal amount from your Contract Value; and
4. Interest Credit under Interest Credit Options established for this Contract may continue to apply, at the company's discretion.

**Section 3.13 - Contract Term Options.** You may write to us and elect one of the options below to take effect at or after the Contract Term.

1. Partial withdrawal with no withdrawal charges, subject to the limitations in Section 3.6(2) above.
2. Surrender this Contract with no withdrawal charges.

**Section 3.14 - Paid-Up Annuity.** This Contract 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 deferred annuity, this Contract will continue in full force and effect. You may exercise all rights described in this Contract.

**Section 3.15 - Death Benefit if Annuitant Dies Before Annuity Date.** We will pay to the Beneficiary:

1. the Account Value plus the Bonus Value as of the date of death as a single sum; or

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

2. benefits provided by the Account Value plus the Bonus Value if applied under one of the Settlement Options in Section 3.1.

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 in a single sum as described in 1 above in this Section 3.14.

**Section 3.16 - 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 3.17 - Taxes, Fees, Assessments.** Any Federal, State, or Municipal taxes, or any fees or assessments related to this Contract, payment of which is required or authorized by law, will be deducted from the benefits under Article III.

**Section 3.18 - Minimum State Requirements.** The Cash Surrender Value, Paid Up Annuity benefits, 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 WITH FIXED INDEXED FEATURE IN WHICH INTEREST CREDIT OPTION IS LINKED IN PART TO EXTERNAL INDICES. VALUES IN THIS POLICY MAY BE AFFECTED BY THE EXTERNAL INDICES. THIS POLICY DOES NOT PARTICIPATE IN ANY STOCK OR EQUITY INVESTMENTS. MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. 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: 850 EAST ANDERSON LANE, AUSTIN, TEXAS 78752

HOME OFFICE, DENVER, COLORADO

ANNUITANT	POLICY NUMBER
POLICY DATE	ISSUE AGE
OWNER	ANNUITY DATE

## ANNUITY PROVISION

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

## PREMIUM PAYMENTS

The Initial Premium payment is due in an amount determined by you on the 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 the agent through whom it was purchased. You must return the Policy to us or the agent through whom it was purchased 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, properly addressed and postage prepaid. We must return all premiums paid for this Policy within ten days after we receive notice to cancel and the returned Policy.



Secretary



President

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY WITH FIXED INDEXED FEATURE IN WHICH INTEREST CREDIT OPTION IS LINKED IN PART TO EXTERNAL INDICES. VALUES IN THIS POLICY MAY BE AFFECTED BY THE EXTERNAL INDICES. THIS POLICY DOES NOT PARTICIPATE IN ANY STOCK OR EQUITY INVESTMENTS. MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. 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 22 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 or Contract 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. At the end of the Contract Term the Policy may continue as described in the Contract Continuation section and the Minimum Guaranteed Interest Rate will be re-determined.

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

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

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

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

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

**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.

**Bonus Value and Vested Bonus Value** are defined and calculated as shown in Section 3.3.

**Initial Premium** is the premium payment due on the Policy Date in an amount determined by you.

**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 1, 2011 ]	[ 35 ]	ISSUE AGE
OWNER	[ JOHN DOE ]	[ JANUARY 1, 2033 ]	ANNUITY DATE

01-1162-10 FLEXIBLE PREMIUM DEFERRED ANNUITY  
 THE INITIAL PREMIUM: [ \$95,000.00 ]  
 CONTRACT TERM: 10 POLICY YEARS  
 MINIMUM VALUE: [ \$5,000.00 ]  
 THE LOAN INTEREST RATE IS: 7.40% IN ADVANCE

OPTION A ASSET FEE RATE FOR THE FIRST POLICY YEAR: [ 1.00% ]  
 MAXIMUM OPTION A ASSET FEE RATE: 6.00%  
 OPTION A PARTICIPATION RATE FOR THE FIRST POLICY YEAR: [ 50.00% ]  
 MINIMUM OPTION A PARTICIPATION RATE: 30.00%

OPTION D MONTHLY INDEX CAP RATE FOR THE FIRST POLICY YEAR: [ 1.85% ]  
 MINIMUM OPTION D MONTHLY INDEX CAP RATE: 0.50%

OPTION J ANNUAL INDEX CAP RATE FOR THE FIRST POLICY YEAR: [ 3.50% ]  
 MINIMUM OPTION J ANNUAL INDEX CAP RATE: 3.00%

OPTION K ASSET FEE RATE FOR THE FIRST POLICY YEAR: [ 2.00% ]  
 MAXIMUM OPTION K ASSET FEE RATE: 2.00%  
 OPTION K PARTICIPATION RATE FOR THE FIRST POLICY YEAR: [ 45.00% ]  
 MINIMUM OPTION K PARTICIPATION RATE: 20.00%

PERCENTAGE OF PREMIUMS [ 100.00% ]  
 MINIMUM GUARANTEED INTEREST RATE FOR THE CONTRACT TERM: [ 1.00% ]  
 OPTION B INTEREST RATE FOR THE FIRST POLICY YEAR: [ 2.00% ]

INTEREST CREDIT ALLOCATION PERCENTAGES FOR THE FIRST POLICY YEAR:  
 INTEREST CREDIT OPTION [ A ] [ 20.00% ] INTEREST CREDIT OPTION [ J ] [ 20.00% ]  
 INTEREST CREDIT OPTION [ B ] [ 20.00% ] INTEREST CREDIT OPTION [ K ] [ 20.00% ]  
 INTEREST CREDIT OPTION [ D ] [ 20.00% ]

BONUS PERCENTAGE: 7.00%  
 BONUS VESTING SCHEDULE AT THE END OF EACH POLICY YEAR (NOT PRO-RATED)  
 YEARS 1 TO 7 [ 0% ] YEAR 9 [ 50% ]  
 YEAR 8 [ 25% ] YEAR 10 [ 100% ]  
 THEREAFTER [ 100% ]

WITHDRAWAL CHARGE RATES:

<u>POLICY YEAR</u>	<u>RATE</u>	<u>POLICY YEAR</u>	<u>RATE</u>	<u>POLICY YEAR</u>	<u>RATE</u>
1	10.00%	5	10.00%	9	4.00%
2	10.00%	6	9.00%	10	2.00%
3	10.00%	7	8.00%	THEREAFTER	0.00%
4	10.00%	8	6.00%		

01-3128-09 WITHDRAWAL BENEFIT RIDER

## ARTICLE II - GENERAL PROVISIONS

**Section 2.1 - Contract.** This Policy, any endorsements, any riders, any amendments, and the Application are the Contract. A copy of the Application is attached. All statements made in the Application are representations and not warranties.

Only our officers may change this Contract 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 on Page 3. 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 rights 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 Owner and/or the Beneficiary 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 described herein. 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.** We may not contest this Contract once it has been in force, while the Annuitant is alive, for two years from its Policy Date.

**Section 2.6 - Assignment.** This Contract, and the benefits of this Contract, 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.

**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 Joint-Annuitant, if any.

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

**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 Contract shall be made from our office in Austin, Texas.

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

**Section 2.12 - Annual Report.** We will prepare a report at the end of each Policy Year that this Contract is in force. We will mail this report to you within 60 days of the end of each Policy Year. The report will show:

1. Premiums received during the Policy Year;
2. Withdrawals during the Policy Year;
3. Interest credits during the Policy Year;
4. Account Value;
5. Contract Value; and
6. 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 which will apply on or after the Annuity Date. Such option will continue to apply until you change your option.

The amount used on the Annuity Date to provide any of the Settlement Options is the Contract Value.

**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 the interest rates shown on the Option 1 and 2 Table and Option 3 Table made part of this Policy. The attained age of the payee 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 1.25%.

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 - Contract Value.** The Contract Value equals the greater of:

1. the Account Value plus any Vested Bonus Value; or
2. the Minimum Guaranteed Contract Value.

**Section 3.3 – Vesting Percentage, Bonus Value, and Vested Bonus Value.**

The Vesting Percentage equals:

1. On any date that is not an Option Term End Date, the Vesting Percentage equals the rate found in the Bonus Vesting Schedule on Page 3 for the end of the prior Policy Year.
2. On an Option Term End Date, the Vesting Percentage equals the rate found in the Bonus Vesting Schedule on Page 3 for the end of the current Policy Year.

The Bonus Value equals:

1. On your Policy Date - The Initial Premium times the Bonus Percentage;
2. Between the Policy Date and the first Option Term End Date:
  - (a) The Initial Premium plus premiums received after the Policy Date and on or before the 20th calendar day following the Policy Date, multiplied by the Bonus Percentage; plus
  - (b) interest as we declare on 2(a) above multiplied by the Interest Credit Allocation Percentage for the first Policy Year for Interest Credit Option B, if any; plus
  - (c) any premiums received after the 20th calendar day following the Policy Date, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, for the period from the date received to the current date; less
  - (d) any partial withdrawal amount in excess of the Free Withdrawal amount including any applicable withdrawal charge, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, from the date withdrawn to the current date.
3. On the first Option Term End Date:
  - (a) the Initial Premium and premiums received after the Policy Date and on or before the 20th calendar day following the Policy Date, multiplied by the Bonus Percentage; plus
  - (b) the Bonus Interest of the Interest Credit under Interest Credit Options established for the first Option Term Period, if any; plus
  - (c) any premiums received after the 20th calendar day following the Policy Date, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, for the period from the date received to the first Option Term End Date; less
  - (d) any partial withdrawal amount in excess of the Free Withdrawal amount including any applicable withdrawal charge, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, from the date withdrawn to the first Option Term End Date.
4. Between Option Term End Dates after the first Option Term End Date:
  - (a) your Bonus Value on the last Option Term End Date; plus
  - (b) interest as we declare on 4(a) above multiplied by the Interest Credit Allocation Percentage for the current Policy Year for Interest Credit Option B, if any; less
  - (c) any partial withdrawal amount in excess of the Free Withdrawal amount including any applicable withdrawal charge, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, from the date withdrawn to the current date; plus
  - (d) the Vesting Percentage for the date of the withdrawal, multiplied by item 4(c).
5. On any Option Term End Date after the first Option Term End Date:
  - (a) your Bonus Value on the last Option Term End Date; plus
  - (b) the Bonus Interest of the Interest Credit under Interest Credit Options established for the current Option Term Period, if any; less
  - (c) any partial withdrawal amount in excess of the Free Withdrawal amount including any applicable withdrawal charge, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, from the date withdrawn to the Option Term End Date; plus
  - (d) the Vesting Percentage for the date of the withdrawal, multiplied by item 5(c).

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

The Bonus Interest equals (a) divided by (b), and then multiplied by (c), where:

- (a) the Interest Credit under Interest Credit Options; and
- (b) your Account Value on the last Option Term End Date (except at the end of the first Policy Year, then this is the amount described in Section 3.4(2)(a)); and
- (c) the Bonus Value before the day before the Option Term End Date.

Option Term Periods and Option Term End Dates are defined in the endorsements establishing Interest Credit Options under this Policy.

The Vested Bonus Value equals:

1. the Bonus Value multiplied by the Vesting Percentage; plus
2. for every partial withdrawal where such amount exceeds the Free Withdrawal, including any applicable withdrawal charge, the product of (a) multiplied by (b) multiplied by (c), where:
  - (a) is the partial withdrawal amount in excess of the Free Withdrawal amount including any applicable withdrawal charge, multiplied by the Bonus Percentage, such amount increased by interest, as we declare, from the date withdrawn to the current date;
  - (b) is the Vesting Percentage for the date of the withdrawal;
  - (c) is 100% less the Vesting percentage for the current date.

**Section 3.4 - Account Value.** The Account Value equals:

1. On your Policy Date - The Percentage of Premiums as shown on Page 3, times the Initial Premium;
2. Between the Policy Date and the first Option Term End Date:
  - (a) The Percentage of Premiums as shown on Page 3, times the sum of the Initial Premium and premiums received after the Policy Date and on or before the 20th calendar day following the Policy Date; less
  - (b) any withdrawals and applicable withdrawal charges taken during the Option Term Period, with interest, as we declare, from the date withdrawn to the current date; plus
  - (c) the Interest Credit under Option B, if any; plus
  - (d) The Percentage of Premiums as shown on Page 3, times any premiums received after the 20th calendar day following the Policy Date, such amount increased by interest, as we declare, for the period from the date received to the current date.
3. On the first Option Term End Date:
  - (a) The Percentage of Premiums as shown on Page 3, times the sum of the Initial Premium and premiums received after the Policy Date and on or before the 20th calendar day following the Policy Date; less
  - (b) any withdrawals and applicable withdrawal charges taken during the Option Term Period, with interest, as we declare, from the date withdrawn to the first Option Term End Date; plus
  - (c) the Interest Credit under Interest Credit Options established for the first Option Term Period; plus
  - (d) The Percentage of Premiums as shown on Page 3, times any premiums received after the 20th calendar day following the Policy Date, such amount increased by interest, as we declare, for the period from the date received to the first Option Term End Date.
4. Between Option Term End Dates after the first Option Term End Date:
  - (a) your Account Value on the last Option Term End Date; less
  - (b) any withdrawals and applicable withdrawal charges taken during the current Option Term Period, with interest, as we declare, from the date withdrawn to the current date; plus
  - (c) the Interest Credit under Option B, if any; plus
  - (d) The Percentage of Premiums as shown on Page 3, times any premiums received since the last Option Term End Date, such amount increased by interest, as we declare, for the period from the date received to the current date.
5. On any Option Term End Date after the first Option Term End Date:
  - (a) your Account Value on the last Option Term End Date; less
  - (b) any withdrawals and applicable withdrawal charges taken during the Option Term Period, with interest, as we declare, from the date withdrawn to the current Option Term End Date; plus
  - (c) the Interest Credit under Interest Credit Options established for the current Option Term Period; plus

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

- (d) the Percentage of Premiums as shown on Page 3, times any premiums received since the last Option Term End Date, such amount increased by interest, as we declare, for the period from the date received to the current Option Term End Date.

Option Term Periods and Option Term End Dates are defined in the endorsements establishing Interest Credit Options under this Policy.

**Section 3.5 - Minimum Guaranteed Contract Value.** The Minimum Guaranteed Contract Value on any day equals:

1. 87.5% of premiums received; less
2. any withdrawals and withdrawal charges; and
3. all accumulated at the Minimum Guaranteed Interest Rate described in Section 3.11.

**Section 3.6 - Cash Surrender Value/Withdrawal of Cash.** The Cash Surrender Value of this Contract is the greater of:

- a. the Account Value less the withdrawal charge, plus any Vested Bonus Value; or
- b. the Minimum Guaranteed Contract Value.

You may withdraw cash 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 Contract Value, after the withdrawal, is at least equal to the Minimum Value 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 Account Value by the applicable Withdrawal Charge Rate shown on Page 3.
4. You may withdraw amounts as described in the Free Withdrawal Option section and the Systematic Withdrawal of Interest Option section below without withdrawal charges.
5. Your Contract Value will be adjusted as described in the Account Value and Minimum Guaranteed Contract Value sections.
6. Your Bonus Value and Vested Bonus Value may be adjusted as described in Section 3.3 – Vesting Percentage, Bonus Value, and Vested Bonus Value.
7. If you withdraw the entire Cash Surrender Value, this Contract will terminate.
8. 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 3.7 - Free Withdrawal Option.** Each Policy Year, after the first Policy Year, you may make one Free Withdrawal of up to 10% of the total of the Account Value plus any Vested Bonus Value. 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. In any Policy Year prior to the end of the Contract Term, if you withdraw more than the Free Withdrawal amount, the Bonus Value and Vested Bonus Value will be decreased as described in Section 3.3.

You may not exercise a withdrawal under Section 3.8 or 3.9 in the same Policy Year in which you make a withdrawal under this Section 3.7.

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.

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

**Section 3.8 - Systematic Withdrawal of Interest 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 3.7 to make Free Withdrawals from the Account Value once each Policy Year during the period the election of this option remains in effect;
4. Selecting this option will nullify any right to make withdrawals under Section 3.9 during the period the election of this option remains in effect;
5. 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;
6. 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
7. 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 Systematic Withdrawal of Interest 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 3.9 – Waiver of Withdrawal Charge after Qualifying Medical Stay.** Up to 75% of the total of the Account Value plus any Vested Bonus Value may be withdrawn without withdrawal charge 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 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 waived on up to 75% of the total of the Account Value plus any Vested Bonus Value. The withdrawal conditions of Sections 3.6(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 total of the Account Value plus any Vested Bonus Value will be subject to the Policy's regular withdrawal charge.

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 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;

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

- 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.

No portion of a full surrender during the Withdrawal Charge Period can be taken without a withdrawal charge. We treat any withdrawals made under this Section 3.9 that you take within the 12 months prior to the date of a full surrender as having been made in anticipation of surrender. A full withdrawal charge, therefore, is made on that amount at the time of full surrender.

Selecting this option will nullify any rights you have under Sections 3.7 and 3.8 during the Policy Year this option is selected.

**Section 3.10 – Terminal Illness Benefit.** Withdrawal charges 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 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, as determined by us, 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 we determine the withdrawal charge waiver applies, we will then process the withdrawal with all withdrawal charges 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 3.6(2).

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

**Section 3.11 - 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 3.12 - Contract Continuation.** At the end of the Contract Term, unless you elect Option 2 which is described in Section 3.1, we will continue your Contract under the following conditions:

1. Your Contract Value will equal your Contract Value on the last day of the Contract Term, plus premiums received since the last day of the Contract Term, less any withdrawals, with interest credited at rate(s) of interest we declare in advance for periods of not less than one year, but never less than the re-determined Minimum Guaranteed Interest Rate described in Section 3.10;
2. Your Cash Surrender Value will equal your Contract Value;
3. If you take any withdrawals at the end of the Contract Term, we will adjust your values by subtracting the withdrawal amount from your Contract Value; and
4. Interest Credit under Interest Credit Options established for this Contract may continue to apply, at the company's discretion.

**Section 3.13 - Contract Term Options.** You may write to us and elect one of the options below to take effect at or after the Contract Term.

1. Partial withdrawal with no withdrawal charges, subject to the limitations in Section 3.6(2) above.
2. Surrender this Contract with no withdrawal charges.

**Section 3.14 - Paid-Up Annuity.** This Contract 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 deferred annuity, this Contract will continue in full force and effect. You may exercise all rights described in this Contract.

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

**Section 3.15 - Death Benefit if Annuitant Dies Before Annuity Date.** We will pay to the Beneficiary:

1. the Account Value plus the Bonus Value as of the date of death as a single sum, or
2. benefits provided by the Account Value plus the Bonus Value if applied under one of the Settlement Options in Section 3.1.

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 in a single sum as described in 1 above in this Section 3.15.

**Section 3.16 - 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 3.17 - Taxes, Fees, Assessments.** Any Federal, State, or Municipal taxes, or any fees or assessments related to this Contract, payment of which is required or authorized by law, will be deducted from the benefits under Article III.

**Section 3.18 - Minimum State Requirements.** The Cash Surrender Value, Paid Up Annuity benefits, 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 1.25% interest.

Adjusted Age of Annuitant	Income For Life	5 Years Guaranteed	10 Years Guaranteed	15 Years Guaranteed	20 Years Guaranteed
50	\$2.73	\$2.73	\$2.72	\$2.71	\$2.69
51	2.79	2.78	2.78	2.76	2.74
52	2.84	2.84	2.83	2.82	2.79
53	2.90	2.90	2.89	2.87	2.84
54	2.96	2.96	2.95	2.93	2.90
55	3.02	3.02	3.01	2.99	2.95
56	3.09	3.09	3.08	3.05	3.01
57	3.16	3.16	3.14	3.12	3.07
58	3.24	3.23	3.22	3.18	3.13
59	3.32	3.31	3.29	3.25	3.19
60	3.40	3.39	3.37	3.33	3.26
61	3.49	3.48	3.46	3.40	3.32
62	3.58	3.57	3.54	3.49	3.39
63	3.68	3.67	3.64	3.57	3.46
64	3.78	3.77	3.73	3.66	3.53
65	3.89	3.88	3.83	3.75	3.61
66	4.01	3.99	3.94	3.84	3.68
67	4.13	4.11	4.05	3.94	3.75
68	4.26	4.24	4.17	4.04	3.83
69	4.40	4.38	4.30	4.14	3.90
70	4.55	4.52	4.43	4.25	3.97
71	4.71	4.68	4.56	4.36	4.04
72	4.88	4.84	4.71	4.47	4.11
73	5.06	5.01	4.86	4.58	4.18
74	5.25	5.20	5.02	4.69	4.24
75	5.46	5.40	5.19	4.80	4.30
76	5.69	5.61	5.36	4.92	4.35
77	5.94	5.84	5.54	5.03	4.40
78	6.20	6.09	5.73	5.13	4.45
79	6.49	6.35	5.92	5.23	4.49
80*	6.80	6.63	6.11	5.33	4.53

\* 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 1.25% interest.

Adjusted Age of Annuitant		Adjusted Age of Annuitant		Adjusted Age of Annuitant	
50	\$2.59	60	\$3.10	70	\$3.87
51	2.63	61	3.16	71	3.97
52	2.68	62	3.23	72	4.08
53	2.72	63	3.30	73	4.19
54	2.77	64	3.37	74	4.30
55	2.82	65	3.44	75	4.42
56	2.87	66	3.52	76	4.54
57	2.92	67	3.60	77	4.68
58	2.98	68	3.69	78	4.82
59	3.04	69	3.78	79	4.96
				80*	5.12

\* and over

# NATIONAL WESTERN LIFE INSURANCE COMPANY

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

## READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY WITH FIXED INDEXED FEATURE IN WHICH INTEREST CREDIT OPTION IS LINKED IN PART TO EXTERNAL INDICES. VALUES IN THIS POLICY MAY BE AFFECTED BY THE EXTERNAL INDICES. THIS POLICY DOES NOT PARTICIPATE IN ANY STOCK OR EQUITY INVESTMENTS. MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. 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

### AMENDMENT TO THE WITHDRAWAL BENEFIT RIDER

This amendment is issued as a part of the Withdrawal Benefit Rider to which it is attached. This amendment takes effect and expires with the rider 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 amendment will be held to change, waive or extend any provisions of the contract except as stated below. This amendment supersedes any conflicting provisions within the rider.

A. The third paragraph on Page 2 of 5, which reads:

The "Owner", "Annuitant", "Policy", "Policy Year", "Policy Anniversary", "Account Value", "Interest Credit(s)", and "Free Withdrawal" mean the Owner, Annuitant, Policy, Policy Year, Policy Anniversary, Account Value, Interest Credit(s), and Free Withdrawal as described in the Policy to which this rider is attached.

is replaced with the following paragraph:

The "Owner", "Annuitant", "Policy", "Policy Year", "Policy Anniversary", "Account Value", "Bonus Percentage", "Vested Bonus Value", "Interest Credit(s)", and "Free Withdrawal" mean the Owner, Annuitant, Policy, Policy Year, Policy Anniversary, Account Value, Bonus Percentage, Vested Bonus Value, Interest Credit(s), and Free Withdrawal as described in the Policy to which this rider is attached.

B. The first sentence of the Accumulation Period Withdrawal Payment Base provision on Page 3 of 5, which reads:

The Accumulation Period Withdrawal Payment Base is an accumulation of the Percentage of Premiums shown on the Policy Data Page of the Policy multiplied by the premiums received during each Policy Year, increased with interest at the Interest Rate shown on Page 1 of this rider, and multiplied by the Accumulation Period Pro-Rata Adjustment Factor, described below.

is replaced with:

The Accumulation Period Withdrawal Payment Base is an accumulation of the Percentage of Premiums shown on the Policy Data Page of the Policy multiplied by the premiums received during each Policy Year, plus any Bonus Percentage multiplied by the premium received during the first Policy Year, increased with interest at the Interest Rate shown on Page 1 of this rider, and multiplied by the Accumulation Period Pro-Rata Adjustment Factor, described below.

C. Item 3 of the Restart provision on Page 3 of 5, which reads:

3. the Accumulation Period Withdrawal Payment Base will be set equal to the Account Value, if the Account Value is greater than the Accumulation Period Withdrawal Payment Base.

is replaced with:

3. the Accumulation Period Withdrawal Payment Base will be set equal to the Account Value plus any Vested Bonus Value, if the Account Value plus any Vested Bonus Value is greater than the Accumulation Period Withdrawal Payment Base.

D. In the first paragraph of the Withdrawal Payment Base provision on Page 4 of 5:

Account Value

is replaced with:

Account Value plus any Vested Bonus Value

E. In two places in the Step-Up provision on Page 5 of 5:

Account Value

is replaced with:

Account Value plus any Vested Bonus Value

A handwritten signature in black ink, appearing to read "Paul C. Hoody". The signature is written in a cursive, flowing style.

**President**

## NATIONAL WESTERN LIFE INSURANCE COMPANY

### AMENDMENT TO THE WITHDRAWAL BENEFIT RIDER

This amendment is issued as a part of the Withdrawal Benefit Rider to which it is attached. This amendment takes effect and expires with the rider 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 amendment will be held to change, waive or extend any provisions of the contract except as stated below. This amendment supersedes any conflicting provisions within the rider.

A. The third paragraph on Page 2 of 5, which reads:

The "Owner", "Annuitant", "Policy", "Policy Year", "Policy Anniversary", "Account Value", "Interest Credit(s)", and "Free Withdrawal" mean the Owner, Annuitant, Policy, Policy Year, Policy Anniversary, Account Value, Interest Credit(s), and Free Withdrawal as described in the Policy to which this rider is attached.

is replaced with the following paragraph:

The "Owner", "Annuitant", "Policy", "Policy Year", "Policy Anniversary", "Account Value", "Bonus Percentage", "Vested Bonus Value", "Interest Credit(s)", and "Free Withdrawal" mean the Owner, Annuitant, Policy, Policy Year, Policy Anniversary, Account Value, Bonus Percentage, Vested Bonus Value, Interest Credit(s), and Free Withdrawal as described in the Policy to which this rider is attached.

B. Item 1 of the Accumulation Period Withdrawal Payment Base provision on Page 3 of 5, which reads:

1. an accumulation of:
  - a. the Percentage of Premiums shown on the Policy Data Page of the Policy multiplied by the premiums received during each Policy Year; plus
  - b. the Rider Bonus shown on Page 1 of this rider multiplied by the premium received during the first Policy Year;

is replaced with:

1. an accumulation of:
  - a. the Percentage of Premiums shown on the Policy Data Page of the Policy multiplied by the premiums received during each Policy Year; plus
  - b. the Rider Bonus shown on Page 1 of this rider multiplied by the premium received during the first Policy Year; plus
  - c. the Bonus Percentage, if any, multiplied by the premium received during the first Policy Year.

C. Item 3 of the Restart provision on Page 3 of 5, which reads:

3. the Accumulation Period Withdrawal Payment Base will be set equal to the Account Value, if the Account Value is greater than the Accumulation Period Withdrawal Payment Base.

is replaced with:

3. the Accumulation Period Withdrawal Payment Base will be set equal to the Account Value plus any Vested Bonus Value, if the Account Value plus any Vested Bonus Value is greater than the Accumulation Period Withdrawal Payment Base.

D. In the first paragraph of the Withdrawal Payment Base provision on Page 4 of 5:

Account Value

is replaced with:

Account Value plus any Vested Bonus Value

E. In two places in the Step-Up provision on Page 5 of 5:

Account Value

is replaced with:

Account Value plus any Vested Bonus Value

A handwritten signature in black ink, appearing to read "Paul E. Hoody". The signature is written in a cursive, flowing style.

**President**

SERFF Tracking Number:      NAWS-126971398      State:      Arkansas  
 Filing Company:      National Western Life Insurance Company      State Tracking Number:      47645  
 Company Tracking Number:      01-1160-10, 01-1162-10  
 TOI:      A071 Individual Annuities - Special      Sub-TOI:      A071.001 Equity Indexed  
 Product Name:      Flexible Premium Deferred Annuities  
 Project Name/Number:      Flexible Premium Deferred Annuities/01-1160-10, 01-1162-10

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Flesch Certification		
<b>Comments:</b>		
<b>Attachment:</b>		
01-1160-10, et al 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> Statements of Variability		
<b>Comments:</b>		
<b>Attachments:</b>		
01-1160-10 Statement of Variability.pdf		
01-1162-10 Statement of Variability.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Cover Letter		
<b>Comments:</b>		
Cover letter attached.		
<b>Attachment:</b>		
AR 1160, 1162 Cover Letter.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Agent Information form 01-A002		

SERFF Tracking Number: NAWS-126971398 State: Arkansas  
Filing Company: National Western Life Insurance Company State Tracking Number: 47645  
Company Tracking Number: 01-1160-10, 01-1162-10  
TOI: A071 Individual Annuities - Special Sub-TOI: A071.001 Equity Indexed  
Product Name: Flexible Premium Deferred Annuities  
Project Name/Number: Flexible Premium Deferred Annuities/01-1160-10, 01-1162-10

**Comments:**

**Attachment:**

AR Agent Information Notice A002.pdf

**Item Status:**

**Status**

**Date:**

**Satisfied - Item:** Life & Health Guaranty notice form  
01-A013(Rev.01/04)

**Comments:**

**Attachment:**

L&H Guaranty Notice A013-AR.pdf

**Item Status:**

**Status**

**Date:**

**Satisfied - Item:** External Indexed Guidelines  
Certifications

**Comments:**

**Attachment:**

AR External Indexed Guidelines Certifications.pdf

**NATIONAL WESTERN LIFE INSURANCE COMPANY**  
**NAIC COMPANY NUMBER 66850**  
**FLESCH READING EASE TEST SCORE CERTIFICATE**

Individual Flexible Premium Deferred Annuity, Form Number 01-1160-10  
Individual Flexible Premium Deferred Annuity, Form Number 01-1162-10  
Amendment to Withdrawal Benefit Rider 01-3128-08, Form Number 01-4382-10  
Amendment to Withdrawal Benefit Rider 01-3128-09, Form Number 01-4383-10

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>
01-1160-10	55	5,673
01-1162-10	55	5,683
01-4382-10 (scored with 01-1160-10)	53	6,156
01-4383-10 (scored with 01-1160-10)	54	6,140



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

## STATEMENT OF VARIABILITY

The following information is applicable to the following annuity policy forms, where shown on the specification page:

01-1160-10

**Annuity Date [November 1, 2021]** – At issue, the annuity date is twenty-two years and cannot be changed. But this is flexible and can be moved outward from twenty-two years. There is no maximum date for annuitization.

**The Initial Premium [\$10,000]** – The initial premium minimum is \$5,000 up to a maximum of \$2,000,000.

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

**Option A Asset Fee Rate for the First Policy Year: [0.50%]** – The maximum is set at 6.00%, the minimum is 0.00%.

**Option A Participation Rate for the First Policy Year: [50.00%]** – The minimum is set at 30.00%, the maximum is 150%.

**Option D Monthly Index Cap Rate for the First Policy Year: [2.15%]** – The minimum is set at 0.50%, the maximum is 10.00%.

**Option J Annual Index Cap Rate for the First Policy Year: [4.00%]** – The minimum is set at 3.00%, the maximum is 40%.

**Option K Asset Fee Rate for the First Policy Year: [2.00%]** – The maximum is set at 2.00%, the minimum is 0.00%.

**Option K Participation Rate for the First Policy Year: [50.00%]** – The minimum is set at 20.00%, the maximum is 150.00%.

**Percentage of Premiums: [100.00%]** – The minimum is 100%, the maximum is 120%.

**Minimum Guaranteed Interest Rate for the Contract Term [1.00%]** – The minimum is 1.00%, the maximum is 3.0%. This value will fluctuate based on the formula in the policy but is set for the length of the Contract Term of 10 years.

**Option B Interest Rate for the first policy year [2.30%]** – The minimum rate is 0.00%, there is no set maximum rate.

**Interest allocation percentages** – up to 100% in any one option, or 100% total in all available options. Percentages must be whole numbers.

**Bonus Vesting Schedule** – These values may range from [0% to 100%].

## STATEMENT OF VARIABILITY

The following information is applicable to the following annuity policy forms, where shown on the specification page:

01-1162-10

**Annuity Date [November 1, 2021]** – At issue, the annuity date is twenty-two years. But this is flexible and can be moved outward from twenty-two years. There is no maximum date for annuitization.

**The Initial Premium [\$10,000]** – The initial premium minimum is \$5,000 up to a maximum of \$2,000,000.

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

**Option A Asset Fee Rate for the First Policy Year: [1.00%]** – The maximum is set at 6.00%, the minimum is 0.00%.

**Option A Participation Rate for the First Policy Year: [50.00%]** – The minimum is set at 30.00%, the maximum is 150%.

**Option D Monthly Index Cap Rate for the First Policy Year: [1.85%]** – The minimum is set at 0.50%, the maximum is 10.00%.

**Option J Annual Index Cap Rate for the First Policy Year: [3.50%]** – The minimum is set at 3.00%, the maximum is 40%.

**Option K Asset Fee Rate for the First Policy Year: [2.00%]** – The maximum is set at 2.00%, the minimum is 0.00%.

**Option K Participation Rate for the First Policy Year: [45.00%]** – The minimum is set at 20.00%, the maximum is 150.00%.

**Percentage of Premiums: [100.00%]** – The minimum is 100%, the maximum is 120%.

**Minimum Guaranteed Interest Rate for the Contract Term [1.00%]** – The minimum is 1.00%, the maximum is 3.0%. This value will fluctuate based on the formula in the policy but is set for the length of the Contract Term of 10 years.

**Option B Interest Rate for the first policy year [2.00%]** – The minimum rate is 0.00%, there is no set maximum rate.

**Interest allocation percentages** – up to 100% in any one option, or 100% total in all available options. Percentages must be whole numbers.

**Bonus Vesting Schedule** – These values may range from [0% to 100%].



January 5, 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 01-1160-10  
Individual Flexible Premium Deferred Annuity, Form Number 01-1162-10  
Amendment to the Withdrawal Benefit Rider 01-3128-08, Form Number 01-4382-10  
Amendment to the Withdrawal Benefit Rider 01-3128-09, Form Number 01-4383-10  
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.

Forms 01-1160-10 and 01-1162-10, Flexible Premium Deferred Annuity policy forms, both offer Waiver of Withdrawal Charge After Qualifying Medical Stay, waiver of withdrawal charges for Terminal Illness or Injury, and Bonus Value benefit.

The Bonus Value benefit accrues interest at the same rate as the Account Value, is available for Death Benefits immediately, and is available for withdrawals based on a vesting schedule.

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

Amendment to the Withdrawal Benefit Rider, form 01-4382-10, will be issued with previously approved Withdrawal Benefit Rider form number 01-3128-08 approved on July 18, 2008. Amendment to the Withdrawal Benefit Rider, form 01-4383-10, will be issued with previously approved Withdrawal Benefit Rider form number 01-3128-09 approved on October 5, 2009. These riders do not originally refer to the Bonus Value or Vested Bonus Value in these new annuity policies. The amendments are necessary to include these values in the rider benefit.

The policies may be issued with any of a series of 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,



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
Index Interest Credit Option A Endorsement	01-4353AX-04	March 4, 2005
Index Interest Credit Option B Endorsement	01-4373B-07	February 7, 2008
Index Interest Credit Option D Endorsement	01-4353DX-04	March 4, 2005
Index Interest Credit Option J Endorsement	01-4373J-07	February 21, 2008
Index Interest Credit Option K Endorsement	01-4373K-07	February 7, 2008
Change of Interest Credit Allocation Endorsement	01-4359Z-06	May 26, 2006
Cash Loan Endorsement	01-4087XP	September 16, 2003

**CONSUMER INFORMATION NOTICE**

If you need information about or help with your policy, you may contact:

**NATIONAL WESTERN LIFE INSURANCE COMPANY  
POLICYOWNERS SERVICE DEPARTMENT  
850 EAST ANDERSON LANE  
AUSTIN, TEXAS 78752-1602  
(512) 836-1010**

or

**YOUR AGENT:**

**NAME** \_\_\_\_\_

**ADDRESS** \_\_\_\_\_

**CITY** \_\_\_\_\_ **STATE** \_\_\_\_\_ **ZIP** \_\_\_\_\_

**TELEPHONE** \_\_\_\_\_

If we at National Western Life Insurance Company fail to provide you with reasonable and adequate service, you should feel free to contact:

**ARKANSAS INSURANCE DEPARTMENT  
1200 WEST THIRD STREET  
LITTLE ROCK, ARKANSAS 72201  
(501) 371-2640 or (800) 852-5494**



850 EAST ANDERSON LANE • AUSTIN, TEXAS 78752-1602

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

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

**DISCLAIMER**

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

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

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

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

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

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

**COVERAGE**

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

## EXCLUSIONS FROM COVERAGE

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

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

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

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

## LIMITS ON AMOUNT OF COVERAGE

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





**Certification Required by Arkansas External-Indexed Contract Guidelines  
Agent Education Certification**

The Company certifies that all persons soliciting our external-indexed annuities are suitably licensed and trained and that it will continue to maintain detailed files of training procedures available for inspection by the Commissioner. The Company further certifies that our external-indexed contracts are not nor will not be sold by any person who is not trained and qualified.

A handwritten signature in black ink that reads "S Foskitt".

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Stephanie Foskitt  
Contract Compliance Analyst

February 28, 2005

Date



**Certification Required by Arkansas External-Indexed Contract Guidelines  
Reserves Certification**

The Company certifies that we already address external-indexed contracts separately in the annual (Section 8) actuarial opinion and memorandum each year and address each year the amount and type of assets held and the level of reserves and how developed.

A handwritten signature in black ink, appearing to read "S Foskitt".

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Stephanie Foskitt  
Contract Compliance Analyst

February 28, 2005

Date



**Certification Required by Arkansas External-Indexed Contract Guidelines  
Disclosure and Advertising Certification**

The Company certifies our Consumer Disclosures and Summary Brochures adhere to the following Arkansas Guidelines. The Disclosures contain at least:

- A simplified explanation of the key elements of the contract
- Appropriate examples showing the method of calculating the index credit where these examples do not include hypothetical or predictive future information
- Prominent display of any limitations on payment of premium or allocation of values
- Prominent display of surrender charges
- Prominent display of any limitation, restriction, penalty or charge for transfers during a term
- Statement emphasizing the insurance nature of the contract and that the contract is not a variable contract or other type of investment contract

A handwritten signature in black ink that reads "S Foskitt".

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Stephanie Foskitt  
Contract Compliance Analyst

February 28, 2005  
Date