

**State:** Arkansas **Filing Company:** National Life Insurance Company  
**TOI/Sub-TOI:** A021 Individual Annuities- Deferred Non-Variable/A021.002 Flexible Premium  
**Product Name:** IRA Endorsements  
**Project Name/Number:** IRA Endorsements /7459(1012)

## Filing at a Glance

Company: National Life Insurance Company  
Product Name: IRA Endorsements  
State: Arkansas  
TOI: A021 Individual Annuities- Deferred Non-Variable  
Sub-TOI: A021.002 Flexible Premium  
Filing Type: Form  
Date Submitted: 10/18/2012  
SERFF Tr Num: NALF-128722035  
SERFF Status: Closed-Approved-Closed  
State Tr Num:  
State Status: Approved-Closed  
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Implementation  
Date Requested:  
Author(s): Junan Boldrey, Dionne Wills  
Reviewer(s): Linda Bird (primary)  
Disposition Date: 10/24/2012  
Disposition Status: Approved-Closed  
Implementation Date:

State Filing Description:

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## General Information

Project Name: IRA Endorsements Status of Filing in Domicile: Pending  
Project Number: 7459(1012) Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments: This form is pending approval in domicile.  
Explanation for Combination/Other: Market Type: Individual  
Submission Type: New Submission Individual Market Type:  
Overall Rate Impact: Filing Status Changed: 10/24/2012  
State Status Changed: 10/24/2012  
Deemer Date: Created By: Dionne Wills  
Submitted By: Dionne Wills Corresponding Filing Tracking Number:  
Filing Description:  
Arkansas Department of Insurance

RE: SIMPLE Individual Retirement Annuity (IRA) Endorsement, form 7459(1012)  
ROTH IRA Endorsement, form 9513(1012)

Submission: Enclosed for your review are copies of the above referenced forms. These forms are revisions to previously approved forms. Form 9513(1012) will replace Form No. 9513(0910). Form 7459(1012) will replace Form No. 7459(0910). Both submitted endorsements reflect current interpretation of the Internal Revenue Code as pertains to the subject type annuities.

Description: One of these endorsements will be attached to an annuity when a request is made for the annuity to be issued as an Individual Retirement Account Annuity. These endorsements will amend the annuity to meet the requirements of the applicable Internal Revenue Code. These endorsements are only for the purpose of ensuring that the annuities to which they are attached comply with all applicable federal laws and the associated regulations

Additionally, the appropriate endorsement will be sent to all current IRA annuity policyholders with instructions to place the endorsement in their annuity. In the case of a conversion the appropriate endorsement may also be added after the date of issue of an annuity.

As the following chart depicts, these forms are revisions to previously approved forms, which revisions, when approved, will replace the forms shown:

Description	Form Number	Approval Date	Filing ID
ROTH IRA Endorsement	9513(0910)	10/21/2010	NALF-126853762
SIMPLE (IRA) Endorsement	7459(0910)	10/21/2010	NALF-126853762

Readability Language. Readability language drafted to conform to the requirements of federal law, regulation, or agency interpretation is typically exempt from the policy readability standards. Conformity with applicable Internal Revenue Code is the sole reason for each form to exist. As such, no readability scores for the forms listed above are being submitted. Readability Explanation for Lower Scores will be included in filings for those states that require readability certification.

**State:** Arkansas **Filing Company:** National Life Insurance Company  
**TOI/Sub-TOI:** A021 Individual Annuities- Deferred Non-Variable/A021.002 Flexible Premium  
**Product Name:** IRA Endorsements  
**Project Name/Number:** IRA Endorsements /7459(1012)

## Company and Contact

### Filing Contact Information

Junan Boldrey, Manager, Policy Filings, jboldrey@nationallife.com  
 Retirement Division  
 15455 North Dallas Parkway 800-543-3794 [Phone] 9316 [Ext]  
 Suite 800 214-638-9196 [FAX]  
 Addison, TX 75001

### Filing Company Information

National Life Insurance Company	CoCode: 66680	State of Domicile: Vermont
One National Life Drive	Group Code: 634	Company Type:
Montpelier, VT 05604	Group Name:	State ID Number:
(802) 229-3333 ext. [Phone]	FEIN Number: 03-0144090	

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$100.00  
 Retaliatory? Yes  
 Fee Explanation: Domicile filing fee is 100.00 for two endorsements.  
 Per Company: No

Company	Amount	Date Processed	Transaction #
National Life Insurance Company	\$100.00	10/18/2012	64051643

**SERFF Tracking #:**

NALF-128722035

**State Tracking #:**

**Company Tracking #:**

7459(1012)

**State:**

Arkansas

**Filing Company:**

National Life Insurance Company

**TOI/Sub-TOI:**

A021 Individual Annuities- Deferred Non-Variable/A021.002 Flexible Premium

**Product Name:**

IRA Endorsements

**Project Name/Number:**

IRA Endorsements /7459(1012)

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	10/24/2012	10/24/2012

**SERFF Tracking #:**

NALF-128722035

**State Tracking #:****Company Tracking #:**

7459(1012)

**State:**

Arkansas

**Filing Company:**

National Life Insurance Company

**TOI/Sub-TOI:**

A021 Individual Annuities- Deferred Non-Variable/A021.002 Flexible Premium

**Product Name:**

IRA Endorsements

**Project Name/Number:**

IRA Endorsements /7459(1012)

## Disposition

Disposition Date: 10/24/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Designated Representative Letter		Yes
Supporting Document	Statements of Variability		Yes
Form	SIMPLE (IRA) Endorsement		Yes
Form	ROTH IRA Endorsement		Yes

State: Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI: A021 Individual Annuities- Deferred Non-Variable/A021.002 Flexible Premium

Product Name: IRA Endorsements

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## Form Schedule

### Lead Form Number: 7459(1012)

Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments
1		7459(1012)	POLA	SIMPLE (IRA) Endorsement	Revised: Replaced Form #: 7459(0910) Previous Filing #: NALF- 126853762	27.900	7459(1012).pdf
2		9513(1012)	POLA	ROTH IRA Endorsement	Revised: Replaced Form #: 9513(0910) Previous Filing #: NALF- 126853762	26.600	9513(1012).pdf

### Form Type Legend:

<b>ADV</b>	Advertising	<b>AEF</b>	Application/Enrollment Form
<b>CER</b>	Certificate	<b>CERA</b>	Certificate Amendment, Insert Page, Endorsement or Rider
<b>DDP</b>	Data/Declaration Pages	<b>FND</b>	Funding Agreement (Annuity, Individual and Group)
<b>MTX</b>	Matrix	<b>NOC</b>	Notice of Coverage
<b>OTH</b>	Other	<b>OUT</b>	Outline of Coverage
<b>PJK</b>	Policy Jacket	<b>POL</b>	Policy/Contract/Fraternal Certificate
<b>POLA</b>	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	<b>SCH</b>	Schedule Pages

# Simple Individual Retirement Annuity (SIMPLE-IRA) Endorsement

National Life Insurance Company (NLIC) [www.nationallife.com]  
Home Office: [One National Life Drive Montpelier, Vermont 05604 • 802-229-3333]

The annuity policy, contract or certificate under a group annuity policy (collectively, the “Policy”) to which this Endorsement is attached is amended as specified below to qualify as a SIMPLE IRA described in section 408(p) of the Internal Revenue Code of 1986, as amended (the “IRC”). All the provisions of the Policy and this Endorsement shall be interpreted in accordance with IRC section 408(p) and the Income Tax Regulations thereunder. Where the provisions of the Endorsement are inconsistent with the provisions of the Policy, including the provisions of any other endorsements or riders issued with the Policy, the provisions of this Endorsement will control.

The Owner of the Policy must be an individual who is the sole Owner and the Annuitant. Except as provided in this Endorsement, and otherwise permitted under the IRC and the Income Tax Regulations, neither the Owner nor the Annuitant may be changed. All distributions while the Owner is alive must be made to the Owner. All distributions made under a joint and survivor annuity option after the Owner’s death and while the joint Annuitant is alive must be made to the joint Annuitant. This Policy is established for the exclusive benefit of the Owner or the Owner’s beneficiaries.

## 1. Contributions

This SIMPLE IRA will accept only:

- (a) a cash contribution made by an employer on behalf of the Owner under a SIMPLE IRA plan that meets the requirements of IRC section 408(p); and
- (b) a rollover contribution or a transfer of assets from another SIMPLE IRA of the Owner.

No other contributions will be accepted.

## 2. Distributions to Owner

(a) Notwithstanding any provision of this IRA to the contrary, the distribution of the Owner’s interest in the IRA shall be made in accordance with the requirements of IRC section 408(b)(3) and the regulations thereunder, the provisions of which are herein incorporated by reference. If distributions are not made in the form of an annuity on an irrevocable basis (except for acceleration), then distribution of the interest in the IRA (as determined in accordance with item 3(c), below) must satisfy the requirements of IRC section 408(a)(6) and the Income Tax Regulations thereunder, rather than items 2(b), 2(c), 2(d), and 3.

(b) The entire interest of the Owner for whose benefit the Policy is maintained will commence to be distributed no later than the first day of April following the calendar year in which such individual attains age 70½ (the “required beginning date”) over (a) the life of such Owner or the lives of such Owner and the Owner’s designated beneficiary (within the meaning of IRC section 401(a)(9)(E)) or (b) a period certain not extending beyond the life expectancy of such Owner or the joint and last survivor expectancy of such Owner and the Owner’s designated beneficiary. Payments must be made in periodic payments at intervals of no longer than 1 year and must be either non-increasing or they may increase only as provided in Q&As-1 and -4 of

sec. 1.401(a)(9)-6 of the Income Tax Regulations. In addition, any distribution must satisfy the incidental benefit requirements specified in Q&A-2 of sec. 1.401(a)(9)-6 of the Income Tax Regulations.

(c) The distribution periods described in item 2(b) above cannot exceed the periods specified in sec. 1.401(a)(9)-6 of the Income Tax Regulations.

(d) The first required payment can be made as late as April 1 of the year following the year the individual attains age 70½ and must be the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval. If all or a portion of an individual account is used to purchase an annuity after distributions are required to commence (the required beginning date, in the case of distributions commencing before death, or the date determined under Q&A-3 of sec. 1.401(a)(9)-3 of the Income Tax Regulations, in the case of distributions commencing after death), payments under the annuity, and distributions of any remaining account, must be made in accordance with Q&A-5(e) of sec. 1.401(a)(9)-5 of the Income Tax Regulations.

### 3. Distributions After the Owner's Death

(a) **Death On or After Required Distributions Commence.** If the Owner dies on or after required distributions commence, the remaining portion of the Owner's interest will continue to be distributed under the Policy option chosen.

(b) **Death Before Required Distributions Commence.** If the Owner dies before required distributions commence, the Owner's entire interest will be distributed at least as rapidly as follows:

(1) If the designated beneficiary is someone other than the Owner's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Owner's death, over the designated beneficiary's life, or over a period not extending beyond the remaining life expectancy of the designated beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the Owner's death, or, if elected, in accordance with item 3(b)(3) below.

(2) If the Owner's sole designated beneficiary is the Owner's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Owner's death (or by the end of the calendar year in which the Owner would have attained age 70½, if later), over such spouse's life, over a period not extending beyond the remaining life expectancy of the surviving spouse, or, if elected, in accordance with item 3(b)(3) below. If the surviving spouse dies before required distributions commence to him or her, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's life, or over a period not extending beyond the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with item 3(b)(3) below. If

the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the Policy option chosen.

(3) If there is no designated beneficiary, or if applicable by operation of item 3(b)(1) or 3(b)(2) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Owner's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under item 3(b)(2), above).

(4) Life expectancy is determined using the Single Life Table in Q&A-1 of sec. 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age in the year specified in item 3(b)(1) or 3(b)(2) above and reduced by 1 for each subsequent year. If distributions are being made in the form of an annuity, life expectancy will not be recalculated.

(c) **Interest.** Prior to the date that the Policy is annuitized, the Policy will be treated as an individual account for purposes of IRC section 401(a)(9), and the "interest" in the IRA includes the amount of any outstanding rollover, transfer and re-characterization under Q&As-7 and -8 of sec. 1.408-8 of the Income Tax Regulations and the actuarial value of any other benefits provided under the IRA, such as guaranteed death benefits.

(d) **Distributions.** For purposes of items 3(a) and 3(b) above, required distributions are considered to commence on the Owner's required beginning date or, if applicable, on the date distributions are required to begin to the surviving spouse under item 3(b)(2) above. However, if distributions start prior to the applicable date in the preceding sentence, on an irrevocable basis (except for acceleration) under an annuity contract meeting the requirements of sec. 1.401(a)(9)-6 of the Income Tax Regulations, then required distributions are considered to commence on the annuity starting date.

(e) **Surviving Spouse Election.** If the Owner dies prior to the date annuity payments commence under the Policy and the sole designated beneficiary is the Owner's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA (as permitted under the contribution rules for SIMPLE IRAs as if the surviving spouse were the owner) or fails to take required distributions as a beneficiary. This election may only be made once, and thus may not be made a second time if the surviving spouse elects to treat the IRA as his or her own, remarries, and names his or her new spouse as the sole designated beneficiary.

#### 4. Inherited IRA

Notwithstanding any provision of this SIMPLE IRA to the contrary, and unless otherwise provided by federal tax law, this item 4 shall apply if this SIMPLE IRA is issued as an inherited individual retirement annuity within the meaning of IRC section 408(d)(3)(C).

(a) **Permissible Contribution.** A contribution must be in the form of a non-taxable transfer from a SIMPLE IRA of a deceased individual (the “Deceased Individual”).

(b) **Non-spouse beneficiary.** This SIMPLE IRA must be established and maintained for the benefit of a beneficiary under the Deceased Individual’s SIMPLE IRA from which the premium is transferred, and the beneficiary must not be the surviving spouse of the Deceased Individual. If the beneficiary is an individual, the individual must be a designated beneficiary of the Deceased Individual within the meaning of IRC section 401(a)(9)(E). The SIMPLE IRA may be established on behalf of a trust that is the Deceased Individual’s beneficiary, provided that the beneficiaries of the trust meet the requirements to be designated beneficiaries within the meaning of IRC section 401(a)(9)(E).

(c) **Distributions Before Death Rules Do Not Apply.** Items 2(b), 2(c), and 2(d) above, relating to distributions during the Owner’s life, do not apply.

(d) **Distribution Upon Death Rules Apply.** The distribution of the interest in the SIMPLE IRA shall be made in accordance with the applicable requirements of IRC sections 401(a)(9)(B) and 408(b)(3). Item 3 shall apply as if the Deceased Individual is the Owner. Whether the Owner died on or after required distributions commenced, or before required distributions commenced, is determined by whether the Deceased Individual died on or after required distributions commenced, or before required distributions commenced, respectively, under the SIMPLE IRA from which the premium is transferred.

(e) **Surviving Spouse Provisions.** The provisions of item 3 relating to a designated beneficiary who is a surviving spouse do not apply.

## 5. Transferability Restrictions

The Owner’s interest in the Policy is nontransferable and, except as provided by law, is nonforfeitable. In particular, the Policy may not be sold, assigned, discounted or pledged as collateral for a loan or as security for the performance of any obligation or for any other purpose, to any person other than the us (other than a transfer incident to a divorce or separation instrument in accordance with IRC section 408(d)(6)).

## 6. Rollover or Transfer of Funds

Prior to the expiration of the 2-year period beginning on the date the Owner first participated in any SIMPLE IRA plan maintained by the Owner’s employer, any rollover or transfer by the Owner of funds from this SIMPLE IRA must be made to another SIMPLE IRA of the Owner. Any distribution of funds to the Owner during this 2-year period may be subject to a 25-percent additional tax if the Owner does not roll over the amount distributed into a SIMPLE IRA. After the expiration of this 2-year period, the Owner may roll over or transfer funds to any IRA of the Owner that is qualified under IRC section 408(a), (b) or (p), or to another eligible retirement plan described in IRC section 402(c)(8)(B).

## 7. General Terms

We may amend the terms of this Endorsement without the prior consent of the Owner if such amendment:

- (a) applies to all Policies with this endorsement; and
- (b) is in response to changes in federal law.

We will send annual calendar year reports to the Owner concerning the status of the Policy and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.

If contributions made on behalf of the Owner under a SIMPLE-IRA plan maintained by the Owner's employer are received directly by the issuer of this SIMPLE-IRA Policy from the employer, the issuer will provide the employer with the summary description required by IRC section 408(l)(2)(B).

This Policy, with this endorsement, may not be used in connection with a SIMPLE plan as to which the Company is a designated financial institution (as defined in IRC section 408(p)(7)) or as to which any trustee or custodian which is listed as Owner is a designated financial institution.

The effective date of this Endorsement amendment is the effective date of the Policy, or in the case of a conversion, the effective date of this Endorsement would be the effective date of the conversion.

  
President & Chief Executive Officer

# Roth Individual Retirement Annuity (Roth IRA) Endorsement

National Life Insurance Company (NLIC) [www.nationallife.com]  
Home Office: [One National Life Drive Montpelier, Vermont 05604 • 802-229-3333]

The annuity policy, contract or certificate under a group annuity policy (collectively, the “Policy”) to which this Endorsement is attached is amended as specified below to qualify as a Roth IRA described in section 408A of the Internal Revenue Code of 1986, as amended (the “IRC”). All the provisions of the Policy and this Endorsement shall be interpreted in accordance with IRC section 408A and the Income Tax Regulations thereunder. Where the provisions of the Endorsement are inconsistent with the provisions of the Policy, including the provisions of any other endorsements or riders issued with the Policy, the provisions of this Endorsement will control.

The Owner of the Policy must be an individual who is the sole Owner and the Annuitant. Except as provided in this Endorsement, and otherwise permitted under the IRC and the Income Tax Regulations, neither the Owner nor the Annuitant may be changed. All distributions while the Owner is alive must be made to the Owner. All distributions made under a joint and survivor annuity option after the Owner’s death and while the joint Annuitant is alive must be made to the joint Annuitant. This Policy is established for the exclusive benefit of the Owner or the Owner’s beneficiaries.

## 1. Contributions

(a) **Maximum Permissible Amount.** Except in the case of a qualified rollover contribution (as defined in item 1(f) below), a non-taxable transfer from another Roth IRA, or a re-characterization (as defined in item 1(e) below), no contribution will be accepted unless it is in cash and the total of such contributions to all the Owner’s Roth IRAs for a taxable year does not exceed the applicable amount (as defined in item 1(b) below), or the Owner’s compensation (as defined in item 1(g), below), if less, for that taxable year.

The contribution described in the previous sentence that may not exceed the lesser of the applicable amount or the Owner’s compensation is referred to as a *regular contribution*. However, notwithstanding the preceding limits on contributions, an Owner may make additional contributions specifically authorized by statute – such as repayments of qualified reservist distributions, repayments of certain plan distributions made on account of a federally declared disaster and certain amounts received in connection with the Exxon Valdez litigation. Contributions may be limited under items 1(c) through 1(e), below.

(b) **Applicable Amount.** The applicable amount is determined below:

(i) If the Owner is under age 50, the applicable amount is \$5,000 for any taxable year beginning in 2008 and years thereafter. After 2008, the \$5,000 amount will be adjusted by the Secretary of the Treasury for cost-of-living increases under IRC section 219(b)(5)(D). Such adjustments will be in multiples of \$500.

(ii) If the Owner is 50 or older, the applicable amount under item 1(b)(i) above is increased by \$1,000 for any taxable year beginning in 2006 and years thereafter.

(c) **Regular Contribution Limit.** The maximum regular contribution that can be made to all the Owner's Roth IRAs for a taxable year is the smaller amount determined under items 1(c)(i) or 1(c)(ii), below.

(i) The maximum regular contribution is phased out ratably between certain levels of modified adjusted gross income ("modified AGI") in accordance with the following table:

Filing Status	Full Contribution	Phase-out Range	No Contribution
		Modified AGI	
Single or Head of Household	\$95,000 or less	Between \$95,000 and \$110,000	\$110,000 or more
Joint Return Or Qualifying Widow(er)	\$150,000 or less	Between \$150,000 and \$160,000	\$160,000 or more
Married-Separate Return	\$0	Between \$0 and \$10,000	\$10,000 or more

An Owner's modified AGI for a taxable year is defined in IRC section 408A(c)(3)(C)(i) and does not include any amount included in adjusted gross income as a result of a qualified rollover contribution. If the Owner's modified AGI for a taxable year is in the phase-out range, the maximum regular contribution determined under this table for that taxable year is rounded up to the next multiple of \$10 and is not reduced below \$200. After 2006, the dollar amounts above will be adjusted by the Secretary of the Treasury for cost-of-living increases under IRC section 408A(c)(3). Such adjustments will be in multiples of \$1,000.

(ii) If the Owner makes regular contributions to both Roth and non-Roth IRAs for a taxable year, the maximum regular contribution that can be made to all the Owner's Roth IRAs for that taxable year is reduced by the regular contributions made to the Owner's non-Roth IRAs for the taxable year.

(d) **SIMPLE IRA Limits.** No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to IRC section 408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with

a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the Owner first participated in that employer's SIMPLE IRA plan.

(e) **Re-characterization.** A regular contribution to a non-Roth IRA may be re-characterized pursuant to the rules in sec. 1.408A-5 of the Income Tax Regulations as a regular contribution to this IRA, subject to the limits in item 1(c), above.

(f) **Qualified Rollover Contribution.** A “qualified rollover contribution” is a rollover contribution of a distribution from an eligible retirement plan described in IRC section 402(c)(8)(B). If the distribution is from an IRA, the rollover must meet the requirements of IRC section 408(d)(3), except the one-rollover-per-year rule of IRC section 408(d)(3)(B) does not apply if the distribution is from a non-Roth IRA. If the distribution is from an eligible retirement plan other than an IRA, the rollover must meet the requirements of IRC section 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) or 457(e)(16), as applicable. A qualified rollover contribution also includes (i) and (ii) below.

(i) All or part of a military death gratuity or servicemembers’ group life insurance (“SGLI”) payment may be contributed if the contribution is made within 1 year of receiving the gratuity or payment. Such contributions are disregarded for purposes of the one-rollover-per-year rule under IRC section 408(d)(3)(B).

(ii) All or part of an airline payment (as defined in section 125 of the Worker, Retiree, and Employer Recovery Act of 2008 (“WRERA”), Pub. L. 110-458) received by certain airline employees may be contributed if the contribution is made within 180 days of receiving the payment.

(g) **Compensation.** Unless otherwise provided by law, for purposes of item 1(a) above, compensation is defined as wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and includes earned income, as defined in IRC section 401(c)(2) (reduced by the deduction the self-employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, IRC section 401(c)(2) shall be applied as if the term trade or business for purposes of IRC section 1402 included service described in subsection (c)(6).

Compensation does not include amounts derived from or received as earnings or profits from property (including but not limited to interest and dividends) or amounts not includible in gross income (determined without regard to IRC section 112). Compensation also does not include any amount received as a pension or annuity or as deferred compensation.

The term *compensation* shall include any amount includible in the Owner's gross income under IRC section 71 with respect to a divorce or separation instrument described in subparagraph (A) of IRC section 71(b)(2). In the case of a married Owner filing a joint return, the greater compensation of his or her spouse is treated as his or her own compensation, but only to the extent that such spouse's compensation is not being used for purposes of the spouse making an IRA contribution. The term "compensation" also includes any differential wage payment as defined in IRC section 3401(h)(2).

## **2. Distributions**

No amount is required to be distributed prior to the earlier of (a) the death of the Owner for whose benefit the Policy was originally established or (b) the maturity of the Policy.

(a) Notwithstanding any provision of this IRA to the contrary, the distribution of the Owner's interest in the IRA shall be made in accordance with the requirements of IRC section 408(b)(3), as modified by IRC section 408A(c)(5), and the regulations thereunder, the provisions of which are herein incorporated by reference. If distributions are not made in the form of an annuity on an irrevocable basis (except for acceleration), then distribution of the interest in the IRA (as determined in accordance with item 2(c)) must satisfy the requirements of IRC section 408(a)(6), as modified by IRC section 408A(c)(5), and the regulations thereunder, rather than the distribution rules in items 2(b), 2(c), 2(d) and 2(e) below.

(b) Upon the death of the Owner, his or her entire interest will be distributed at least as rapidly as follows:

(i) If the designated beneficiary (within the meaning of IRC section 401(a)(9)(E)) is someone other than the Owner's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Owner's death, over the designated beneficiary's life, or over a period not extending beyond the remaining life expectancy of the designated beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the Owner's death, or, if elected, in accordance with item 2(b)(iii), below.

(ii) If the Owner's sole designated beneficiary is the Owner's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Owner's death (or by the end of the calendar year in which the Owner would have attained age 70½, if later), over such spouse's life, over a period not extending beyond the remaining life expectancy of the surviving spouse, or, if elected, in accordance with item 2(b)(iii), below. If the surviving spouse dies before required distributions commence to him or her, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's life, or over a period not extending beyond the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age

as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with item 2(b)(iii), below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the Policy option chosen.

(iii) If there is no designated beneficiary, or if applicable by operation of item 2(b)(i) or 2(b)(ii), above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Owner's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under item 2(b)(ii), above).

(iv) Life expectancy is determined using the Single Life Table in Q&A-1 of sec. 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age in the year specified in item 2(b)(i) or 2(b)(ii) and reduced by 1 for each subsequent year. If distributions are being made in the form of an annuity, life expectancy will not be recalculated.

(c) Prior to the date that the Policy is annuitized, the Policy will be treated as an individual account for purposes of IRC section 401(a)(9), and the "interest" in the IRA includes the amount of any outstanding rollover, transfer and re-characterization under Q&As-7 and -8 of sec. 1.408-8 of the Income Tax Regulations and the actuarial value of any other benefits provided under the IRA, such as guaranteed death benefits.

(d) For purposes of item 2(b)(ii), above, required distributions are considered to commence on the date distributions are required to begin to the surviving spouse under item 2(b)(ii). However, if distributions start prior to the applicable date in the preceding sentence, on an irrevocable basis (except for acceleration) under an annuity contract meeting the requirements of sec. 1.401(a)(9)-6 of the Income Tax Regulations, then required distributions are considered to commence on the annuity starting date.

(e) If the Owner dies prior to the date annuity payments commence under the Policy and the sole designated beneficiary is the Owner's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary. This election may only be made once, and thus may not be made a second time if the surviving spouse elects to treat the IRA as his or her own, remarries, and names his or her new spouse as the sole designated beneficiary.

### 3. Inherited IRA

Notwithstanding any provision of this IRA to the contrary, and unless otherwise provided by federal tax law, this section shall apply if this IRA is issued as a Roth IRA that is an inherited individual retirement annuity within the meaning of IRC section 408(d)(3)(C).

(a) **Permissible Contribution.** A contribution must be in the form of a direct rollover from an eligible retirement plan of a deceased employee that is permitted under IRC section 402(c)(11), or a non-taxable transfer from a Roth IRA of a deceased individual. The deceased employee and deceased individual are collectively referred to herein as the “Deceased Individual.”

(b) **Non-spouse Beneficiary.** This IRA must be established and maintained for the benefit of a beneficiary under the Deceased Individual’s eligible retirement plan or Roth IRA from which the premium is rolled over or transferred, and the beneficiary must not be the surviving spouse of the Deceased Individual. If the beneficiary is an individual, the individual must be a designated beneficiary of the Deceased Individual within the meaning of IRC section 401(a)(9)(E). The IRA may be established on behalf of a trust that is the Deceased Individual’s beneficiary, provided that the beneficiaries of the trust meet the requirements to be designated beneficiaries within the meaning of IRC section 401(a)(9)(E).

(c) **Distribution Upon Death Rules Apply.** The distribution of the interest in the IRA shall be made in accordance with the applicable requirements of IRC sections 401(a)(9)(B), 408(b)(3), and 408A(c)(5). Item 2 shall apply as if the Owner is the Deceased Individual.

(d) **Surviving Spouse Provisions.** The provisions of item 2(b)(ii) relating to a designated beneficiary who is a surviving spouse do not apply.

### 4. Transferability Restrictions

The Owner’s interest in the Policy is nontransferable and, except as provided by law, is nonforfeitable. In particular, the Policy may not be sold, assigned, discounted or pledged as collateral for a loan or as security for the performance of any obligation or for any other purpose, to any person other than the us (other than a transfer incident to a divorce or separation instrument in accordance with IRC section 408(d)(6)).

### 5. General Terms

References to IRC sections and to Income Tax Regulations are intended also to reference those items as amended and supplemented.

We may amend the terms of this Endorsement without the prior consent of the Owner if such amendment (a) applies to all Policies with this endorsement and (b) is in response to changes in federal law.

We will send annual calendar year reports to the Owner concerning the status of the Policy and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.

The effective date of the Endorsement amendment is the effective date of the Policy, or in the case of a conversion, the effective date of this Endorsement would be the effective date of the conversion.

A handwritten signature in black ink that reads "Mehman Assadi". The signature is written in a cursive style and is enclosed within a red rectangular box.

President & Chief Executive Officer

**SERFF Tracking #:**

NALF-128722035

**State Tracking #:****Company Tracking #:**

7459(1012)

**State:**

Arkansas

**Filing Company:**

National Life Insurance Company

**TOI/Sub-TOI:**

A021 Individual Annuities- Deferred Non-Variable/A021.002 Flexible Premium

**Product Name:**

IRA Endorsements

**Project Name/Number:**

IRA Endorsements /7459(1012)

## Supporting Document Schedules

		<b>Item Status:</b>	<b>Status Date:</b>
Satisfied - Item:	Flesch Certification		
Comments:			
Attachment(s):			
7459(1012) 9513(1012) AR Readability Lower Score Explanation.pdf			

		<b>Item Status:</b>	<b>Status Date:</b>
Satisfied - Item:	Designated Representative Letter		
Comments:			
Attachment(s):			
2012 Designated Representatives.pdf			

		<b>Item Status:</b>	<b>Status Date:</b>
Satisfied - Item:	Statements of Variability		
Comments:			
Attachment(s):			
9513(1012) SOV.pdf			
7459(1012) SOV.pdf			

**STATE OF ARKANSAS**  
**DEPARTMENT OF INSURANCE**  
**READABILITY CERTIFICATION**  
Arkansas Code 23-80-206

**COMPANY NAME** National Life Insurance Company **NAIC #** 66680,

**Readability Explanation for Lower Score**

Pursuant to ACA 23-80-207, the Director may authorize a lower score than the Flesch reading ease test score required by ACA 23-80-206 when, in the director's sole discretion, the director find that a lower required score is caused by certain policy language drafted to conform to the requirements of any state statute, rule, or agency interpretation of law.

I hereby certify that the forms listed below are entitled to be excepted by ACA 23-80-207 because the form is drafted to conform to the requirements of the Internal Revenue Code regulations concerning individual retirement accounts.

<b><u>FORM NUMBER</u></b>	<b><u>FLESCH SCORE</u></b>
9513(1012)	26.6
7459(1012)	27.9

**Junan Boldrey**

Digitally signed by Junan Boldrey  
DN: cn=Junan Boldrey, c=US, o=Life Insurance Company of the  
Southwest, ou=Retirement Division, Actuarial, email=boldrey@nationallife.com  
Date: 2012.10.18 15:16:01 -0500

\_\_\_\_\_  
Signature

Junan Boldrey, Designated Representative

October 18, 2012

Date



National Life  
Group®

October 3, 2012

To Whom It May Concern:

This letter is to authorize the following Life Insurance Company of the Southwest employees as Designated Representatives of National Life Insurance Company to author documents, submit and respond to product filings on its behalf:

Daniel R. Adams, ASA, MAAA  
Assistant Actuary – Product Development of Life Insurance Company of the Southwest  
[dadams@nationallife.com](mailto:dadams@nationallife.com)  
(214)638-9200

Michelle R. Beilharz, ASA, MAAA  
Assistant Actuary – Product Development of Life Insurance Company of the Southwest  
[mbeilharz@nationallife.com](mailto:mbeilharz@nationallife.com)  
(214)638-9218

Geoff Bird, FSA, MAAA  
Vice President – Product Development of Life Insurance Company of the Southwest  
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(214)638-9357

Junan Boldrey  
Manager, Policy Filing – Product Development of Life Insurance Company of the Southwest  
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Michael C. Ward, FSA, MAAA  
Vice President – Product Development of Life Insurance Company of the Southwest  
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(214)638-9129

Dionne Wills  
Policy Filing Coordinator – Product Development of Life Insurance Company of the Southwest  
[dwills@nationallife.com](mailto:dwills@nationallife.com)  
(214)638-9213

The Designated Representatives may be contacted at their email addresses and direct phone numbers listed above or by mail, toll-free telephone, or fax as follows:

Life Insurance Company of the Southwest  
15455 N. Dallas Parkway, Ste. 800  
Addison, TX 75001  
Phone: (800)543-3794  
Fax: (214)638-9196

National Life Insurance Company thanks you for your consideration in this matter.

Sincerely,

Carl J. Lutz  
Vice President  
National Life Insurance Company

National Life Group® is a trade name of National Life Insurance Company, Montpelier, VT, Life Insurance Company of the Southwest (LSW), Addison, TX and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. LSW is not an authorized insurer in New York and does not conduct insurance business in New York.

Centralized Mailing Address: One National Life Drive, Montpelier, VT 05604 | [www.NationalLifeGroup.com](http://www.NationalLifeGroup.com)  
P: 214-638-9196 | F: 214-638-9178 | [clutz@nationallife.com](mailto:clutz@nationallife.com)

Experience Life®

## 9513(1012) - Statement of Variability

Variables for the street address, city, state, zip code, website address, phone number – these items are subject to change.

Variables for the officer title and signature – signature of the officer currently holding that title. In the event the title of the officer signing the form changes, any new title utilized will be the title of an officer of the company.

## 7459(1012) - Statement of Variability

Variables for the street address, city, state, zip code, website address, phone number – these items are subject to change.

Variables for the officer title and signature – signature of the officer currently holding that title. In the event the title of the officer signing the form changes, any new title utilized will be the title of an officer of the company.