

State: Arkansas **Filing Company:** National Life Insurance Company
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Filing at a Glance

Company: National Life Insurance Company
Product Name: ValuGuard 2012
State: Arkansas
TOI: L071 Individual Life - Whole
Sub-TOI: L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Filing Type: Form
Date Submitted: 07/13/2012
SERFF Tr Num: NALF-128460806
SERFF Status: Closed-Approved-Closed
State Tr Num:
State Status: Approved-Closed
Co Tr Num: 20073(0512)
Implementation: 09/04/2012
Date Requested:
Author(s): Susan Carey, Michelle Goodwin, Susan Sawyer
Reviewer(s): Linda Bird (primary)
Disposition Date: 08/30/2012
Disposition Status: Approved-Closed
Implementation Date:

State Filing Description:

State: Arkansas
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Filing Company: National Life Insurance Company
Project Name/Number: ValuGuard 2012/20073(0512)

General Information

Project Name: ValuGuard 2012
Project Number: 20073(0512)
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact:
Deemer Date:
Submitted By: Susan Sawyer
Status of Filing in Domicile: Pending
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Individual
Individual Market Type:
Filing Status Changed: 08/30/2012
State Status Changed: 07/20/2012
Created By: Susan Sawyer
Corresponding Filing Tracking Number:

Filing Description:

National Life Insurance Company
NAIC No. 0634-66680
FEIN No. 03-0144090

Form Numbers:

20073AR(0512), Survivorship Whole Life Insurance, Sex Distinct Version
20074AR(0512), Survivorship Whole Life Insurance, Unisex Version
20075(0512), Additional Paid Up Life Insurance Rider
20077(0512), Rider Applying Dividends Toward Paid-Up Additions and Decreasing One Year Term Insurance
20078(0512), Rider Applying Dividends Toward Paid-Up Additions and Level One Year Term Insurance
20079(0512), Rider for Exchange to New Insureds.

Today we submit for consideration two new Survivorship Whole Life Insurance policies and four new riders. The policies are identical, save that form 20074AR(0512) is a Unisex Version of the policy. The Unisex Version will be used exclusively when a unisex plan of insurance is required pursuant to the Norris decision and/or Title VII of the Civil Rights Act of 1964.

These policies and riders are new to our portfolio and will not replace any previously approved forms.

These policies provide Survivorship Whole Life Insurance until the earlier of the death of both insureds or termination of the policy. It is a traditional policy, with dividends. An equal equivalent issue age methodology is used and values are based upon a "single status" survivorship equal equivalent age mortality table. Premiums are payable to age 100, based on Equal Equivalent Age of the Insureds, or until the second death. The death benefit is to be paid at the death of the second Insured to die.

The minimum policy size is \$100,000. The policy will be issued only if the Equal Equivalent Age is between 20 and 85, inclusive. Neither Insured can be below actual age 20. There will be six premium classes; Premium Class 01 = two Preferred Non-Smokers, Premium Class 02 = one Preferred Non-Smoker and one Standard Non-Smoker, Premium Class 03 = two Standard Non-Smokers, Premium Class 04 = one Smoker and one Preferred Non-Smoker, Premium Class 05 = one Standard Non-Smoker and one Smoker and Premium Class 06 = two Smokers. The premium class will depend on the smoking status (Preferred Non-Smoker, Standard Non-Smoker and Smoker), substandard ratings, and the age spread between the two Insureds. Any percentage extra ratings are taken into account only when determining the Class of the policy. The premium class will be shown in the Data Section. If there is a flat extra rating on one of the Insureds, there is a substandard extra

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premium.

The policy contains four Default Benefits. The Default Benefits are, cash surrender, paid up life insurance, extended term insurance and enhanced paid up life insurance. The enhanced paid up life insurance benefit permits the owner to elect a death benefit called the Optional Benefit Amount. The maximum Option Benefit Amount is the lesser of the death benefit on the date of default and the amount which the dividend scale in effect on the date of default could keep in force until the death of the second Insured to die by purchasing a combination of dividend additions and one year term insurance. The enhanced paid up life insurance benefit is not available if the policy is in Premium Class five.

Additional Paid Up Life Insurance Rider, Form 20075(0512)

This rider is new and will not replace any currently approved rider. It will be used to increase the policy's death benefit and cash value through the purchase of additional paid-up insurance. It will be available for new issue and can be added after issue. The paid-up additions purchased via this rider will have the same basis of values as the base policy to which it is attached. This rider will be available on both a single premium (SPAR) and ongoing premium basis (APAR).

Rider Applying Dividends Toward Paid-Up Additions and Decreasing One Year Term Insurance, Form 20077(0512)

This rider is new and will not replace any currently approved rider. This rider offers an additional dividend method for the submitted survivorship whole life policy. If this rider is requested, dividends will be used to purchase decreasing term insurance and paid up additions, such that the total of the two remains level. The policyholder may choose the amount of the total, subject to a minimum amount and a maximum percentage of base policy amount. When the amount of additions equals or exceeds the given sum of term insurance and additions, the entire dividend will be used to purchase dividend additions.

Rider Applying Dividends Toward Paid-Up Additions and Level One Year Term Insurance, Form 20078(0512)

This rider is new and will not replace any currently approved rider. This rider offers an additional dividend method for the submitted survivorship whole life policy. If this rider is requested, dividends will be used to purchase level term insurance, and any dividend not required to purchase the specified amount will be used to purchase paid up additions. The amount of level term insurance the policyholder may choose is called the Rider Sum Insured, and is subject to a minimum amount and a maximum percentage of base policy amount. On and after equal equivalent age 81 there is a change from level term insurance to decreasing term at the equal equivalent age 80 death benefit level.

Rider for Exchange to a New Insured, form 20079(0512)

This rider is new and will not replace any currently approved rider. This rider permits the owner to exchange a policy issued on the policy form submitted with this filing for a new policy on the lives of two Insureds, one or both of whom may be new, subject to evidence of insurability. There is no charge for this rider.

Also included with this submission are the following materials:

- Actuarial Memorandum in support of the submitted forms
- Statement of Variability
- Data Pages in support of the submitted forms
- Any required certifications and/or checklists
- Policies will be applied for on application 9212AR(0511)

We would also like to extend the use of the following previously approved riders/endorsements for use with the submitted policy. The form numbers and their approval dates are as follows (Note, upon the death of the first insured to die, the owner may request that any accelerated benefits rider be added to the existing policy, if such rider is available. Currently our accelerated benefits riders are only available for single-life policies and therefore could not be added to the submitted policy

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until one of the insureds dies):

- Form No. - Form Name - Approval Date - Filing Number (If applicable)
- 7490(0200) - Accelerated Benefits Rider, Terminal Illness - 01/31/2002
- 7493(0200) - Accelerated Benefits Rider, Covered Chronic Illness - 01/31/2002
- 8920(0511) - Aircraft Limitation Rider - 06/20/2011 - NALF-127071253
- 8921(0511) - Aircraft Limitation Rider - Military - 06/20/2011 - NALF-127071253
- 9496(0204) - Foreign Travel Endorsement - 02/12/2004
- 9744(0204) - Accelerated Benefits Rider, Critical Illness - 03/31/2004
- 9212AR(0511) - Life Insurance Application - 06/20/2011 - NALF-127071253
- 8934(0511) - Policy Split Option Rider - 06/20/2011 - NALF-127071253

Company and Contact

Filing Contact Information

Susan Sawyer, Policy Forms Business Analyst
 SSawyer@NationalLife.com
 One National Life Drive
 Montpelier, VT 05604
 802-229-7387 [Phone]

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: \$300.00
 Retaliatory? No
 Fee Explanation: \$50 per form filed, (6) forms submitted.
 Per Company: No

Company	Amount	Date Processed	Transaction #
National Life Insurance Company	\$300.00	07/13/2012	60875330

State: Arkansas
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Filing Company: National Life Insurance Company

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	08/30/2012	08/30/2012
Approved-Closed	Linda Bird	08/06/2012	08/06/2012
Approved-Closed	Linda Bird	07/20/2012	07/20/2012

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Linda Bird	07/19/2012	07/19/2012

Response Letters

Responded By	Created On	Date Submitted
Michelle Goodwin	07/20/2012	07/20/2012

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Survivorship Whole Life Policy	Susan Sawyer	08/29/2012	08/29/2012
Form	Survivorship Whole Life Policy-Unisex	Susan Sawyer	08/29/2012	08/29/2012
Form	Survivorship Whole Life Policy	Susan Sawyer	08/03/2012	08/03/2012
Form	Survivorship Whole Life Policy-Unisex	Susan Sawyer	08/03/2012	08/03/2012

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Request to Reopen Filing	Note To Filer	Linda Bird	08/29/2012	08/29/2012
Request to Reopen Filing	Note To Reviewer	Susan Sawyer	08/29/2012	08/29/2012
Request to reopen filing	Note To Filer	Linda Bird	08/02/2012	08/02/2012
Request to Reopen Filing	Note To Reviewer	Susan Sawyer	08/02/2012	08/02/2012
Clarification to objection	Note To Filer	Linda Bird	07/19/2012	07/19/2012

SERFF Tracking #: NALF-128460806 State Tracking #: Company Tracking #: 20073(0512)

State: Arkansas Filing Company: National Life Insurance Company
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Clarification to objection	Note To Reviewer	Michelle Goodwin	07/19/2012	07/19/2012

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State:

Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name:

ValuGuard 2012

Project Name/Number:

ValuGuard 2012/20073(0512)

Disposition

Disposition Date: 08/30/2012

Implementation Date:

Status: Approved-Closed

Comment: Correction made on the policy cover to read "This policy is participating."

Rate data does NOT apply to filing.

State: Arkansas
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Filing Company: National Life Insurance Company

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	Statement of Variability		Yes
Supporting Document	Responsible Officer Certification		Yes
Supporting Document	Illustration Actuary Certification		No
Supporting Document	Sample Illustrations		Yes
Supporting Document	Certification		Yes
Form (revised)	Survivorship Whole Life Policy		Yes
Form	Survivorship Whole Life Policy	Replaced	Yes
Form	Survivorship Whole Life Policy	Replaced	Yes
Form	Survivorship Whole Life Policy	Replaced	Yes
Form (revised)	Survivorship Whole Life Policy-Unisex		Yes
Form	Survivorship Whole Life Policy-Unisex		Yes
Form	Survivorship Whole Life Policy-Unisex	Replaced	Yes
Form	Survivorship Whole Life Policy-Unisex	Replaced	Yes
Form	Additional Paid-Up Life Insurance Rider		Yes
Form (revised)	Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance		Yes
Form	Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance	Replaced	Yes
Form (revised)	Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance		Yes

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State:

Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name:

ValuGuard 2012

Project Name/Number:

ValuGuard 2012/20073(0512)

Schedule	Schedule Item	Schedule Item Status	Public Access
Form	Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance	Replaced	Yes
Form	Rider for Exchange to a New Insured		Yes

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State:

Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name:

ValuGuard 2012

Project Name/Number:

ValuGuard 2012/20073(0512)

Disposition

Disposition Date: 08/06/2012

Implementation Date:

Status: Approved-Closed

Comment: Corrections made to the data pages of policy forms on the original submission.

Rate data does NOT apply to filing.

State: Arkansas
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Filing Company: National Life Insurance Company

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	Statement of Variability		Yes
Supporting Document	Responsible Officer Certification		Yes
Supporting Document	Illustration Actuary Certification		No
Supporting Document	Sample Illustrations		Yes
Supporting Document	Certification		Yes
Form (revised)	Survivorship Whole Life Policy		Yes
Form	Survivorship Whole Life Policy	Replaced	Yes
Form	Survivorship Whole Life Policy	Replaced	Yes
Form	Survivorship Whole Life Policy	Replaced	Yes
Form (revised)	Survivorship Whole Life Policy-Unisex		Yes
Form	Survivorship Whole Life Policy-Unisex		Yes
Form	Survivorship Whole Life Policy-Unisex	Replaced	Yes
Form	Survivorship Whole Life Policy-Unisex	Replaced	Yes
Form	Additional Paid-Up Life Insurance Rider		Yes
Form (revised)	Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance		Yes
Form	Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance	Replaced	Yes
Form (revised)	Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance		Yes

SERFF Tracking #:

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State Tracking #:

Company Tracking #:

20073(0512)

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National Life Insurance Company

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name:

ValuGuard 2012

Project Name/Number:

ValuGuard 2012/20073(0512)

Schedule	Schedule Item	Schedule Item Status	Public Access
Form	Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance	Replaced	Yes
Form	Rider for Exchange to a New Insured		Yes

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State:

Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name:

ValuGuard 2012

Project Name/Number:

ValuGuard 2012/20073(0512)

Disposition

Disposition Date: 07/20/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

State: Arkansas
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Filing Company: National Life Insurance Company

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	Statement of Variability		Yes
Supporting Document	Responsible Officer Certification		Yes
Supporting Document	Illustration Actuary Certification		No
Supporting Document	Sample Illustrations		Yes
Supporting Document	Certification		Yes
Form (revised)	Survivorship Whole Life Policy		Yes
Form	Survivorship Whole Life Policy	Replaced	Yes
Form	Survivorship Whole Life Policy	Replaced	Yes
Form	Survivorship Whole Life Policy	Replaced	Yes
Form (revised)	Survivorship Whole Life Policy-Unisex		Yes
Form	Survivorship Whole Life Policy-Unisex		Yes
Form	Survivorship Whole Life Policy-Unisex	Replaced	Yes
Form	Survivorship Whole Life Policy-Unisex	Replaced	Yes
Form	Additional Paid-Up Life Insurance Rider		Yes
Form (revised)	Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance		Yes
Form	Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance	Replaced	Yes
Form (revised)	Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance		Yes

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State:

Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name:

ValuGuard 2012

Project Name/Number:

ValuGuard 2012/20073(0512)

Schedule	Schedule Item	Schedule Item Status	Public Access
Form	Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance	Replaced	Yes
Form	Rider for Exchange to a New Insured		Yes

State: Arkansas **Filing Company:** National Life Insurance Company
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/19/2012
Submitted Date	07/19/2012
Respond By Date	08/20/2012

Dear Susan Sawyer,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Survivorship Whole Life Policy, 20073AR(0512) (Form)
- Additional Paid-Up Life Insurance Rider, 20075(0512) (Form)

Comments:

Please refer to Death Benefit under the Suicide Limitation provision. After the incontestable period expiration you may not restart upon reinstatement. Review Ark. Code Ann. 23-81-115(a)(2)(E).

Conclusion:

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

*Sincerely,
Linda Bird*

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State: Arkansas
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Filing Company: National Life Insurance Company

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/20/2012
Submitted Date 07/20/2012

Dear Linda Bird,

Introduction:

Response 1

Comments:

The Suicide Limitation has been revised to comply with Ark Code Ann. 23-81-115(a)(2)(E) in the following forms: 20073AR(0512), 20074AR(0512), 20077AR(0512) and 20078AR(0512). Note the riders are now state special forms.

Within your objection, form 20075(0512) was listed as one that needed to be revised. We found this form to be in compliance, please let us know if this is incorrect.

Related Objection 1

Applies To:

- Survivorship Whole Life Policy, 20073AR(0512) (Form)
- Additional Paid-Up Life Insurance Rider, 20075(0512) (Form)

Comments:

Please refer to Death Benefit under the Suicide Limitation provision. After the incontestable period expiration you may not restart upon reinstatement. Review Ark. Code Ann. 23-81-115(a)(2)(E).

Changed Items:

No Supporting Documents changed.

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State: Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name: ValuGuard 2012

Project Name/Number: ValuGuard 2012/20073(0512)

Form Schedule Item Changes

Item No.	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments	Submitted
1	20073AR(0512)	POL	Survivo rship Whole Life Policy	Initial	66.300	20073AR(0512) revised.pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin
<i>Previous Version</i>							
1	20073AR(0512)	POL	Survivo rship Whole Life Policy	Initial	66.300	20073AR(0512).pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin
2	20074AR(0512)	POL	Survivo rship Whole Life Policy- Unisex	Initial	66.300	20074AR(0512) revised.pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin
<i>Previous Version</i>							
2	20074AR(0512)	POL	Survivo rship Whole Life Policy- Unisex	Initial	66.300	20074AR(0512).pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin

SERFF Tracking #:

NALF-128460806

State Tracking #:

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Product Name: ValuGuard 2012

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Form Schedule Item Changes

Item No.	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments	Submitted
1	20073AR(0512)	POL	Survivorship Whole Life Policy	Initial	66.300	20073AR(0512) revised.pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin
3	20077AR(0512)	POLA	Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance	Initial	54.400	20077AR(0512).pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin

Previous Version

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State: Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name: ValuGuard 2012

Project Name/Number: ValuGuard 2012/20073(0512)

Form Schedule Item Changes

Item No.	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments	Submitted
1	20073AR(0512)	POL	Survivorship Whole Life Policy	Initial	66.300	20073AR(0512) revised.pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin
3	20077(0512)	POLA	Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance	Initial	54.400	20077(0512).pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State: Arkansas

Filing Company:

National Life Insurance Company

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Product Name: ValuGuard 2012

Project Name/Number: ValuGuard 2012/20073(0512)

Form Schedule Item Changes

Item No.	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments	Submitted
1	20073AR(0512)	POL	Survivorship Whole Life Policy	Initial	66.300	20073AR(0512) revised.pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin
4	20078AR(0512)	POLA	Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance	Initial	53.600	20078AR(0512).pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin

Previous Version

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State: Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name: ValuGuard 2012

Project Name/Number: ValuGuard 2012/20073(0512)

Form Schedule Item Changes

Item No.	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments	Submitted
1	20073AR(0512)	POL	Survivorship Whole Life Policy	Initial	66.300	20073AR(0512) revised.pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin
4	20078(0512)	POLA	Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance	Initial	53.600	20078(0512).pdf	Date Submitted: 07/20/2012 By: Michelle Goodwin

No Rate/Rule Schedule items changed.

Conclusion:

Thank you.

Sincerely,

Michelle Goodwin

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State:

Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name:

ValuGuard 2012

Project Name/Number:

ValuGuard 2012/20073(0512)

Amendment Letter

Submitted Date: 08/29/2012

Comments:

Thank you for allowing us to correct the previously approved policy forms 20073AR(0512) and 20074AR(0512) by reopening this filing.

This amendment is to correct an error found on the covers of the above policies.

The last sentence within the second paragraph of the policy covers incorrectly stated "This policy is nonparticipating." when in fact they should have read "This policy is participating."

We hereby certify that no other changes have been made to these forms since their approval nor have any of the forms previously approved been marketed or sold since their approval. The revised targeted implementation date for the forms in this filing is September 24, 2012.

Thank you very much for your time and efforts.

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
20073AR(0512)	Policy/Contract/Fr	Survivorship aternal Certificate Whole Life Policy	Initial				66.300	20073AR(0512) rev3.pdf
20074AR(0512)	Policy/Contract/Fr	Survivorship aternal Certificate Whole Life Policy- Unisex	Initial				66.300	20074AR(0512) rev3.pdf

Submitted Date: 08/03/2012

Comments:

State: Arkansas Filing Company: National Life Insurance Company
 TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
 Product Name: ValuGuard 2012
 Project Name/Number: ValuGuard 2012/20073(0512)

Thank you for allowing us to correct the submitted data sections.

The last paragraph of the FIFTH OF SIX PAGES of the data sections in policy forms 20073AR(0512) and 20074AR(0512) have been revised. We certify no other changes have been made of any of the forms within this filing.

We apologize for any inconvenience this may have caused and thank you for your time.

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
20073AR(0512)	Policy/Contract/Fr	Survivorship aternal Certificate Whole Life Policy	Initial				66.300	20073AR(0512) revised2.pdf
20074AR(0512)	Policy/Contract/Fr	Survivorship aternal Certificate Whole Life Policy- Unisex	Initial				66.300	20074AR(0512) revised2.pdf

State: Arkansas **Filing Company:** National Life Insurance Company
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Note To Filer

Created By:

Linda Bird on 08/29/2012 10:32 AM

Last Edited By:

Linda Bird

Submitted On:

08/29/2012 10:32 AM

Subject:

Request to Reopen Filing

Comments:

Filing re-opened for change to be made.

State: Arkansas **Filing Company:** National Life Insurance Company
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Note To Reviewer

Created By:

Susan Sawyer on 08/29/2012 09:08 AM

Last Edited By:

Susan Sawyer

Submitted On:

08/29/2012 09:08 AM

Subject:

Request to Reopen Filing

Comments:

A recent review of the policies submitted in this filing revealed an error we wish to correct by having this filing reopened. This product has not been marketed or sold since it's approval. The implementation date has been changed to September 24, 2012.

A statement on the policy cover reads "This policy is nonparticipating."

We wish to correct this statement to appropriately read "This policy is participating."

We certify no other changes have been made to this filing.

Thank you very much for your time and consideration and I apologize for any inconvenience this causes.

State: Arkansas **Filing Company:** National Life Insurance Company
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Note To Filer

Created By:

Linda Bird on 08/02/2012 03:38 PM

Last Edited By:

Linda Bird

Submitted On:

08/02/2012 03:39 PM

Subject:

Request to reopen filing

Comments:

Filing has been re-opened in order for correction to be made.

State: Arkansas **Filing Company:** National Life Insurance Company
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Note To Reviewer

Created By:

Susan Sawyer on 08/02/2012 03:11 PM

Last Edited By:

Susan Sawyer

Submitted On:

08/02/2012 03:11 PM

Subject:

Request to Reopen Filing

Comments:

We wish to have this filing reopened in order to correct an error contained within the data section. These forms have not been marketed or sold.

Thank you for your consideration.

State: Arkansas **Filing Company:** National Life Insurance Company
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Note To Filer

Created By:

Linda Bird on 07/19/2012 01:40 PM

Last Edited By:

Linda Bird

Submitted On:

07/19/2012 01:40 PM

Subject:

Clarification to objection

Comments:

We have re-opened SERFF Tracking NALF-128413843 in order for the Suicide Limitation provision to be corrected.

State: Arkansas **Filing Company:** National Life Insurance Company
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Note To Reviewer

Created By:

Michelle Goodwin on 07/19/2012 01:15 PM

Last Edited By:

Michelle Goodwin

Submitted On:

07/19/2012 01:16 PM

Subject:

Clarification to objection

Comments:

I am following up on Sue Sawyer's filings while she is on vacation and would like to mention that I recently received approval from you on a similar Whole Life Policy filing, under SERFF Tracking NALF-128413843, which was approved on 07-12-12. The Suicide Limitation provision within that filing states that same as this filing. We would like to take the opportunity to amend those policies so that they are in compliance.

Is it possible to reopen NALF-128413843 so that I may revise the language for the Suicide Limitation provision?

Thank you.

State: Arkansas
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Filing Company: National Life Insurance Company

Form Schedule

Lead Form Number:							
Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments
1		20073AR(0512)	POL	Survivorship Whole Life Policy	Initial:	66.300	20073AR(0512) rev3.pdf
2		20074AR(0512)	POL	Survivorship Whole Life Policy-Unisex	Initial:	66.300	20074AR(0512) rev3.pdf
3		20075(0512)	POLA	Additional Paid-Up Life Insurance Rider	Initial:	61.000	20075(0512).pdf
4		20077AR(0512)	POLA	Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance	Initial:	54.400	20077AR(0512).pdf
5		20078AR(0512)	POLA	Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance	Initial:	53.600	20078AR(0512).pdf
6		20079(0512)	POLA	Rider for Exchange to a New Insured	Initial:	66.800	20079(0512).pdf

Form Type Legend:

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



NATIONAL LIFE

National Life Insurance Company
Montpelier, Vermont 05604
Tel: 802-229-3333

Should You Need to Call

Your agent is, and should continue to be, the primary contact for information about your National Life coverage. However, there may be times when it is necessary to contact our Home Office for assistance.

If you need to contact our Home Office directly, please dial 1-800-732-8939. Contract information is also available at www.nationallife.com, where you can self-register to access policy information in a secure setting.

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 your 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*). On the next page 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 contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation (*FPBC*) (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

Limits on Amount of Coverage

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or 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.



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

Survivorship Whole Life Insurance with Dividends. Premiums to be paid for years shown in Data Section or until prior death of both Insureds. The Death Benefit is payable upon the death of the second of the Insureds to die. This policy is participating.

Right to Review Policy. This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Date of Issue. We will then refund any premium paid.

Effective Date:	08/15/2012
Policy Number:	1234567
Face Amount:	\$100,000
First Insured:	Ethan Allen
Issue Age:	35
Second Insured:	Edna Allen
Issue Age:	35
Owner:	As stated in the application unless later changed
Beneficiary:	As stated in the application unless later changed

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

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

Signed for National Life Insurance Company at [Montpelier, Vermont] as of the Date of Issue, by

Mehran Assadi
President & Chief Executive Officer

James F. McQuinn
Secretary

One National Life Drive, Montpelier, Vermont 05604, Tel: 800-732-8939
National Life Group® is a trade name of National Life Insurance Company and its affiliates.

DATA SECTION

[++REFER TO THE ADDITIONAL PAID UP LIFE INSURANCE RIDER VALUES SECTION FOR DETAILS ON FACE AMOUNTS FOR THE ADDITIONAL PAID UP LIFE INSURANCE.]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

[**REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE.]

[IF MODAL PREMIUMS ON THIS POLICY ARE PAID BY SURRENDERING DIVIDEND ADDITIONS OR BY TAKING LOANS AGAINST THE POLICY, THE RIDER SUM INSURED MAY NOT BE SUPPORTED FOR THE DURATION OF THE POLICY YEAR.]

[EXPENSE CHARGES FOR FLEX TERM PREMIUM AS A PERCENTAGE OF PREMIUM PAID.

YEARS 2-10: 10%

YEARS 11+: 3%]

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

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

THIS POLICY IS IN PREMIUM CLASS [02].

[THE EXTENDED TERM INSURANCE DEFAULT BENEFIT IS AVAILABLE AND IS THE AUTOMATIC DEFAULT BENEFIT IF NO OTHER DEFAULT BENEFIT IS CHOSEN PRIOR TO THE SIXTIETH DAY AFTER THE DATE OF DEFAULT.]

THE LOAN INTEREST RATE IS VARIABLE. THE LOAN INTEREST RATE AT THE DATE OF ISSUE IS [5.00%].

DATA SECTION

ANNUAL PREMIUMS PAYABLE*

<u>AS OF</u> <u>[AUG 15]</u> <u>YEAR</u>	<u>TOTAL</u>
[2012	\$1413.70
2013-2036	\$913.70
2037-2076	\$813.70]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

DATA SECTION

[PREMIUM PAYMENT OPTIONS AND ADDITIONAL COSTS ASSOCIATED WITH PAYING PREMIUMS MORE FREQUENTLY THAN ANNUALLY: YOU MAY PAY PREMIUMS ONCE A YEAR (ANNUALLY), TWICE A YEAR (SEMI-ANNUALLY), OR FOUR TIMES A YEAR (QUARTERLY). YOU MAY ALSO PAY PREMIUMS TWELVE TIMES A YEAR (MONTHLY) BY PRE-AUTHORIZED ELECTRONIC TRANSFER.]

YOUR YEARLY COST WILL BE HIGHER IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY. FOR EXAMPLE, THE ADDITIONAL AMOUNT YOU WILL PAY IN THE FIRST YEAR IS AS FOLLOWS:

<u>PREMIUM FREQUENCY</u>	<u>NUMBER OF PAYMENTS PER YEAR</u>	<u>AMOUNT OF EACH PREMIUM PAYMENT</u>	<u>TOTAL PREMIUM PER YEAR</u>	<u>AMOUNT YOU WILL PAY EACH YEAR IN ADDITION TO THE ANNUAL PREMIUM</u>
ANNUAL	1	[\$913.70	\$913.70	\$ 0.00
SEMI-ANNUAL	2	\$465.99	\$931.98	\$18.28
QUARTERLY	4	\$237.56	\$950.24	\$36.54
MONTHLY (EFT/LIST BILL)	12	\$80.41	\$964.92	\$51.22]

THIS TABLE ILLUSTRATES THE ADDITIONAL AMOUNTS THAT ARE REQUIRED IN THE FIRST YEAR. ADDITIONAL AMOUNTS WILL BE DUE IN FUTURE YEARS IF PREMIUMS ARE PAID MORE FREQUENTLY THAN ANNUALLY AND MAY VARY FROM THE ABOVE EXAMPLE. CONTACT YOUR AGENT OR THE COMPANY TO DETERMINE THE ADDITIONAL AMOUNT DUE IN ANY GIVEN YEAR IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY.

DATA SECTION

ON POLICY ANNIVERSARY <u>IN YEAR</u>	CASH VALUE*	PAID UP LIFE INSURANCE*	PERIOD OF EXTENDED TERM INSURANCE*	
			<u>YEARS</u>	<u>DAYS</u>
[2013	\$0.00	\$0	0	0
2014	\$623.00	\$4159	27	122
2015	\$1277.00	\$8196	31	40
2016	\$1961.00	\$12103	33	43
2017	\$2679.00	\$15900	34	113
2018	\$3431.00	\$19582	35	22
2019	\$4218.00	\$23150	35	184
2020	\$5043.00	\$26618	35	277
2021	\$5905.00	\$29975	35	312
2022	\$6808.00	\$33236	35	306
2023	\$7751.00	\$36393	35	262
2024	\$8737.00	\$39457	35	190
2025	\$9768.00	\$42433	35	98
2026	\$10844.00	\$45314	34	354
2027	\$11967.00	\$48107	34	228
2028	\$13139.00	\$50816	34	90
2029	\$14360.00	\$53437	33	307
2030	\$15632.00	\$55977	33	151
2031	\$16956.00	\$58433	32	353
2032	\$18331.00	\$60805	32	180
2042	\$35112.00	\$80538	27	125
2047	\$45347.00	\$87742	24	300]

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, OR DEBT TO US ON THIS POLICY. ANY DIVIDEND ADDITIONS AND DIVIDENDS HELD WILL INCREASE, AND ANY DEBT WILL DECREASE, THE NET CASH VALUE AND THE AMOUNTS OF PAID UP LIFE INSURANCE AND EXTENDED TERM INSURANCE.

THESE VALUES APPLY ONLY IF PREMIUMS ARE PAID TO THE STATED ANNIVERSARIES.

THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THEY WILL BE QUOTED UPON REQUEST.

DIVIDENDS PAID ON THIS POLICY ARE NOT GUARANTEED. NATIONAL LIFE MAY CHANGE THE AMOUNT OF DIVIDEND TO BE CREDITED TO THE POLICY, WHICH MAY RESULT IN LOWER CASH VALUES THAN THOSE THAT MAY HAVE BEEN PROVIDED TO YOU ON AN ILLUSTRATION OF PROJECTED PERFORMANCE OF THIS POLICY. THE VALUES DISPLAYED IN THIS DATA SECTION ARE GUARANTEED.

DATA SECTION

<u>ON POLICY ANNIVERSARY IN YEAR</u>	<u>CASH VALUE*</u>	<u>ADDITIONAL PAID UP LIFE INSURANCE*</u>
[2013	\$584.48	\$4057
2014	\$708.73	\$4731
2015	\$837.95	\$5378
2016	\$972.27	\$6001
2017	\$1111.97	\$6600
2018	\$1257.19	\$7175
2019	\$1408.21	\$7729
2020	\$1565.19	\$8261
2021	\$1728.34	\$8773
2022	\$1897.98	\$9266
2023	\$2074.26	\$9739
2024	\$2257.41	\$10195
2025	\$2447.65	\$10633
2026	\$2645.36	\$11054
2027	\$2850.65	\$11459
2028	\$3063.77	\$11849
2029	\$3285.09	\$12225
2030	\$3514.62	\$12585
2031	\$3752.85	\$12933
2032	\$3999.63	\$13267
2042	\$6435.29	\$14761
2047	\$7628.70	\$14761]

THE ADDITIONAL PAID UP LIFE INSURANCE PERIODIC PREMIUM IS [\$100.00] FOR A [12-MONTH] INTERVAL.

THE ADDITIONAL PAID UP LIFE INSURANCE SINGLE PREMIUM IS [\$500.00].

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, DEBT TO US ON THIS POLICY, OR ANY UNCOLLECTED PERIODIC PREMIUMS.

THESE VALUES APPLY ONLY IF PREMIUMS FOR THIS RIDER ARE PAID ON THE STATED POLICY ANNIVERSARY DATES. ANY ADDITIONAL PAID UP LIFE INSURANCE PURCHASED UNDER THIS RIDER MAY BE SURRENDERED FOR ITS CASH VALUE AT THAT TIME. THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF THE TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THE VALUES ON THIS PAGE REPRESENT THE GUARANTEED PURCHASE BASIS STATED IN YOUR POLICY.

THE PERCENTAGE OF THE ANNUAL PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [97.0%].

THE PERCENTAGE OF THE SINGLE PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [93.0%].

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Any riders and Endorsements and a copy of
the application, follow page 24

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

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of premiums as shown in the Data Section. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

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

POLICY DATE

The Policy Date is the Date of Issue, as stated in the Data Section.

POLICY MONTHS, YEARS AND ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Policy Date.

Each policy month shall begin on the same day of the month as the Policy Date or on the last day of any month having no such day.

PAYMENT OF BENEFITS

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

NOTICES

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

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

MISSTATEMENT OF AGE OR SEX

The ages of the Insureds on their respective birthdays nearest to the Policy Date are shown in the Data Section. They are based on the dates of birth shown in the application. If the age or sex of either Insured has been misstated, any benefits under this policy shall be such as the premiums paid would have bought using the correct ages and sexes.

EQUAL EQUIVALENT AGE

The Equal Equivalent Age of the Insureds on any date is based upon the Insureds respective birthdays nearest to the Policy Date. The Equal Equivalent Age of the Insureds on the Policy Date is shown in the Data Section.

ATTAINED EQUAL EQUIVALENT AGE

The Attained Equal Equivalent Age of the Insureds on any date is the Equal Equivalent Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Policy Date. The Attained Equal Equivalent Age of the Insureds is not affected by the death of one of the Insureds.

CHANGE OF PLAN

If we agree, the policy may be changed to another plan of insurance.

BASIS OF VALUES

The Cash Values and paid up default benefits are not less than the minimum values and benefits required by the law of the state in which this policy is delivered. A detailed statement of the method used to compute Cash Values and paid up default benefits has been filed in that state.

The Values are based on the Commissioners 2001 Standard Ordinary (Male/Female) Composite, Ultimate, Age Nearest Birthday, mortality table. They use continuous functions and compound interest at the rate of 4.0% per year.

The Basis of Values will not change as long as this policy is in force. An Additional Paid Up Life Insurance Rider may be added to this policy after issue subject to our limits in place for such rider at the time it is added and subject to underwriting. The Basis of Values of any Additional Paid Up Life Insurance Rider attached to this policy will be the same as this policy.

PREMIUMS

PAYMENT OF PREMIUMS

The first premium and its interval are shown in the Data Section. It is due on the Policy Date. Each later premium is due at the end of the interval of time for which the preceding premium was paid.

Premiums may be paid for 12-, 6-, or 3-month intervals at the rates in effect on the Date of Issue or in any manner agreed to by us. The Owner may make a change from one interval to another by filing a written request at our Home Office.

The first premium may be paid to us either at our Home Office or through our duly authorized agent in exchange for a receipt signed by that agent. All later premiums must be paid to us at our Home Office.

We will incur no liability if no premium is paid.

Premiums will be payable to the Insureds Attained Equal Equivalent Age 100.

GRACE PERIOD

If any premium is not paid on or before the day it is due, the premium shall be in default. However, a Grace Period, during which the insurance shall stay in force, shall be allowed for the payment of every premium except the first. A Grace Period shall begin on the due date of the premium in default and end thirty-one days from such due date.

AUTOMATIC
PAYMENT OF
PREMIUM - FROM
DIVIDENDS HELD
OR BY LOAN

Any premium still unpaid at the end of the Grace Period less any dividend being applied toward payment of such premium shall be paid by a loan against this policy subject to the following terms.

1. The Owner must file at our Home Office a written request for Automatic Payment of Premium. No premium due prior to our receipt of the request shall be paid under this section. No premium due after the request is withdrawn shall be paid under this section.
2. Any Dividends Held must be applied to pay the premium before a Policy Loan will be made.
3. The Loan Value must fully secure such loan and all other debt on this policy.
4. This policy need not be assigned to us for this type of loan. All other terms of the Policy Loans section shall apply.
5. The modal premium that will be loaned automatically will be the same modal premium that was elected prior to the request for Automatic Payment of Premium.
6. If the Loan Value is not sufficient to pay the full modal premium, the outstanding portion of the modal premium will need to be paid or the policy will enter a Grace Period, after which the policy will lapse.

PREMIUM DEFAULT

Upon default in payment of any premium due, this policy shall lapse as of the due date of the premium in default. That date shall be called the Date of Default. Except as stated under the Default Benefits and Grace Period sections, all our liability shall then cease.

DEATH BENEFIT

DEATH BENEFIT

The Death Benefit shall be:

1. the Sum Insured shown in the Data Section; plus
2. any Dividend Additions in force; plus
3. any remaining Dividends Held; plus
4. any dividend credited at the death of the second Insured to die; plus
5. the part of any premium paid for any period after the second Insured to die; less
6. any debt to us on this policy; less
7. the part of any premium in default for any period prior to the death of the second Insured to die.

At the Insureds Attained Equal Equivalent Age 100, if the policy is still in force, the total Face Amount of this policy will be set equal to the Cash Value. After that point, the Death Benefit will increase with interest at a rate determined by the Company.

We will pay the Death Benefit to the Beneficiary when we receive at our Home Office due proof that both Insureds died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Grace Period for any premium in default has passed, the Death Benefit is not payable. In such event any amount payable is set forth in the Default Benefits section. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of death of the second Insured to die to the date of payment. We will set the rate of interest at not less than the rate applicable for the funds left on deposit. If the Death Benefit is not paid within 30 days after we receive at our Home Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8% per year.

SUICIDE LIMITATION

If either of the Insureds dies within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay to the Owner only a sum equal to the premiums paid less any dividends taken in cash or applied toward payment of premiums and less any debt to us on this policy.

NOTICE OF DEATH AND CLAIMS

The Owner must notify us within 180 days after the date of death of each Insured. We may require proof whether both Insureds are living two years from the Date of Issue. Within 180 days after the date of death of the first Insured to die, we will require the Owner to provide us with evidence of death and proof of age and, if the death is within two years from the Date of Issue, the cause of death.

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REPRESENTATIONS AND INCONTESTABILITY

REPRESENTATIONS

All statements made by or for either or both of the Insureds shall be deemed representations and not warranties. No such statement shall be used to make this policy void or be used in defense of a claim upon it unless such statement is in the application.

INCONTESTABILITY

After this policy has been in force during the life of each Insured for two years from the policy Date of Issue, we will not contest it with respect to representations made by that Insured. After this policy has been in force during the life of both Insureds for two years from the policy Date of Issue, we will not contest it except for failure to pay premiums.

The statement on which the contest will be made shall be material to the risk accepted or hazard assumed by the Company.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

BENEFICIARY

GENERAL BENEFICIARY TERMS

The Owner has the right to change the Beneficiary which shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by the Company prior to receipt of this notice. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary dying before the death of the second of the Insureds to die shall vest in the Owner unless otherwise stated.

Where two or more Beneficiaries are designated to take in the alternative based on the order of the Insureds deaths and there is not sufficient evidence that the Insureds died other than simultaneously; one half of the Death Benefit shall be paid as if the first Insured had survived the second Insured; and one half shall be paid as if the second Insured had survived the first Insured. This shall not apply if the application or the Owner has provided for a different payment.

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

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

CHANGE OF BENEFICIARY

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

POLICY OWNERSHIP

GENERAL OWNERSHIP TERMS

The Owner may:

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

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner has waived the right to change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while one or both of the Insureds are alive.

Changes to Owner designation, unless otherwise specified by the Owner, shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by us prior to receipt of this notice.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Home Office. When notice is received at our Home Office, the change shall take effect on the date the notice is signed by the Owner whether or not either Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

SPENDTHRIFT PROVISION

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

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

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

DIVIDENDS

DIVIDENDS

We will credit this policy with shares, called dividends, from our divisible surplus, until Attained Equal Equivalent Age 100. The dividends, if any, credited to this policy shall be set by us. Any first dividend shall be credited on the first Policy Anniversary or when premiums for two full Policy Years have been paid, whichever occurs later. Any later dividends shall be credited on the second and all later Policy Anniversaries. Dividends will be affected by loans. No dividends shall be credited if Extended Term Insurance is in force.

The dividends may be used under one of the following options:

1. **Cash.** Dividends may be taken in cash.
2. **Applied.** Dividends may be applied toward payment of a premium due. If the balance of such premium is not paid, or if this policy is paid up, the dividend shall be used to buy Dividend Additions.
3. **Dividend Additions.** Dividends may be used to buy Paid Up Life Insurance, called Dividend Additions. The rate used shall be the net single premium per \$1,000 of insurance as of the date the dividend is credited. Any Dividend Additions in force may be surrendered at any time for their value at that time. Their value shall not be less than the total of the dividends used to buy them.
4. **Dividends Held.** Dividends may be left with us. Such dividends and interest added to them are called Dividends Held. We will add interest each year on Dividends Held which have remained with us for a full Policy Year. The rate of interest will be set by us each year at not less than 4% per year. Any Dividends Held may be withdrawn at any time by the Owner alone.
5. **Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance.** This option applies dividends to purchase a blend of decreasing term insurance and paid-up additions. This option may be subject to underwriting. This option is made available through a rider to the policy.

Once chosen, a dividend option shall remain in effect until changed by the Owner. If a dividend option is not chosen, we will use the dividend to buy Dividend Additions.

NET CASH VALUE

NET CASH VALUE

The Net Cash Value is:

1. the Cash Value; plus
2. the value of any Dividend Additions in force; plus
3. the amount of any unearned net premium; plus
4. any remaining Dividends Held; plus
5. any dividends payable on the policy; less
6. any debt to us on this policy.

If premiums are payable, the Cash Value shall be determined as of the date to which premiums are paid. At the Insureds Attained Equal Equivalent Age 100, the Cash Value will increase with interest at a rate determined by the Company. The Cash Value of any Paid Up Life Insurance or Extended Term Insurance shall be its net single premium. The Cash Value of any premium-paying life insurance and the value of any Paid Up Life Insurance and Extended Term Insurance within thirty days after any Policy Anniversary shall not be less than its Cash Value as of such anniversary.

POLICY LOANS

LOAN VALUE

If this policy is in force and premiums are payable, the Loan Value is the amount which, with interest at the Loan Interest Rate to the date to which premiums are paid, equals the Cash Value on such date plus the value on such date of any Dividend Additions.

If this policy is in force as Paid Up Life Insurance, the Loan Value is the amount which, with interest at the Loan Interest Rate to the next Policy Anniversary, equals the value on such date of the Paid Up Life Insurance and of any Dividend Additions.

LOAN INTEREST RATE

The Loan Interest Rate on the Date of Issue is shown in the Data Section. It shall apply to any debt to us on this policy until the rate is changed by us. The Loan Interest Rate may change from Policy Year to Policy Year. The Loan Interest Rate we set shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the lesser of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs; or
2. the limit on the Published Monthly Average, if any, set by the Owner as shown in the Data Section or as received in writing at the Home Office;

but not less than 5%.

The Published Monthly Average shall be the Moodys Corporate Bond Yield Average - Monthly Average Corporates, as published by Moodys Investors Service, Inc., or any successor to it. However, if at any time that Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

On any Policy Anniversary after the Date of Issue of this policy, the Owner may set a limit on the Published Monthly Average. If the Owner elects to set or change a limit, he or she must notify us at least 45 days in advance of the Policy Anniversary.

On each Policy Anniversary we may change the Loan Interest Rate on this policy. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year less than the Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Loan Interest Rate for this policy. It will be decreased to a rate equal to or less than the Maximum Rate then allowed. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year more than the Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give to the Owner:

1. notice of the Loan Interest Rate in effect for this policy:
 - a) at the time a cash loan is made; and
 - b) as soon as reasonably practical after an initial premium loan is made; and
2. reasonable advance notice of any increase in the Loan Interest Rate, if there is any debt to us on this policy.

In no event shall the Loan Interest Rate exceed the highest loan interest rate allowed by the law of the state in which this policy is delivered.

If there is a Policy Loan, the policy dividends may be adjusted. Such dividends may be altered based on the interest return the Company realized on any Policy Loan on this policy when compared to its return on other assets.

POLICY LOAN

We will loan, upon the sole security of the policy, an amount which, with outstanding debt on the policy and its accrued interest, does not exceed the Loan Value. Loans are subject to the following terms.

1. This policy must be in its second or later Policy Year.
2. This policy must be in force.
3. Unless the policy is in force as Paid Up Life Insurance, no premium may be in default.
4. Extended Term Insurance must not be in force.
5. This policy must be duly assigned to us.

GENERAL LOAN TERMS

Any loan shall bear interest at the Loan Interest Rate from the date the loan is made. If a loan is for the sole purpose of paying a premium on this policy, it shall be deemed to have been made on the due date of the premium being paid.

If the policy is not assigned except to us, a premium loan agreement and assignment may be made by the Owner without the consent and against the interest of any Beneficiary and any contingent owner.

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

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

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

1. the death of the second of the Insureds to die; and
2. surrender of the policy while in force as Paid Up Life Insurance; and
3. default in payment of any premium. Debt may be paid after default in payment of a premium while the policy is in force as Paid Up Life Insurance.

When any of these events occur, all debt shall become due at once. It shall then be paid from the policy values.

Whenever the debt equals or exceeds the Loan Value, this policy shall become null and void. It shall not become null and void until thirty-one days after we mail notice to the last known addresses of the Owner and the assignee under any assignment duly filed with us.

We may defer any Policy Loan, other than one to pay premiums on our policies, for not more than six months.

DEFAULT BENEFITS

DEFAULT BENEFITS

At the end of the Grace Period for any premium in default, a Default Benefit shall take effect as of the Date of Default.

In the event of non-payment of premiums due at any time other than a policy anniversary, the Net Cash Value and any paid-up nonforfeiture benefit, shall be calculated with allowance for the period of default and the payment of partial premiums from the last preceding policy anniversary.

These nonforfeiture provisions do not reflect a change in status or cash value upon the first death, because they are based on the Frasier methodology.

SURRENDER BENEFITS

We will pay the Net Cash Value as of the Date of Default if:

- a) request is made prior to the sixtieth day after the Date of Default;
and
- b) this policy is legally surrendered within sixty days after the Date of Default.

If this policy is in force as Paid Up Life Insurance, it may be surrendered at any time for its Net Cash Value. Any Extended Term Insurance in force may be surrendered within thirty days after any Policy Anniversary for its value as of such date or at any other time for its value. The value of any Extended Term Insurance shall be its net single premium.

We may defer the payment of any surrender value for not more than six months. If we defer payment for more than thirty days, the surrender value shall bear interest at 4% per year from the date of surrender to the date of payment.

PAID UP LIFE INSURANCE

This policy shall remain in force as Paid Up Life Insurance from the Date of Default if:

- a) the Data Section so states and no other default benefit is chosen prior to the sixtieth day after the Date of Default; or
- b) request is made prior to the sixtieth day after the Date of Default.

The amount of Paid Up Life Insurance shall be the level amount which can be bought by the Net Cash Value on the Date of Default on the net single premium basis at the then attained age of the Insureds.

EXTENDED TERM INSURANCE

This benefit is not available if the Data Section so states. Otherwise, the policy shall remain in force as Extended Term Insurance from the Date of Default if no other default benefit is chosen prior to the sixtieth day after the Date of Default.

The amount of term insurance shall be:

- a) the Sum Insured; plus
- b) any Dividend Additions in force and any remaining Dividends Held;
less
- c) any debt to us on the policy.

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Such term insurance shall start on the Date of Default. It shall extend for such term as the Net Cash Value provides when applied as a net single premium at the then attained age of the Insureds.

If the Net Cash Value provides Paid Up Life Insurance equal to or in excess of the amount of Extended Term Insurance, it shall instead be used to buy Paid Up Life Insurance.

ENHANCED PAID UP LIFE INSURANCE

Unless the Data Section states that Enhanced Paid Up Life Insurance is not available, if the Owner elects Paid Up Life Insurance under Default Benefit 2 of this section, the Owner may elect a Death Benefit called the Optional Benefit Amount.

OPTIONAL BENEFIT AMOUNT

The Optional Benefit Amount may be any amount up to the lesser of the Death Benefit of this policy on the Date of Default and a maximum. The maximum is the maximum amount which the Dividend Protection Provision, under the dividend scale in effect as of the Date of Default, could keep in force until the death of the second of the Insureds to die without requiring that the Owner pay a Term Insurance Premium under paragraph b. of the Dividend Protection Provision.

DIVIDEND
PROTECTION
PROVISION

If the Enhanced Paid Up Life Insurance Benefit is elected, dividends will be applied under this Dividend Protection Provision. On each Policy Anniversary any annual dividend credited shall be applied to purchase a combination of Dividend Additions and one year term insurance.

- a) If the dividend is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that their sum plus any outstanding Dividend Additions, plus the amount of Paid Up Life Insurance, shall equal the Optional Benefit Amount.
- b) If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance, and the Owner shall pay a premium which will purchase one year term insurance equal to such insufficiency. This premium, referred to herein as the Term Insurance Premium, shall be at the rate currently being charged to provide one year term insurance under this Dividend Protection Provision.
- c) If the dividend applied would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions and the amount of Paid Up Life Insurance would equal or exceed the Optional Benefit Amount, such dividend and all subsequent dividends shall be applied solely to purchase Dividend Additions.

Any insurance purchased under this Dividend Protection Provision shall be payable to the Beneficiary as part of the proceeds of the policy.

CONDITIONS

The purchase price of any one year term insurance purchased under this provision shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insureds issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (Male/Female) Non-Smoker/Smoker, Ultimate, Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

If this provision terminates at any time, the Cash Value of the policy shall be increased by a pro rata part, corresponding to any unexpired portion of the policy year then current, of the purchase price of any one year term insurance then in force under the policy.

At the end of the Grace Period for the payment of any required Term Insurance Premium which is not paid, the Dividend Protection Provision shall remain in effect under its terms, except that paragraph b. of the Dividend Protection Provision shall be deleted, and the following added in its place:

- b. If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of the Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance.

TERMINATION

The Optional Benefit Amount and this Dividend Protection Provision and any one year term insurance in force under this policy shall terminate on the first of the following to occur:

- a) Upon receipt by us of a written request for termination of the Optional Benefit Amount or the Dividend Protection Provision;
- b) On the Policy Anniversary upon which, in accordance with a proper election, any dividend is not applied under the Dividend Protection Provision;
- c) Upon the surrender of any Dividend Additions;
- d) Upon any exchange of the policy for a new policy.

Once terminated the Dividend Protection Provision may not be later re-elected, except with our approval and subject to such conditions as we may determine.

REINSTATEMENT

REINSTATEMENT

If this policy has lapsed and as of the Date of Default it:

- 1. had no Net Cash Value; or
- 2. remained in force as Paid Up Life Insurance; or
- 3. remained in force as Extended Term Insurance;

then upon request it may be reinstated within five years of the Date of Default. We will require proof to our satisfaction that each Insured who was living on the Date of Default is living and insurable. No such proof shall be required if at the time of request Extended Term Insurance is in force and extends at least five years beyond the date of the request. Any debt to us on this policy on the Date of Default must be paid or reinstated. Compound interest on such debt for the period from the Date of Default to the date of Reinstatement must be paid or reinstated. Interest shall be at the Loan Interest Rates which would have been applicable during such period in the absence of default. All unpaid premiums and compound interest on them at the rate of 6% per year must be paid.

We may contest any Reinstatement until such Reinstatement has been in force during the life of each Insured who was living at the time of Reinstatement for two years from its effective date.

PAYMENT OPTIONS

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

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

OPTION EFFECTIVE DATE

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

GENERAL PAYMENT OPTION TERMS

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

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

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

CHOICE OF OPTION

Choice of an option may be made:

1. by the Owner if one or both of the Insureds are living; or
2. by the Beneficiary if neither Insured is living and no option is in effect.

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

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

CHANGE OF
PAYMENT OPTION

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

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

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

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

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

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

OPTION 1
-PAYMENT OF
INTEREST ONLY

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

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

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

OPTION 2
-PAYMENTS FOR A
STATED TIME

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

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

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

OPTION 3
 -PAYMENTS FOR
 LIFE

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

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

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

Guaranteed Period

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

+ Higher ages the same

OPTION 4
-PAYMENTS OF A
STATED AMOUNT

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

OPTION 5 - LIFE
ANNUITY

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

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

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

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

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

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

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

+ Higher ages the same

OPTION 7 - 50%
SURVIVOR
ANNUITY

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

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

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

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

+ Higher ages the same



NATIONAL LIFE

National Life Insurance Company
Montpelier, Vermont 05604
Tel: 802-229-3333

Should You Need to Call

Your agent is, and should continue to be, the primary contact for information about your National Life coverage. However, there may be times when it is necessary to contact our Home Office for assistance.

If you need to contact our Home Office directly, please dial 1-800-732-8939. Contract information is also available at www.nationallife.com, where you can self-register to access policy information in a secure setting.

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 your 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*). On the next page 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 contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation (*FPBC*) (whether the *FPBC* is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

Limits on Amount of Coverage

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or 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.



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

Survivorship Whole Life Insurance with Dividends. Unisex Version. Premiums to be paid for years shown in Data Section or until prior death of both Insureds. The Death Benefit is payable upon the death of the second of the Insureds to die. This policy is participating.

Right to Review Policy. This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Date of Issue. We will then refund any premium paid.

Effective Date:	08/15/2012
Policy Number:	1234567
Face Amount:	\$100,000
First Insured:	Ethan Allen
Issue Age:	35
Second Insured:	Edna Allen
Issue Age:	35
Owner:	As stated in the application unless later changed
Beneficiary:	As stated in the application unless later changed

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

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

Signed for National Life Insurance Company at [Montpelier, Vermont] as of the Date of Issue, by

 President & Chief Executive Officer	 Secretary
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One National Life Drive, Montpelier, Vermont 05604, Tel: 800-732-8939
National Life Group® is a trade name of National Life Insurance Company and its affiliates.

DATA SECTION

[++REFER TO THE ADDITIONAL PAID UP LIFE INSURANCE RIDER VALUES SECTION FOR DETAILS ON FACE AMOUNTS FOR THE ADDITIONAL PAID UP LIFE INSURANCE.]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

[**REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE.]

[IF MODAL PREMIUMS ON THIS POLICY ARE PAID BY SURRENDERING DIVIDEND ADDITIONS OR BY TAKING LOANS AGAINST THE POLICY, THE RIDER SUM INSURED MAY NOT BE SUPPORTED FOR THE DURATION OF THE POLICY YEAR.]

[EXPENSE CHARGES FOR FLEX TERM PREMIUM AS A PERCENTAGE OF PREMIUM PAID.

YEARS 2-10: 10%

YEARS 11+: 3%]

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

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

THIS POLICY IS IN PREMIUM CLASS [02].

[THE EXTENDED TERM INSURANCE DEFAULT BENEFIT IS AVAILABLE AND IS THE AUTOMATIC DEFAULT BENEFIT IF NO OTHER DEFAULT BENEFIT IS CHOSEN PRIOR TO THE SIXTIETH DAY AFTER THE DATE OF DEFAULT.]

THE LOAN INTEREST RATE IS VARIABLE. THE LOAN INTEREST RATE AT THE DATE OF ISSUE IS [5.00%].

DATA SECTION

ANNUAL PREMIUMS PAYABLE*

<u>AS OF</u> <u>[AUG 15]</u> <u>YEAR</u>	<u>TOTAL</u>
[2012	\$1472.70
2013-2036	\$972.70
2037-2076	\$872.70]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

DATA SECTION

[PREMIUM PAYMENT OPTIONS AND ADDITIONAL COSTS ASSOCIATED WITH PAYING PREMIUMS MORE FREQUENTLY THAN ANNUALLY: YOU MAY PAY PREMIUMS ONCE A YEAR (ANNUALLY), TWICE A YEAR (SEMI-ANNUALLY), OR FOUR TIMES A YEAR (QUARTERLY). YOU MAY ALSO PAY PREMIUMS TWELVE TIMES A YEAR (MONTHLY) BY PRE-AUTHORIZED ELECTRONIC TRANSFER.]

YOUR YEARLY COST WILL BE HIGHER IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY. FOR EXAMPLE, THE ADDITIONAL AMOUNT YOU WILL PAY IN THE FIRST YEAR IS AS FOLLOWS:

<u>PREMIUM FREQUENCY</u>	<u>NUMBER OF PAYMENTS PER YEAR</u>	<u>AMOUNT OF EACH PREMIUM PAYMENT</u>	<u>TOTAL PREMIUM PER YEAR</u>	<u>AMOUNT YOU WILL PAY EACH YEAR IN ADDITION TO THE ANNUAL PREMIUM</u>
ANNUAL	1	[\$972.70	\$972.70	\$ 0.00
SEMI-ANNUAL	2	\$496.08	\$992.16	\$19.46
QUARTERLY	4	\$252.90	\$1,011.60	\$38.90
MONTHLY (EFT/LIST BILL)	12	\$85.60	\$1,027.20	\$54.50]

THIS TABLE ILLUSTRATES THE ADDITIONAL AMOUNTS THAT ARE REQUIRED IN THE FIRST YEAR. ADDITIONAL AMOUNTS WILL BE DUE IN FUTURE YEARS IF PREMIUMS ARE PAID MORE FREQUENTLY THAN ANNUALLY AND MAY VARY FROM THE ABOVE EXAMPLE. CONTACT YOUR AGENT OR THE COMPANY TO DETERMINE THE ADDITIONAL AMOUNT DUE IN ANY GIVEN YEAR IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY.

DATA SECTION

ON POLICY ANNIVERSARY <u>IN YEAR</u>	CASH VALUE*	PAID UP LIFE INSURANCE*	PERIOD OF EXTENDED TERM INSURANCE*	
			<u>YEARS</u>	<u>DAYS</u>
[2013	\$0.00	\$0	0	0
2014	\$679.00	\$4513	27	302
2015	\$1390.00	\$8885	31	224
2016	\$2136.00	\$13128	33	237
2017	\$2917.00	\$17240	34	315
2018	\$3735.00	\$21228	35	225
2019	\$4592.00	\$25098	36	35
2020	\$5489.00	\$28852	36	130
2021	\$6428.00	\$32493	36	172
2022	\$7409.00	\$36018	36	171
2023	\$8435.00	\$39440	36	135
2024	\$9507.00	\$42755	36	73
2025	\$10627.00	\$45970	35	357
2026	\$11795.00	\$49082	35	256
2027	\$13015.00	\$52104	35	143
2028	\$14285.00	\$55021	35	18
2029	\$15609.00	\$57845	34	249
2030	\$16986.00	\$60576	34	106
2031	\$18417.00	\$63208	33	320
2032	\$19902.00	\$65746	33	163
2042	\$37682.00	\$86103	28	345
2047	\$48109.00	\$92756	26	292]

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, OR DEBT TO US ON THIS POLICY. ANY DIVIDEND ADDITIONS AND DIVIDENDS HELD WILL INCREASE, AND ANY DEBT WILL DECREASE, THE NET CASH VALUE AND THE AMOUNTS OF PAID UP LIFE INSURANCE AND EXTENDED TERM INSURANCE.

THESE VALUES APPLY ONLY IF PREMIUMS ARE PAID TO THE STATED ANNIVERSARIES.

THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THEY WILL BE QUOTED UPON REQUEST.

DIVIDENDS PAID ON THIS POLICY ARE NOT GUARANTEED. NATIONAL LIFE MAY CHANGE THE AMOUNT OF DIVIDEND TO BE CREDITED TO THE POLICY, WHICH MAY RESULT IN LOWER CASH VALUES THAN THOSE THAT MAY HAVE BEEN PROVIDED TO YOU ON AN ILLUSTRATION OF PROJECTED PERFORMANCE OF THIS POLICY. THE VALUES DISPLAYED IN THIS DATA SECTION ARE GUARANTEED.

DATA SECTION

<u>ON POLICY ANNIVERSARY IN YEAR</u>	<u>CASH VALUE*</u>	<u>ADDITIONAL PAID UP LIFE INSURANCE*</u>
[2013	\$584.46	\$4040
2014	\$709.33	\$4711
2015	\$838.55	\$5356
2016	\$972.92	\$5976
2017	\$1112.67	\$6572
2018	\$1257.92	\$7145
2019	\$1408.90	\$7696
2020	\$1565.91	\$8227
2021	\$1729.16	\$8736
2022	\$1898.81	\$9227
2023	\$2075.08	\$9698
2024	\$2258.30	\$10152
2025	\$2448.62	\$10588
2026	\$2646.27	\$11008
2027	\$2851.49	\$11411
2028	\$3064.64	\$11800
2029	\$3285.98	\$12173
2030	\$3515.49	\$12533
2031	\$3753.69	\$12879
2032	\$4000.55	\$13212
2042	\$6434.83	\$14699
2047	\$7626.11	\$14699]

THE ADDITIONAL PAID UP LIFE INSURANCE PERIODIC PREMIUM IS [\$100.00] FOR A [12-MONTH] INTERVAL.

THE ADDITIONAL PAID UP LIFE IN SURANCE SINGLE PREMIUM IS [\$500.00].

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, DEBT TO US ON THIS POLICY, OR ANY UNCOLLECTED PERIODIC PREMIUMS.

THESE VALUES APPLY ONLY IF PREMIUMS FOR THIS RIDER ARE PAID ON THE STATED POLICY ANNIVERSARY DATES. ANY ADDITIONAL PAID UP LIFE INSURANCE PURCHASED UNDER THIS RIDER MAY BE SURRENDERED FOR ITS CASH VALUE AT THAT TIME. THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF THE TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THE VALUES ON THIS PAGE REPRESENT THE GUARANTEED PURCHASE BASIS STATED IN YOUR POLICY.

THE PERCENTAGE OF THE ANNUAL PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [97.0%].

THE PERCENTAGE OF THE SINGLE PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [93.0%].

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Any riders and Endorsements and a copy of
the application, follow page 24

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

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of premiums as shown in the Data Section. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

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

POLICY DATE

The Policy Date is the Date of Issue, as stated in the Data Section.

POLICY MONTHS, YEARS AND ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Policy Date.

Each policy month shall begin on the same day of the month as the Policy Date or on the last day of any month having no such day.

PAYMENT OF BENEFITS

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

NOTICES

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

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

MISSTATEMENT OF AGE

The ages of the Insureds on their respective birthdays nearest to the Policy Date are shown in the Data Section. They are based on the dates of birth shown in the application. If the age of either Insured has been misstated, any benefits under this policy shall be such as the premiums paid would have bought using the correct ages.

EQUAL EQUIVALENT AGE

The Equal Equivalent Age of the Insureds on any date is based upon the Insureds respective birthdays nearest to the Policy Date. The Equal Equivalent Age of the Insureds on the Policy Date is shown in the Data Section.

ATTAINED EQUAL EQUIVALENT AGE

The Attained Equal Equivalent Age of the Insureds on any date is the Equal Equivalent Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Policy Date. The Attained Equal Equivalent Age of the Insureds is not affected by the death of one of the Insureds.

CHANGE OF PLAN

If we agree, the policy may be changed to another plan of insurance.

BASIS OF VALUES

The Cash Values and paid up default benefits are not less than the minimum values and benefits required by the law of the state in which this policy is delivered. A detailed statement of the method used to compute Cash Values and paid up default benefits has been filed in that state.

The Values are based on the Commissioners 2001 Standard Ordinary (50) Composite, Ultimate, Age Nearest Birthday, mortality table. They use continuous functions and compound interest at the rate of 4.0% per year.

The Basis of Values will not change as long as this policy is in force. An Additional Paid Up Life Insurance Rider may be added to this policy after issue subject to our limits in place for such rider at the time it is added and subject to underwriting. The Basis of Values of any Additional Paid Up Life Insurance Rider attached to this policy will be the same as this policy.

PREMIUMS

PAYMENT OF PREMIUMS

The first premium and its interval are shown in the Data Section. It is due on the Policy Date. Each later premium is due at the end of the interval of time for which the preceding premium was paid.

Premiums may be paid for 12-, 6-, or 3-month intervals at the rates in effect on the Date of Issue or in any manner agreed to by us. The Owner may make a change from one interval to another by filing a written request at our Home Office.

The first premium may be paid to us either at our Home Office or through our duly authorized agent in exchange for a receipt signed by that agent. All later premiums must be paid to us at our Home Office.

We will incur no liability if no premium is paid.

Premiums will be payable to the Insureds Attained Equal Equivalent Age 100.

GRACE PERIOD

If any premium is not paid on or before the day it is due, the premium shall be in default. However, a Grace Period, during which the insurance shall stay in force, shall be allowed for the payment of every premium except the first. A Grace Period shall begin on the due date of the premium in default and end thirty-one days from such due date.

AUTOMATIC
PAYMENT OF
PREMIUM - FROM
DIVIDENDS HELD
OR BY LOAN

Any premium still unpaid at the end of the Grace Period less any dividend being applied toward payment of such premium shall be paid by a loan against this policy subject to the following terms.

1. The Owner must file at our Home Office a written request for Automatic Payment of Premium. No premium due prior to our receipt of the request shall be paid under this section. No premium due after the request is withdrawn shall be paid under this section.
2. Any Dividends Held must be applied to pay the premium before a Policy Loan will be made.
3. The Loan Value must fully secure such loan and all other debt on this policy.
4. This policy need not be assigned to us for this type of loan. All other terms of the Policy Loans section shall apply.
5. The modal premium that will be loaned automatically will be the same modal premium that was elected prior to the request for Automatic Payment of Premium.
6. If the Loan Value is not sufficient to pay the full modal premium, the outstanding portion of the modal premium will need to be paid or the policy will enter a Grace Period, after which the policy will lapse.

PREMIUM DEFAULT

Upon default in payment of any premium due, this policy shall lapse as of the due date of the premium in default. That date shall be called the Date of Default. Except as stated under the Default Benefits and Grace Period sections, all our liability shall then cease.

DEATH BENEFIT

DEATH BENEFIT

The Death Benefit shall be:

1. the Sum Insured shown in the Data Section; plus
2. any Dividend Additions in force; plus
3. any remaining Dividends Held; plus
4. any dividend credited at the death of the second Insured to die; plus
5. the part of any premium paid for any period after the second Insured to die; less
6. any debt to us on this policy; less
7. the part of any premium in default for any period prior to the death of the second Insured to die.

At the Insureds Attained Equal Equivalent Age 100, if the policy is still in force, the total Face Amount of this policy will be set equal to the Cash Value. After that point, the Death Benefit will increase with interest at a rate determined by the Company.

We will pay the Death Benefit to the Beneficiary when we receive at our Home Office due proof that both Insureds died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Grace Period for any premium in default has passed, the Death Benefit is not payable. In such event any amount payable is set forth in the Default Benefits section. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of death of the second Insured to die to the date of payment. We will set the rate of interest at not less than the rate applicable for the funds left on deposit. If the Death Benefit is not paid within 30 days after we receive at our Home Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8% per year.

SUICIDE LIMITATION

If either of the Insureds dies within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay to the Owner only a sum equal to the premiums paid less any dividends taken in cash or applied toward payment of premiums and less any debt to us on this policy.

NOTICE OF DEATH AND CLAIMS

The Owner must notify us within 180 days after the date of death of each Insured. We may require proof whether both Insureds are living two years from the Date of Issue. Within 180 days after the date of death of the first Insured to die, we will require the Owner to provide us with evidence of death and proof of age and, if the death is within two years from the Date of Issue, the cause of death.

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REPRESENTATIONS AND INCONTESTABILITY

REPRESENTATIONS

All statements made by or for either or both of the Insureds shall be deemed representations and not warranties. No such statement shall be used to make this policy void or be used in defense of a claim upon it unless such statement is in the application.

INCONTESTABILITY

After this policy has been in force during the life of each Insured for two years from the policy Date of Issue, we will not contest it with respect to representations made by that Insured. After this policy has been in force during the life of both Insureds for two years from the policy Date of Issue, we will not contest it except for failure to pay premiums.

The statement on which the contest will be made shall be material to the risk accepted or hazard assumed by the Company.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

BENEFICIARY

GENERAL BENEFICIARY TERMS

The Owner has the right to change the Beneficiary which shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by the Company prior to receipt of this notice. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary dying before the death of the second of the Insureds to die shall vest in the Owner unless otherwise stated.

Where two or more Beneficiaries are designated to take in the alternative based on the order of the Insureds deaths and there is not sufficient evidence that the Insureds died other than simultaneously; one half of the Death Benefit shall be paid as if the first Insured had survived the second Insured; and one half shall be paid as if the second Insured had survived the first Insured. This shall not apply if the application or the Owner has provided for a different payment.

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

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

CHANGE OF BENEFICIARY

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

POLICY OWNERSHIP

GENERAL OWNERSHIP TERMS

The Owner may:

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

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner has waived the right to change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while one or both of the Insureds are alive.

Changes to Owner designation, unless otherwise specified by the Owner, shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by us prior to receipt of this notice.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Home Office. When notice is received at our Home Office, the change shall take effect on the date the notice is signed by the Owner whether or not either Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

SPENDTHRIFT PROVISION

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

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

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

DIVIDENDS

DIVIDENDS

We will credit this policy with shares, called dividends, from our divisible surplus, until Attained Equal Equivalent Age 100. The dividends, if any, credited to this policy shall be set by us. Any first dividend shall be credited on the first Policy Anniversary or when premiums for two full Policy Years have been paid, whichever occurs later. Any later dividends shall be credited on the second and all later Policy Anniversaries. Dividends will be affected by loans. No dividends shall be credited if Extended Term Insurance is in force.

The dividends may be used under one of the following options:

1. **Cash.** Dividends may be taken in cash.
2. **Applied.** Dividends may be applied toward payment of a premium due. If the balance of such premium is not paid, or if this policy is paid up, the dividend shall be used to buy Dividend Additions.
3. **Dividend Additions.** Dividends may be used to buy Paid Up Life Insurance, called Dividend Additions. The rate used shall be the net single premium per \$1,000 of insurance as of the date the dividend is credited. Any Dividend Additions in force may be surrendered at any time for their value at that time. Their value shall not be less than the total of the dividends used to buy them.
4. **Dividends Held.** Dividends may be left with us. Such dividends and interest added to them are called Dividends Held. We will add interest each year on Dividends Held which have remained with us for a full Policy Year. The rate of interest will be set by us each year at not less than 4% per year. Any Dividends Held may be withdrawn at any time by the Owner alone.
5. **Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance.** This option applies dividends to purchase a blend of decreasing term insurance and paid-up additions. This option may be subject to underwriting. This option is made available through a rider to the policy.

Once chosen, a dividend option shall remain in effect until changed by the Owner. If a dividend option is not chosen, we will use the dividend to buy Dividend Additions.

NET CASH VALUE

NET CASH VALUE

The Net Cash Value is:

1. the Cash Value; plus
2. the value of any Dividend Additions in force; plus
3. the amount of any unearned net premium; plus
4. any remaining Dividends Held; plus
5. any dividends payable on the policy; less
6. any debt to us on this policy.

If premiums are payable, the Cash Value shall be determined as of the date to which premiums are paid. At the Insureds Attained Equal Equivalent Age 100, the Cash Value will increase with interest at a rate determined by the Company. The Cash Value of any Paid Up Life Insurance or Extended Term Insurance shall be its net single premium. The Cash Value of any premium-paying life insurance and the value of any Paid Up Life Insurance and Extended Term Insurance within thirty days after any Policy Anniversary shall not be less than its Cash Value as of such anniversary.

POLICY LOANS

LOAN VALUE

If this policy is in force and premiums are payable, the Loan Value is the amount which, with interest at the Loan Interest Rate to the date to which premiums are paid, equals the Cash Value on such date plus the value on such date of any Dividend Additions.

If this policy is in force as Paid Up Life Insurance, the Loan Value is the amount which, with interest at the Loan Interest Rate to the next Policy Anniversary, equals the value on such date of the Paid Up Life Insurance and of any Dividend Additions.

LOAN INTEREST RATE

The Loan Interest Rate on the Date of Issue is shown in the Data Section. It shall apply to any debt to us on this policy until the rate is changed by us. The Loan Interest Rate may change from Policy Year to Policy Year. The Loan Interest Rate we set shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the lesser of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs; or
2. the limit on the Published Monthly Average, if any, set by the Owner as shown in the Data Section or as received in writing at the Home Office;

but not less than 5%.

The Published Monthly Average shall be the Moodys Corporate Bond Yield Average - Monthly Average Corporates, as published by Moodys Investors Service, Inc., or any successor to it. However, if at any time that Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

On any Policy Anniversary after the Date of Issue of this policy, the Owner may set a limit on the Published Monthly Average. If the Owner elects to set or change a limit, he or she must notify us at least 45 days in advance of the Policy Anniversary.

On each Policy Anniversary we may change the Loan Interest Rate on this policy. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year less than the Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Loan Interest Rate for this policy. It will be decreased to a rate equal to or less than the Maximum Rate then allowed. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year more than the Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give to the Owner:

1. notice of the Loan Interest Rate in effect for this policy:
 - a) at the time a cash loan is made; and
 - b) as soon as reasonably practical after an initial premium loan is made; and
2. reasonable advance notice of any increase in the Loan Interest Rate, if there is any debt to us on this policy.

In no event shall the Loan Interest Rate exceed the highest loan interest rate allowed by the law of the state in which this policy is delivered.

If there is a Policy Loan, the policy dividends may be adjusted. Such dividends may be altered based on the interest return the Company realized on any Policy Loan on this policy when compared to its return on other assets.

POLICY LOAN

We will loan, upon the sole security of the policy, an amount which, with outstanding debt on the policy and its accrued interest, does not exceed the Loan Value. Loans are subject to the following terms.

1. This policy must be in its second or later Policy Year.
2. This policy must be in force.
3. Unless the policy is in force as Paid Up Life Insurance, no premium may be in default.
4. Extended Term Insurance must not be in force.
5. This policy must be duly assigned to us.

GENERAL LOAN TERMS

Any loan shall bear interest at the Loan Interest Rate from the date the loan is made. If a loan is for the sole purpose of paying a premium on this policy, it shall be deemed to have been made on the due date of the premium being paid.

If the policy is not assigned except to us, a premium loan agreement and assignment may be made by the Owner without the consent and against the interest of any Beneficiary and any contingent owner.

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

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

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

1. the death of the second of the Insureds to die; and
2. surrender of the policy while in force as Paid Up Life Insurance; and
3. default in payment of any premium. Debt may be paid after default in payment of a premium while the policy is in force as Paid Up Life Insurance.

When any of these events occur, all debt shall become due at once. It shall then be paid from the policy values.

Whenever the debt equals or exceeds the Loan Value, this policy shall become null and void. It shall not become null and void until thirty-one days after we mail notice to the last known addresses of the Owner and the assignee under any assignment duly filed with us.

We may defer any Policy Loan, other than one to pay premiums on our policies, for not more than six months.

DEFAULT BENEFITS

DEFAULT BENEFITS

At the end of the Grace Period for any premium in default, a Default Benefit shall take effect as of the Date of Default.

In the event of non-payment of premiums due at any time other than a policy anniversary, the Net Cash Value and any paid-up nonforfeiture benefit, shall be calculated with allowance for the period of default and the payment of partial premiums from the last preceding policy anniversary.

These nonforfeiture provisions do not reflect a change in status or cash value upon the first death, because they are based on the Frasier methodology.

SURRENDER BENEFITS

We will pay the Net Cash Value as of the Date of Default if:

- a) request is made prior to the sixtieth day after the Date of Default;
and
- b) this policy is legally surrendered within sixty days after the Date of Default.

If this policy is in force as Paid Up Life Insurance, it may be surrendered at any time for its Net Cash Value. Any Extended Term Insurance in force may be surrendered within thirty days after any Policy Anniversary for its value as of such date or at any other time for its value. The value of any Extended Term Insurance shall be its net single premium.

We may defer the payment of any surrender value for not more than six months. If we defer payment for more than thirty days, the surrender value shall bear interest at 4% per year from the date of surrender to the date of payment.

PAID UP LIFE INSURANCE

This policy shall remain in force as Paid Up Life Insurance from the Date of Default if:

- a) the Data Section so states and no other default benefit is chosen prior to the sixtieth day after the Date of Default; or
- b) request is made prior to the sixtieth day after the Date of Default.

The amount of Paid Up Life Insurance shall be the level amount which can be bought by the Net Cash Value on the Date of Default on the net single premium basis at the then attained age of the Insureds.

EXTENDED TERM INSURANCE

This benefit is not available if the Data Section so states. Otherwise, the policy shall remain in force as Extended Term Insurance from the Date of Default if no other default benefit is chosen prior to the sixtieth day after the Date of Default.

The amount of term insurance shall be:

- a) the Sum Insured; plus
- b) any Dividend Additions in force and any remaining Dividends Held;
less
- c) any debt to us on the policy.

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Such term insurance shall start on the Date of Default. It shall extend for such term as the Net Cash Value provides when applied as a net single premium at the then attained age of the Insureds.

If the Net Cash Value provides Paid Up Life Insurance equal to or in excess of the amount of Extended Term Insurance, it shall instead be used to buy Paid Up Life Insurance.

ENHANCED PAID
UP LIFE INSURANCE

Unless the Data Section states that Enhanced Paid Up Life Insurance is not available, if the Owner elects Paid Up Life Insurance under Default Benefit 2 of this section, the Owner may elect a Death Benefit called the Optional Benefit Amount.

OPTIONAL BENEFIT
AMOUNT

The Optional Benefit Amount may be any amount up to the lesser of the Death Benefit of this policy on the Date of Default and a maximum. The maximum is the maximum amount which the Dividend Protection Provision, under the dividend scale in effect as of the Date of Default, could keep in force until the death of the second of the Insureds to die without requiring that the Owner pay a Term Insurance Premium under paragraph b. of the Dividend Protection Provision.

DIVIDEND
PROTECTION
PROVISION

If the Enhanced Paid Up Life Insurance Benefit is elected, dividends will be applied under this Dividend Protection Provision. On each Policy Anniversary any annual dividend credited shall be applied to purchase a combination of Dividend Additions and one year term insurance.

- a) If the dividend is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that their sum plus any outstanding Dividend Additions, plus the amount of Paid Up Life Insurance, shall equal the Optional Benefit Amount.
- b) If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance, and the Owner shall pay a premium which will purchase one year term insurance equal to such insufficiency. This premium, referred to herein as the Term Insurance Premium, shall be at the rate currently being charged to provide one year term insurance under this Dividend Protection Provision.
- c) If the dividend applied would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions and the amount of Paid Up Life Insurance would equal or exceed the Optional Benefit Amount, such dividend and all subsequent dividends shall be applied solely to purchase Dividend Additions.

Any insurance purchased under this Dividend Protection Provision shall be payable to the Beneficiary as part of the proceeds of the policy.

CONDITIONS

The purchase price of any one year term insurance purchased under this provision shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insureds issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (50), Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

If this provision terminates at any time, the Cash Value of the policy shall be increased by a pro rata part, corresponding to any unexpired portion of the policy year then current, of the purchase price of any one year term insurance then in force under the policy.

At the end of the Grace Period for the payment of any required Term Insurance Premium which is not paid, the Dividend Protection Provision shall remain in effect under its terms, except that paragraph b. of the Dividend Protection Provision shall be deleted, and the following added in its place:

b. If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of the Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance.

TERMINATION

The Optional Benefit Amount and this Dividend Protection Provision and any one year term insurance in force under this policy shall terminate on the first of the following to occur:

- a) Upon receipt by us of a written request for termination of the Optional Benefit Amount or the Dividend Protection Provision;
- b) On the Policy Anniversary upon which, in accordance with a proper election, any dividend is not applied under the Dividend Protection Provision;
- c) Upon the surrender of any Dividend Additions;
- d) Upon any exchange of the policy for a new policy.

Once terminated the Dividend Protection Provision may not be later re-elected, except with our approval and subject to such conditions as we may determine.

REINSTATEMENT

REINSTATEMENT

If this policy has lapsed and as of the Date of Default it:

1. had no Net Cash Value; or
2. remained in force as Paid Up Life Insurance; or
3. remained in force as Extended Term Insurance;

then upon request it may be reinstated within five years of the Date of Default. We will require proof to our satisfaction that each Insured who was living on the Date of Default is living and insurable. No such proof shall be required if at the time of request Extended Term Insurance is in force and extends at least five years beyond the date of the request. Any debt to us on this policy on the Date of Default must be paid or reinstated. Compound interest on such debt for the period from the Date of Default to the date of Reinstatement must be paid or reinstated. Interest shall be at the Loan Interest Rates which would have been applicable during such period in the absence of default. All unpaid premiums and compound interest on them at the rate of 6% per year must be paid.

We may contest any Reinstatement until such Reinstatement has been in force during the life of each Insured who was living at the time of Reinstatement for two years from its effective date.

PAYMENT OPTIONS

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

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

OPTION EFFECTIVE DATE

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

GENERAL PAYMENT OPTION TERMS

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

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

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

CHOICE OF OPTION

Choice of an option may be made:

1. by the Owner if one or both of the Insureds are living; or
2. by the Beneficiary if neither Insured is living and no option is in effect.

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

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

CHANGE OF
PAYMENT OPTION

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

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

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

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

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

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

OPTION 1
-PAYMENT OF
INTEREST ONLY

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

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

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

OPTION 2
-PAYMENTS FOR A
STATED TIME

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

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

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

OPTION 3
 -PAYMENTS FOR
 LIFE

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

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

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

Guaranteed Period

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

+ Higher ages the same

OPTION 4
-PAYMENTS OF A
STATED AMOUNT

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

OPTION 5 - LIFE
ANNUITY

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

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

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

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

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

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

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

+ Higher ages the same

OPTION 7 - 50%
 SURVIVOR
 ANNUITY

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

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

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

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

+ Higher ages the same

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ADDITIONAL PAID UP LIFE INSURANCE RIDER

We, National Life Insurance Company (the Company), agree, subject to the terms of this rider, to provide additional paid up life insurance. Paid up life insurance bought under this rider shall be deemed to be Dividend Additions and subject to all of the provisions of the policy, except as otherwise provided by this rider.

The date of issue of this rider is the policy Date of Issue unless otherwise stated below.

The data for this rider is set forth in the policy's Data Section.

PREMIUMS

The Owner has chosen in the application for this rider to pay premiums by one or both of the following premium payment plans:

1. Annual Premium Payment Plan. If the date of issue of this rider is the same as that of the policy, the first annual premium for this rider is due on the Policy Date. Other annual premiums must be paid within 31 days of each policy anniversary.
2. Single Premium Payment Plan. A single premium is due on the date of issue of this rider.

Premiums for this rider:

1. must be in the amount shown in the Data Section; and
2. must be paid to us at our Administrative Office; and
3. will not be paid under the terms for Automatic Payment of Premium; and
4. will not be waived by us under any rider to the policy to waive premiums upon disability or death.

PERIODIC PREMIUMS

If periodic premiums for the policy to which this rider is attached are paid at intervals shorter than annual, then premiums for this rider shall be due on each date premiums for the policy are due. However, the premium for insurance purchased under the Single Premium Payment Plan may not be paid periodically. Periodic premiums are stated in the Data Section for this rider. Such premiums are in lieu of the annual premiums due for this rider.

We will provide an amount of additional paid up life insurance upon the date of receipt of the first premium due in a policy year equal to the Amount shown in the Data Section. This Amount shall be subject to the following conditions:

- i. The Death Benefit and Cash Value otherwise payable under the policy shall be reduced by the amount of any unpaid premiums for this rider which would have become due prior to the next policy anniversary.
- ii. If any premium for this rider is not paid within 31 days of its due date, no further life insurance can be bought under this rider and the amount of additional paid up life insurance purchased in the policy year in which the unpaid premium was due shall be reduced in proportion to the amount of unpaid premiums for that year.

AMOUNT OF ADDITIONAL PAID UP LIFE INSURANCE

The amount of additional paid up life insurance bought by each year's total premium or by the single premium shall be the amount provided by applying a percentage of the equivalent annual premium as a net single premium at the Insured's attained ages on the policy anniversary nearest the receipt of the premium. The applicable percentage is shown in the Data Section. The net single premium basis is the same as the basis of Dividend Additions of the policy.

INCONTESTABILITY

After this rider has been in force during the lives of both Insured's for two years from its date of issue, we will not contest it, except for failure to pay premiums.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

SUICIDE LIMITATION

If the death of both Insureds or the second of the Insureds to die occurs within two years from the Date of Issue of this rider as the result of suicide, while sane or insane, we will pay to the Owner only a sum equal to the premiums paid under this rider.

CONSIDERATION

This rider is issued in consideration of the application for the rider and the payment of premiums as shown in the Data Section. This rider and a copy of the application for this rider are attached and made a part of the policy.

TERMINATION OF
THE RIGHT TO BUY
ADDITIONAL PAID
UP LIFE INSURANCE

No further life insurance can be bought under this rider:

1. after the policy terminates; or
2. after we receive at our Home Office written request for termination of the right to buy additional paid up life insurance; or
3. under a modal premium payment plan after a modal premium has not been paid for 31 days from its due date; or
4. under a single premium payment plan after the single premium has been paid; or
5. after the last policy year for which premiums for the policy are payable; or
6. after the end of the Grace Period for any unpaid premium on the policy.

Termination of the right to buy additional paid up life insurance does not terminate paid up life insurance bought under the terms of this rider.

TERMINATION OF
RIDER

This rider shall terminate when the policy terminates.

Signed for National Life Insurance Company at [Montpelier, Vermont] as of the date of issue of this rider, by

[
Mehran Assad
President & Chief Executive Officer
]

Date of Issue of this rider:

(If later than the policy Date of Issue)

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RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE

In addition to the Death Benefit of the policy, we, National Life Insurance Company (the Company), will pay the amount of any one year term insurance provided under this rider and in force at the date of death of the second Insured to die, subject to the terms of this rider. Payment shall be made within 30 days after we receive at our Home Office due proof that both Insureds died while such insurance was in force. Any insurance provided under this rider shall be payable to the Beneficiary as part of the proceeds of the policy.

The date of issue of this rider is the policy Date of Issue unless otherwise stated below.

While the Term Purchase Provision of this rider is in force, all dividends credited on the policy and on any Dividend Additions made a part of the policy shall be used under the provisions of this rider rather than under any of the other options offered in the Dividends section of the policy. Thereafter, the Owner may elect one of the options offered in the Dividends section of the policy. For purposes of this rider, Dividend Additions shall include all paid up life insurance bought under an Additional Paid Up Life Insurance Rider to the policy.

RIDER SUM INSURED

The amount of the Rider Sum Insured is shown in the Data Section.

RIDER PREMIUMS

Annual premiums for this rider are stated in the Data Section. Premiums payable more frequently than annually are called periodic. If premiums for the policy to which this rider is attached are periodic, then premiums for this rider shall be due on each date premiums for the policy are due. Such periodic premiums are also stated in the Data Section. They are payable in lieu of the annual premiums due for this rider.

The Term Purchase Provision of this rider will operate upon the date of receipt of the first periodic premium due in a policy year as if the annual premium shown in the Data Section for this rider was received by us on that date. However, such operation shall be subject to the following conditions:

1. The Death Benefit and Cash Value otherwise payable under the policy shall be reduced by the amount of any unpaid premiums for this rider which would have become due prior to the next policy anniversary; and
2. If during the first ten years following the date of issue of this rider any premium for this rider is not paid within 31 days of its due date, this rider shall terminate.

*National Life Insurance Company
One National Life Drive * Montpelier, Vermont 05604 * (800) 732-8939*

TERM PURCHASE
PROVISION

Upon the date of issue of this rider, the first annual premium for this rider will be applied to purchase one year term insurance equal to the Rider Sum Insured less any outstanding Dividend Additions. On each policy anniversary following the date of issue of this rider, while this Term Purchase Provision remains in effect, the net premium for this rider plus any annual dividends credited shall be applied to purchase a combination of Dividend Additions and one year term insurance:

1. If the sum of the net premium plus any dividends credited is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that they, in combination with any outstanding Dividend Additions, shall equal the Rider Sum Insured.
2. If the sum of the net premium plus any dividends credited would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions would equal or exceed the Rider Sum Insured, such sum shall be applied solely to purchase Dividend Additions.
3. If the sum of the net premium plus any dividends credited is not sufficient to purchase one year term insurance equal to the amount by which the Rider Sum Insured exceeds any outstanding Dividend Additions, then, to the extent necessary, such outstanding Dividend Additions not otherwise pledged as collateral for policy loans will be surrendered. Their value will be added to the sum to purchase one year term insurance in the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions.
4. If the sum of the net premium plus any dividends credited, when supplemented with the surrender value of all outstanding Dividend Additions not otherwise pledged as collateral for policy loans, is not sufficient to purchase one year term insurance in the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions, this supplemented sum will be used to purchase one year term insurance. An insufficiency will exist. Said insufficiency is the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions plus the amount of one year term insurance purchased with the supplemented sum.

The net premium for this rider is the premium shown in the Data Section, lessened by an expense charge. A schedule of applicable expense charges is included in the Data Section. The net single premium basis of Dividend Additions purchased under this rider shall be the same as the basis of Dividend Additions in the policy to which this rider is attached.

ADDITIONAL TERM
INSURANCE

On any policy anniversary following the date of issue of this rider, if the sum is not sufficient as described under paragraph 4 of the Term Purchase Provision of this rider, the Owner may purchase additional one year term insurance equal to such insufficiency. The premium for such additional term insurance shall be an Additional Term Insurance Premium. It must be paid to us at our Home Office. It is due on the policy anniversary that the sum is not sufficient.

The right to pay an Additional Term Insurance Premium to purchase one year term insurance equal to any insufficiency on future policy anniversaries shall terminate if on any policy anniversary an Additional Term Insurance Premium is not paid when due.

ADDITIONAL TERM
INSURANCE
PREMIUM

The purchase price of any additional one year term insurance purchased under this rider to satisfy an insufficiency as described under paragraph 4 of the Term Purchase Provision of this rider shall be at the rate which would be charged to provide one year term insurance under the Term Purchase Provision if paid for by a dividend. The Additional Term Insurance Premium shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insureds issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (Male/Female) Non-Smoker/Smoker, Ultimate (2001 Commissioners Standard Ordinary (50) if this policy is issued on a unisex basis), Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

The Additional Term Insurance Premium may not be paid periodically.

GRACE PERIOD

If any Additional Term Insurance Premium is not paid on or before the day it is due, that Additional Term Insurance Premium shall be in default. A grace period beginning on the due date of the Additional Term Insurance Premium in default shall be allowed for payment of this premium. The insurance will remain in force during the grace period. We will mail notice of the Additional Term Insurance Premium due to the Owner at the Owners last address known to us. The grace period shall end thirty-one days from the later of the premiums due date or the date we mail notice of the Additional Term Insurance Premium due.

RIGHT OF EXCHANGE

Upon written request received at our Home Office, all or a portion of any one year term insurance in force under this rider may be exchanged for a whole life or a limited payment life policy. This exchange may take place without proof that the Insureds are insurable. Such exchange must occur:

1. prior to the date the Insureds reach Attained Equal Equivalent Age 70;
and
2. during the first ten years following the date of issue of this rider.

The new policy shall:

1. be on a form in use by us on the date of exchange; and
2. be at the premium rate in effect for the ages of the Insureds under the new policy on the date of exchange. If this rider is in an extra premium class on the date of exchange, the new policy shall be issued in the same extra premium class.

All exchanges are subject to our minimum issue and face amount restrictions.

Upon an exchange, the pro rata portion of the purchase price of the one year term insurance for the balance of the policy year corresponding to the amount of one year term insurance exchanged will be applied toward the premium for the new policy.

If all of the existing one year term insurance in force under this rider is exchanged, this rider will terminate. If only a portion of the existing one year term insurance in force under this rider is exchanged, the Rider Sum Insured of this rider will be reduced by the amount of one year term insurance exchanged. The premium for this rider will be adjusted accordingly.

A rider for extra benefits may be added to the new policy only with our consent and proof to our satisfaction that the Insureds are insurable.

The Incontestability and Suicide Limitation provisions attributable to the coverage exchanged will start from the effective date of the original coverage.

EFFECT ON POLICY

If the policy lapses after the date of issue of this rider, we will add to the Cash Value of the policy the part of the purchase price of any one year term insurance for the balance of the policy year. The part added shall be a pro rata portion of the purchase price for the then current policy year corresponding to any unexpired portion of that policy year. Otherwise, except as described in the Rider Premiums provision of this rider, this rider and its premiums shall not affect the amount of any Default Benefits of this policy. Any insurance continued upon default in payment of any premium due shall not include benefits provided by this rider.

NONFORFEITURE
VALUES

This rider does not provide any additional Cash Value or Policy Loan values.

REINSTATEMENT

This rider may be reinstated upon policy reinstatement. We will require evidence of insurability for both Insureds. All unpaid rider premiums and compound interest on them at the rate of 6% per year and must be paid.

INCONTESTABILITY

After this rider has been in force during the lives of both Insureds for two years from its date of issue, we will not contest it except for failure to pay premiums, except for reinstatement. We can contest this rider for misrepresentations made in the application for reinstatement until it has been in effect for two years during the lifetime of both Insureds whose coverage is reinstated.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

SUICIDE
LIMITATION

If the death of both Insureds or the second of the Insureds to die occurs within two years from the date of issue of this rider as the result of suicide, while sane or insane, we will pay under this rider only a sum equal to the rider premiums collected for this rider.

CONSIDERATION

This rider is issued in consideration of the application for the rider and payment of rider premiums as shown in the Data Section. The rider and a copy of the application for the rider are attached to and made a part of the policy.

TERMINATION

This rider shall terminate on the first of the following to occur:

1. Upon receipt by us of a written request for termination; or
2. The end of the grace period for any unpaid premium due for this rider during the first ten years following the date of issue of this rider; or
3. On the policy anniversary upon which, in accordance with a proper election, any dividend is not applied under the Term Purchase Provision of this rider; or
4. Upon the surrender of Dividend Additions, except:
 - a) when such surrender is called for under the Term Purchase Provision of this rider; or
 - b) when Dividend Additions are surrendered for the sole purpose of paying a premium due on this policy as stated in the Data Section. A projection of current values must show that the dividend scale in effect on the date of surrender of Dividend Additions would be sufficient to provide for future purchases of one year term insurance equal in each year to the amount by which the Rider Sum Insured exceeds anticipated outstanding Dividend Additions. The schedule of term insurance premiums in effect on that date will be used in this projection; or
5. Upon exchange, pursuant to the Right of Exchange provision of this rider, of the full amount of any one year term insurance in force under this rider; or
6. When the amount of Dividend Additions equals the Rider Sum Insured; or
7. Upon lapse of the policy to which this rider is attached or the date a Default Benefit takes effect; or
8. Upon termination of the policy to which this rider is attached; or
9. Upon surrender of any value from the base policy.

When this rider terminates:

1. all rights under this rider shall cease; and
2. there shall be no further premiums due for this rider; and
3. the policy shall be considered separate and complete without this rider; and
4. the dividend option of the policy will automatically become Dividend Additions, unless the Owner chooses another of the dividend options available under the policy.

If during the first ten years following the date of issue of this rider, or the premium payment period, if shorter, this rider terminates, any one year term insurance in force under this policy shall remain in force until the next policy anniversary or until the policy lapses, whichever occurs first.

Once terminated, this rider may not be later re-elected except with our approval. We will require proof to our satisfaction that the Insureds are insurable.

Signed for National Life Insurance Company at Montpelier, Vermont, as of the date of issue of this rider, by

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

President & Chief Executive Officer

Date of Issue of this rider:

(If later than the policy Date of Issue)

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RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND LEVEL ONE YEAR TERM INSURANCE

In addition to the Death Benefit of the policy, we, National Life Insurance Company (the Company), will pay the amount of any one year term insurance provided under this rider and in force at the date of death of the second Insured to die, subject to the terms of this rider. Payment shall be made within 30 days after we receive at our Home Office due proof that both Insureds died while such insurance was in force. Any insurance provided under this rider shall be payable to the Beneficiary as part of the proceeds of the policy.

The date of issue of this rider is the policy Date of Issue unless otherwise stated below.

While the Term Purchase Provision of this rider is in force, all dividends credited on the policy and on any Dividend Additions made a part of the policy shall be used under the provisions of this rider rather than under any of the other options offered in the Dividends section of the policy. Thereafter, the Owner may elect one of the options offered in the Dividends section of the policy. For purposes of this rider, Dividend Additions shall include all paid up life insurance bought under an Additional Paid Up Life Insurance Rider to the policy.

RIDER SUM INSURED

Prior to the policy anniversary on which the Attained Equal Equivalent Age of the Insureds is 81, the Rider Sum Insured is in the amount shown in the Data Section. Thereafter, the Rider Sum Insured shall equal the sum of:

1. the Rider Sum Insured shown in the Data Section; plus
2. any outstanding Dividend Additions in force immediately prior to such policy anniversary.

RIDER PREMIUMS

Annual premiums for this rider are stated in its Data Section. Premiums payable more frequently than annually are called periodic. If premiums for the policy to which this rider is attached are periodic, then premiums for this rider shall be due on each date premiums for the policy are due. Such periodic premiums are also stated in the Data Section. They are payable in lieu of the annual premiums due for this rider.

The Term Purchase Provision of this rider will operate upon the date of receipt of the first periodic premium due in a policy year as if the annual premium shown in the Data Section for this rider was received by us on that date. However, such operation shall be subject to the following conditions:

1. The Death Benefit and Cash Value otherwise payable under the policy shall be reduced by the amount of any unpaid premiums for this rider which would have become due prior to the next policy anniversary; and
2. If during the first ten years following the date of issue of this rider any premium for this rider is not paid within 31 days of its due date, this rider shall terminate.

TERM PURCHASE PROVISION

Upon the date of issue of this rider, the first annual premium for this rider will be applied to purchase one year term insurance equal to the Rider Sum Insured. On each policy anniversary following the date of issue of this rider, while this Term Purchase Provision remains in effect, the net premium for this rider plus any annual dividends credited shall be applied to purchase a combination of Dividend Additions and one year term insurance.

On each policy anniversary on which the Attained Equal Equivalent Age of the Insureds is less than 81 years:

1. If the sum of the net premium plus any dividends credited is sufficient, the amount of one year term insurance purchased in a year shall be the Rider Sum Insured. Any part of the sum not necessary to purchase such term insurance shall be applied to purchase Dividend Additions.
2. If the sum of the net premium plus any dividends credited is not sufficient to purchase one year term insurance equal to the Rider Sum Insured, then, to the extent necessary, outstanding Dividend Additions not otherwise pledged as collateral for policy loans will be surrendered and their value added to the sum to purchase one year term insurance in the amount of the Rider Sum Insured.
3. If the sum of the net premium plus any dividends credited, when supplemented with the surrender value of all outstanding Dividend Additions not otherwise pledged as collateral for policy loans, is not sufficient to purchase one year term insurance in the amount of the Rider Sum Insured, this supplemented sum will be used to purchase one year term insurance. An insufficiency will exist. Said insufficiency is the amount by which the Rider Sum Insured exceeds the amount of one year term insurance purchased with the supplemented sum.

On each policy anniversary on which the Attained Equal Equivalent Age of the Insureds is 81 years or greater:

1. If the sum of the net premium plus any dividends credited is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that they, in combination with any outstanding Dividend Additions, shall equal the Rider Sum Insured.
2. If the sum of the net premium plus any dividends credited would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions would equal or exceed the Rider Sum Insured, such sum shall be applied solely to purchase Dividend Additions.
3. If the sum of the net premium plus any dividends credited is not sufficient to purchase one year term insurance equal to the amount by which the Rider Sum Insured exceeds any outstanding Dividend Additions, then, to the extent necessary, such outstanding Dividend Additions not otherwise pledged as collateral for policy loans will be surrendered. Their value will be added to the sum to purchase one year term insurance in the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions.
4. If the sum of the net premium plus any dividends credited, when supplemented with the surrender value of all outstanding Dividend Additions not otherwise pledged as collateral for policy loans, is not sufficient to purchase one year term insurance in the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions, this supplemented sum will be used to purchase one year term insurance. An insufficiency will exist. Said insufficiency is the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions plus the amount of one year term insurance purchased with the supplemented sum.

The net premium for this rider is the premium shown in the Data Section, lessened by an expense charge. A schedule of applicable expense charges is included in the Data Section. The net single premium basis of Dividend Additions purchased under this rider shall be the same as the basis of Dividend Additions in the policy to which this rider is attached.

ADDITIONAL TERM INSURANCE

On any policy anniversary following the date of issue of this rider, if the sum is not sufficient as described in the Term Purchase Provision of this rider, the Owner may purchase additional one year term insurance equal to such insufficiency. The premium for such additional term insurance shall be an Additional Term Insurance Premium. It must be paid to us at our Home Office. It is due on the policy anniversary that the sum is not sufficient.

The right to pay an Additional Term Insurance Premium to purchase one year term insurance equal to any insufficiency on future policy anniversaries shall terminate if on any policy anniversary an Additional Term Insurance Premium is not paid when due.

ADDITIONAL TERM INSURANCE PREMIUM

The purchase price of any additional one year term insurance purchased under this rider to satisfy an insufficiency as described in the Term Purchase Provision of this rider shall be at the rate which would be charged to provide one year term insurance under the Term Purchase Provision if paid for by a dividend. The Additional Term Insurance Premium shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insureds issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (Male/Female) Non-Smoker/Smoker, Ultimate (2001 Commissioners Standard Ordinary (50) if this policy is issued on a unisex basis), Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

The Additional Term Insurance Premium may not be paid periodically.

GRACE PERIOD

If any Additional Term Insurance Premium is not paid on or before the day it is due, that Additional Term Insurance Premium shall be in default. A grace period beginning on the due date of the Additional Term Insurance Premium in default shall be allowed for payment of this premium. The insurance will remain in force during the grace period. We will mail notice of the Additional Term Insurance Premium due to the Owner at the Owners last address known to us. The grace period shall end thirty-one days from the later of the premiums due date or the date we mail notice of the Additional Term Insurance Premium due.

RIGHT OF EXCHANGE

Upon written request received at our Home Office, all or a portion of any one year term insurance in force under this rider may be exchanged for a whole life or a limited payment life policy. This exchange may take place without proof that the Insureds are insurable. Such exchange must occur:

1. prior to the date the Insureds reach Attained Equal Equivalent Age 70;
and
2. during the first ten years following the date of issue of this rider.

The new policy shall:

1. be on a form in use by us on the date of exchange; and
2. be at the premium rate in effect for the ages of the Insureds under the new policy on the date of exchange. If this rider is in an extra premium class on the date of exchange, the new policy shall be issued in the same extra premium class.

All exchanges are subject to our minimum issue and face amount restrictions.

Upon an exchange, the pro rata portion of the purchase price of the one year term insurance for the balance of the policy year corresponding to the amount of one year term insurance exchanged will be applied toward the premium for the new policy.

If all of the existing one year term insurance in force under this rider is exchanged, this rider will terminate. If only a portion of the existing one year term insurance in force under this rider is exchanged, the Rider Sum Insured of this rider will be reduced by the amount of one year term insurance exchanged. The premium for this rider will be adjusted accordingly.

A rider for extra benefits may be added to the new policy only with our consent and proof to our satisfaction that the Insureds are insurable.

The Incontestability and Suicide Limitation provisions attributable to the coverage exchanged will start from the effective date of the original coverage.

EFFECT ON POLICY

If the policy lapses after the date of issue of this rider, we will add to the Cash Value of the policy the part of the purchase price of any one year term insurance for the balance of the policy year. The part added shall be a pro rata portion of the purchase price for the then current policy year corresponding to any unexpired portion of that policy year. Otherwise, except as described in the Rider Premiums provision of this rider, this rider and its premiums shall not affect the amount of any Default Benefits of this policy. Any insurance continued upon default in payment of any premium due shall not include benefits provided by this rider.

NONFORFEITURE VALUES

This rider does not provide any additional Cash Value or Policy Loan values.

REINSTATEMENT

This rider may be reinstated upon policy reinstatement. We will require evidence of insurability for both Insureds. All unpaid rider premiums and compound interest on them at the rate of 6% per year must be paid.

INCONTESTABILITY

After this rider has been in force during the lives of both Insureds for two years from its date of issue, we will not contest it except for failure to pay premiums, except for reinstatement. We can contest this rider for misrepresentations made in the application for reinstatement until it has been in effect for two years during the lifetime of both Insureds whose coverage is reinstated.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

SUICIDE LIMITATION

If the death of both Insureds or the second of the Insureds to die occurs within two years from the date of issue of this rider as the result of suicide, while sane or insane, we will pay under this rider only a sum equal to the rider premiums collected for this rider.

CONSIDERATION

This rider is issued in consideration of the application for the rider and payment of rider premiums as shown in the Data Section. The rider and a copy of the application for the rider are attached to and made a part of the policy.

TERMINATION

This rider shall terminate on the first of the following to occur:

1. Upon receipt by us of a written request for termination; or
2. The end of the grace period for any unpaid premium due for this rider during the first ten years following the date of issue of this rider; or
3. On the policy anniversary upon which, in accordance with a proper election, any dividend is not applied under the Term Purchase Provision of this rider; or
4. Upon the surrender of Dividend Additions, except:
 - a) when such surrender is called for under the Term Purchase Provision of this rider; or
 - b) when Dividend Additions are surrendered for the sole purpose of paying a premium due on this policy as stated in the Data Section; or
5. Upon exchange, pursuant to the Right of Exchange provision of this rider, of the full amount of any one year term insurance in force under this rider; or
6. Upon lapse of the policy to which this rider is attached or the date a Default Benefit takes effect; or
7. If the Insureds are an Attained Equal Equivalent Age greater than 80 years and the sum of all Dividend Additions equals or exceeds the Rider Sum Insured; or
8. Upon termination of the policy to which this rider is attached; or
9. Upon surrender of any value from the base policy.

When this rider terminates:

1. all rights under this rider shall cease; and
2. there shall be no further premiums due for this rider; and
3. the policy shall be considered separate and complete without this rider; and
4. The dividend option of the policy will automatically become Dividend Additions, unless the Owner chooses another of the dividend options available under the policy.

If during the first ten years following the date of issue of this rider, or the premium payment period, if shorter, this rider terminates, any one year term insurance in force under this policy shall remain in force until the next policy anniversary or until the policy lapses, whichever occurs first.

Once terminated, this rider may not be later re-elected except with our approval. We will require proof to our satisfaction that the Insureds are insurable.

Signed for National Life Insurance Company at Montpelier, Vermont, as of the date of issue of this rider, by

Mehran Assad

President & Chief Executive Officer

Date of Issue of this rider:

(If later than the policy Date of Issue)

INDEX

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RIDER FOR EXCHANGE TO NEW INSUREDS

We, National Life Insurance Company (the Company), will exchange the Original Policy for a new policy on the lives of two Insureds, one or both of whom may be new, subject to the terms of this rider. Upon such exchange all our liability under the Original Policy and any riders shall cease. Only one exchange may be made under this rider. The date of issue of this rider is the Original Policy Date of Issue unless a later date is shown below. There is no charge for this rider.

ORIGINAL POLICY

The Original Policy is the policy to which this rider is attached.

CONDITIONS

We will exchange the Original Policy if the following conditions are met:

1. Both Insureds insured by the Original Policy must be alive.
2. All new Insureds must consent to the exchange.
3. The Owner must have an insurable interest in the lives of all new Insureds.
4. The new policy shall be subject to any assignment against the Original Policy.
5. The new policy shall be subject to any debt to us on the Original Policy.
6. When we receive at our Home Office written request for such exchange while the Original Policy is in force.
7. No exchange may be made if the Original Policy is in force as extended term insurance.
8. We will require proof to our satisfaction that both Insureds in the new policy are insurable on the date of exchange. A new policy will not be issued if the two proposed Insureds in the new policy would not be eligible for the new policy based upon our normal underwriting and issue rules in effect on the date of issue of this rider.

If the exchange causes either the reserve or cash value to increase, the increase in reserve or the increase in cash value, whichever is greater, must be paid to us.

If the exchange causes both the reserve and the cash value to decrease, the decrease in reserve or the decreases in cash value, whichever is smaller, will be used to repay any policy loans in excess of the loan value of the new policy. Any balance of this decrease will be paid to the Owner.

Any Dividend Additions on this policy must be surrendered on the date of exchange. Their surrender value will be used to purchase Dividend Additions on the new policy unless the Owner requests otherwise. Any dividends held on this policy will be transferred to the new policy.

With our consent, riders may be attached to the new policy.

EXCHANGE DATE

The exchange will be effective on the date the Original Policy is exchanged for the new policy.

POLICY YEARS AND ANNIVERSARIES

Policy years and anniversaries for the new policy shall be measured from the date from which policy years and anniversaries for the Original Policy are measured. Policy years and anniversaries for any new rider shall be measured from the date from which policy years and anniversaries for the rider it replaces are measured. However, if the resulting Equal Equivalent Age at Issue is lower than our normal issue limit in effect on the date of issue of this rider, they shall be measured from the earliest anniversary of this policy on which the Equal Equivalent Age of the Insureds is within our normal issue limit.

The new policy shall be:

1. on the same form to which this rider is attached if it is in use by us on the date from which the policy years and anniversaries for the new policy are measured; otherwise, the exchange shall be allowed only if there is a policy form in use by us on such date which we deem to be sufficiently close in content to the form to which this rider is attached to allow the exchange; and
2. at the premium rate then in effect for the Equal Equivalent Age at Issue of the new policy; and
3. in the underwriting class resulting from combining the two Insureds insured by the new policy.

SUM INSURED

The Sum Insured of the new policy shall not be less than our minimum issue limit for the plan issued. The Sum Insured shall not exceed the greater of:

1. the Sum Insured of the Original Policy; or
2. the amount of insurance which has a reserve equal to the reserve of the Original Policy as of the Exchange Date. Reserves for any riders attached to either policy shall be excluded from this calculation.

NONFORFEITURE VALUES

This rider does not provide any additional Cash Value or Policy Loan values.

REINSTATEMENT

This rider may be reinstated upon policy reinstatement.

SUICIDE
LIMITATION AND
INCONTESTABILITY

The time periods in the Suicide Limitation and Incontestability sections of the new policy shall be measured from the Exchange Date with regard to all new Insureds.

If the death of both Insureds or the second of the Insureds to die occurs within two years from the Date of Issue of the Original Policy as the result of suicide, while sane or insane, we will pay only a sum equal to:

1. any premiums paid for the new policy; plus
2. any cash value of the Original Policy applied under the new policy; less
3. any policy loans, surrenders and dividends paid in cash or used to reduce premiums after the Exchange Date.

TERMINATION

Coverage under this rider will terminate on the earliest of:

1. our receipt of written request by the Owner for termination; or
2. termination of the Original Policy; or
3. exercise of the option to exchange the Original Policy under this rider.

Signed for National Life Insurance Company at [Montpelier, Vermont,] as of the date of issue of this rider, by


President & Chief Executive Officer

Date of Issue of this rider:

(If later than the policy Date of Issue)

SERFF Tracking #:

NALF-128460806

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

20073(0512)

State:

Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name:

ValuGuard 2012

Project Name/Number:

ValuGuard 2012/20073(0512)

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification		
Comments:			
Attachment(s):			
Readability Cert NL.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Application		
Comments:	Application 9212AR(0511) approved 06/20/2011		

		Item Status:	Status Date:
Satisfied - Item:	Statement of Variability		
Comments:			
Attachment(s):			
SOV-ValuGuard.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Responsible Officer Certification		
Comments:			
Attachment(s):			
RespOfficerCertNL.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Sample Illustrations		
Comments:	Sample Sex Distinct and Unisex Illustrations attached.		
Attachment(s):			

SERFF Tracking #:

NALF-128460806

State Tracking #:

Company Tracking #:

20073(0512)

State:

Arkansas

Filing Company:

National Life Insurance Company

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)

Product Name:

ValuGuard 2012

Project Name/Number:

ValuGuard 2012/20073(0512)

ValuGuard Sex Distinct VT Flex Term I.pdf

ValuGuard Sex Distinct VT Flex Term II.pdf

ValuGuard Unisex VT Flex Term I.pdf

ValuGuard Unisex VT Flex Term II.pdf

Item Status:

Status Date:

Satisfied - Item:

Certification

Comments:

Attachment(s):

AR Cert.pdf

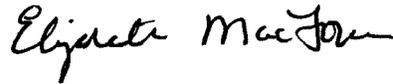
National Life Insurance Company
Certification of Readability

We certify that, to the best of our knowledge and belief, each of the forms listed below meets the minimum reading ease score required by the state in which it is being filed. The scores were calculated using the Flesch Reading Ease Test.

<u>Form Number</u>	<u>Flesch Score</u>
20073(0512)	66.3
20074(0512)	66.3
20075(0512)	61.0
20077(0512)	54.4
20078(0512)	53.6
20079(0512)	66.8

07/09/2012

Date



Elizabeth MacGowan,
Vice President & Chief Life Product Officer

**NATIONAL LIFE INSURANCE COMPANY
STATEMENT OF VARIABILITY
SURVIVORSHIP WHOLE LIFE INSURANCE**

Form Numbers: 20073(0512), 20074(0512), VLGD & VLGD/U

The Policies & Covers, Data Pages and Riders within the submitted filing contain brackets, used to designate variable items that may be unique for each policyholder or issue of the submitted policy. Descriptions of the bracketed items follow:

Variables for the company address, website address, telephone number, and logo – these items are subject to change.

PRESIDENT & CHIEF EXECUTIVE OFFICER AND SECRETARY: These are subject to variability only upon a change of officer status.

NUMBER: This 7-digit number is the unique policy number by which we distinguish each policy issued on this form. This number appears on the Cover and the Data Pages.

DATE OF ISSUE: This is the issue date of the policy and is shown within the Data Pages.

FIRST INSURED AND SECOND INSURED: These are the Insureds' names, and will be unique to each Insured. This appears on the Cover and the Data Pages.

AGE OF FIRST INSURED AND AGE OF SECOND INSURED: This is the age of each named Insured and appears on the Cover and within the Data Pages.

EQUAL EQUIVALENT AGE AT ISSUE: This is the age used for the determination of policy benefits and values and is determined using the individual issue ages of the insureds covered under the policy. The Equal Equivalent Age at Issue is between 20 and 85. Neither Insured can be below actual age 20.

SUM INSURED: This amount will be unique to the policy based on each individual situation and appears on the Policy Cover and within the Data Pages. The Minimum Face Amount is \$100,000 per policy for individual issues and pension issues. There is no maximum face amount.

OWNER: The statement "As stated in the application unless later changed" will appear to identify the owner, unless or until a revised Data Page is prepared to specify a new owner. In these circumstances, the name of the new owner will be stated, such name being unique to each owner.

BENEFICIARY: The statement "As stated in the application unless later changed" will appear to identify the beneficiary, unless or until a revised Data Page is prepared to specify a new beneficiary. In these circumstances, the name of the new beneficiary will be stated, such name being unique to each beneficiary.

BENEFIT: This will always include the benefit "LIFE INSURANCE". If the Applicant elects to purchase any of the riders available on this product, the names of the premium-paying riders will appear here. Those riders are: Additional Paid Up Life Insurance Rider (displays as "ANNUAL PREM. ADD. PD. UP LIFE" and for single premiums this displays as "SINGLE PREM. ADD. PD. UP LIFE"), Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance and Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance (displays as "FLEX TERM RIDER**": RIDER SUM INSURED"). Footnote: **REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE

YEAR TERM INSURANCE or ****REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND LEVEL ONE YEAR TERM INSURANCE.**

AMOUNT: This is the amount of life insurance purchased. If any riders were purchased, this column will also include the amounts of coverage provided by any rider alone with a total of life insurance coverage and any rider coverage.

ANNUAL PREMIUM: This is the premium requirement for the amount of the life insurance purchased and any premium-paying riders.

PAYABLE FOR: This date may take the values of "1" through "79" and represent the number of years the Annual Premium must be paid. The value for this field will vary depending on the Equal Equivalent Age of the Insureds and the premium-paying period of any riders.

RIDER SUM INSURED: The Rider Sum Insured statement will only appear if the Applicant has a rider applying dividends on the policy. The rider provides for the utilization of dividends to purchase a combination of one year term insurance and paid up additions to fund a predetermined insurance amount (called the Rider Sum Insured).

INTERVAL PERIOD: This denotes the number of premiums payable and amount each year, as requested by the applicant in establishing his or her premium and premium interval. This can take the variables of "12-MONTH", "6-MONTH", "3-MONTH" or "1-MONTH".

AND AN ADDITIONAL PAID UP LIFE INSURANCE RIDER PREMIUM OF \$XXX.XX FOR A 12-MONTH INTERVAL. If an Additional Paid-Up Life Insurance Rider is part of the policy, this statement will generate and will give the rider's premium and premium interval.

AND AN ADDITIONAL PAID UP LIFE INSURANCE RIDER PREMIUM OF \$XXX.XX. If a single premium Additional Paid-Up Life Insurance Rider is part of the policy, this statement will generate and will give the rider's premium.

EXTRA PREMIUM: This statement will only appear if the policy is issued on a flat extra basis:

"THIS POLICY IS IN AN EXTRA PREMIUM CLASS. THE LIFE INSURANCE PREMIUM INCLUDES A SUBSTANDARD PREMIUM OF \$XX,XXX.XX FOR POLICY YEARS XX THROUGH XX."

++REFER TO THE ADDITIONAL PAID UP LIFE INSURANCE RIDER VALUES SECTION FOR DETAILS ON FACE AMOUNTS FOR THE ADDITIONAL PAID UP LIFE INSURANCE. If an Additional Paid-Up Life Insurance Rider is part of the policy, this statement will appear.

***INCLUDES \$75 PER YEAR POLICY FEE.** If there is a policy fee, this statement appears.

****REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE or **REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND LEVEL ONE YEAR TERM INSURANCE.**

IF MODAL PREMIUMS ON THIS POLICY ARE PAID BY SURRENDERING DIVIDEND ADDITIONS OR BY TAKING LOANS AGAINST THE POLICY, THE RIDER SUM INSURED MAY NOT BE SUPPORTED FOR THE DURATION OF THE POLICY YEAR.

EXPENSE CHARGES FOR FLEX TERM PREMIUM AS A PERCENTAGE OF PREMIUM PAID. YEARS 2-10: 10%, YEARS 11+: 3%. These three statements will print when either a Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance, or Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance riders

are part of the policy (referred to as "FLEX TERM RIDER**": RIDER SUM INSURED" on the first page of the Data Section).

THE FIRST INSURED HAS BEEN CLASSIFIED: This may take the variables of " "PREFERRED NON-SMOKER", "STANDARD NON-SMOKER" or "SMOKER".

THE SECOND INSURED HAS BEEN CLASSIFIED: This may take the variables of "PREFERRED NON-SMOKER", "STANDARD NON-SMOKER" or "SMOKER".

PREMIUM CLASS STATEMENT: This will read "THE POLICY IS IN PREMIUM CLASS X", where X takes on a value from 01 to 06. Those are: Premium Class 01 = two Preferred Non-Smokers, Premium Class 02 = one Preferred Non-Smoker and one Standard Non-Smoker, Premium Class 03 = two Standard Non-Smokers, Premium Class 04 = one Smoker and one Preferred Non-Smoker, Premium Class 05 = one Standard Non-Smoker and one Smoker and Premium Class 06 = two Smokers.

THE EXTENDED TERM INSURANCE DEFAULT BENEFIT IS AVAILABLE AND IS THE AUTOMATIC DEFAULT BENEFIT IF NO OTHER DEFAULT BENEFIT IS CHOSEN PRIOR TO THE SIXTIETH DAY AFTER THE DATE OF DEFAULT. This statement generates if the extended term insurance default benefit is available. If the benefit is not available, the following will be stated: "THE EXTENDED TERM INSURANCE DEFAULT BENEFIT IS NOT AVAILABLE."

LOAN INTEREST RATE: This percentage varies from 3.00% to the Published Monthly Average of the Moody's Corporate Bond Yield Average – Monthly Average Corporates for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs.

ANNUAL PREMIUMS PAYABLE: The information for the Annual Premiums Payable page will vary depending on the individual issue of the policy and whether any riders are included with the policy. The "Life Insurance" column includes any premiums from riders that would pay a death benefit. All other riders would be included in the "All Other Benefits" column.

FOURTH OF SIX: The information on this page shows how much premium would be needed if the premium was paid Annually, Semi-Annually, Quarterly, or Monthly. The sample first paragraph will generate for all non-pension issues. For pension issues the following will generate: "PREMIUM PAYMENT OPTIONS AND ADDITIONAL COSTS ASSOCIATED WITH PAYING PREMIUMS MORE FREQUENTLY THAN ANNUALLY: YOU MAY PAY PREMIUMS ONCE A YEAR (ANNUALLY), TWICE A YEAR (SEMI-ANNUALLY), FOUR TIMES A YEAR (QUARTERLY), OR TWELVE TIMES A YEAR (MONTHLY)."

FOURTH OF SIX: The column headings include the following: 1) "Amount of Each Premium Payment" which provides the required minimum premium amount not only for the premium interval selected by the Applicant, but also for the other available premium intervals. 2) "Total Premium Per Year" provides an annual total of the required minimum premium according to each premium interval. 3) "Amount You Will Pay Each Year in Addition to the Annual Premium" is the additional amount an Applicant will pay by choosing a premium interval more frequently than annually

FIFTH OF SIX PAGES (Table of Cash Values): The values on this page will vary based upon the policy and riders issued and will produce for the entire premium paying period.

SIXTH OF SIX PAGES (ADDS Rider Values): This page, which includes the column headings of "On Policy Anniversary in Year", "Cash Value", and "Additional Paid Up Life Insurance", appears when there is an Additional Paid Up Life Insurance Rider on the policy. The values will vary based upon the policy and riders issued.

THE ADDITIONAL PAID UP LIFE INSURANCE PERIODIC PREMIUM IS [\$100.00]. The amount in this statement will be variable based upon the premium.

THE PERCENTAGE OF THE ANNUAL PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [97.0%]. The percentage of the annual premium used to purchase the additional paid up life insurance will be variable and individual for each policy holder.

THE PERCENTAGE OF THE SINGLE PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [93.0%]. The percentage of the single premium used to purchase the additional paid up life insurance will be variable and individual for each policy holder.

**NATIONAL LIFE INSURANCE COMPANY
STATEMENT OF VARIABILITY
SURVIVORSHIP WHOLE LIFE INSURANCE**

Rider Form Numbers: 20075(0512), 20077(0512), 20078(0512), 20079(0512)

Variables for the company address and telephone number – these items are subject to change.

OFFICER NAME AND TITLE: The officer name and signature and title plaque on the riders are bracketed in the event the officer and or the title of said officer signing the policy form changes. Any new title utilized or name of an officer changed will be the title and name of an officer of the Company.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Agent address:

1 National Life Drive
Montpelier, Vermont 05604
802 229-3333

ValuGuard is a level premium, individual whole life insurance policy with premiums payable to attained equal equivalent age 100. ValuGuard insures two lives and pays the death benefit at the second death.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown.

Flex Term I is a rider that uses the rider premium and annual dividend to purchase a combination of one year term insurance and paid up additions to provide the Flex Term death benefit. The Flex Term death benefit usually remains level with a decreasing amount of one year term purchased each year while the amount of paid up additions increases.

Extra Annual Premium is a rider that uses additional premiums to purchase paid-up life insurance. This increases the policy death benefit and cash value.

Extra Single Premium is a rider that uses an additional premium to purchase paid-up life insurance. This increases the policy death benefit and cash value.

Definitions of key terms and column headings:

Age - The insured's age at nearest birthday

EEA - Equal Equivalent Age is used to compute the policy values and premiums. It is calculated using a formula which makes provisions for the actual age and gender of each insured. The EEA used in this proposal is 35.

Class - Is a number, from 1 to 6 with 1 being the best, determined based on the smoking status and other underwriting information. It is used to determine which rates will be used to compute premiums and policy values for this policy.

Policy Year - The year of the policy for which information is being illustrated.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

May 17, 2012

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v12.3

A Life Insurance Illustration
 ValuGuard - Whole Life - Policy Form Series 20073(0512)
 Statement of Policy Cost and Benefit Information
 Prepared for
 Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
 Ethan Allen - Age 35/Male/Non-Smoker
 Edna Allen - Age 35/Female/Preferred Non-Smoker
 State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Guaranteed Contract Premium - The annual guaranteed maximum premium for the policy.

End Year Guaranteed Cash Value - The guaranteed equity at the end of the policy year.

Guaranteed Death Benefit - The policy's guaranteed death benefit.

Contract Premium - The annualized premium that is required under the illustrated policy.

Annual Dividend* - The policy dividend. Dividends are not guaranteed. They are not based on a forecast of future experience nor are they guaranteed. The amount of dividends earned can also be affected by policy owner requested transactions, e.g. policy loan, dividend surrender, dividend withdrawal.

End Year Total Cash Value Increase* - The annual increase in the policy's total equity from the beginning of the policy year to the end of the same year, which is not guaranteed.

End Year Total Cash Value* - The entire policy equity at the end of the year before any deductions for any outstanding policy loans and loan interest. It may include dividends, interest and mortality credits which are not guaranteed.

End Year Total Death Benefit* - The entire policy death benefit at the end of the year before deductions for any outstanding policy loans and loan interest. It may include dividends, interest and mortality credits which are not guaranteed.

Averaged Total Cash Value End Year* - The total cash value assuming dividends are paid at one half the rate of the dividends shown in this illustration. These values are not guaranteed.

Averaged Total Death Benefit End Year* - The entire policy death benefit at the end of the year before deductions for any outstanding policy loans and loan interest. Values in this column are based on the assumption that dividends are paid at one half the rate of the dividends shown in this illustration. These values are not guaranteed.

Non- Guaranteed values in this illustration are based on our current dividend scale.

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5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

STATEMENT ON NON-GUARANTEED VALUES:

The annual dividends, any terminal dividend, the cost of any one year term insurance purchased with dividends, interest on any dividends held at interest with the Company, and the year in which dividend values become sufficient to pay future premiums are all based on the Company's current level of expenses, claims and investment earnings. They are not based on a forecast of future experience nor are they guaranteed. The amount of dividends earned can also be affected by policy owner requested transactions, e.g. policy loan, dividend surrender, dividend withdrawal.

FLEX TERM:

If the dividend, flex term premium and additions available for surrender are insufficient to purchase the amount of One Year Term (OYT) insurance necessary to support the illustrated death benefit, the Company will accept a payment equal to the amount necessary to sustain the benefit. If the payment is not made, there may be a permanent decrease in total death benefits.

VARIABLE POLICY LOAN (VLR) RATE:

The variable policy loan interest rate for the first policy year is stated in the policy data pages. The actual VLR depends on the month a policy is issued and is subject to change annually base on the then current Moody's Corporate Bond Index. The VLR for policies issued in the month of this illustration is 5.00%, applied in arrears.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Premium payment options

Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay in the first year is as follows:

Premium Frequency	Number of payments per year	Amount of each premium payment	Total premium per year	Amount you will pay each year in addition to the annual premium
Annual	1	\$913.70	\$913.70	\$0.00
Semi-annual	2	\$465.99	\$931.98	\$18.28
Quarterly	4	\$237.56	\$950.24	\$36.54
Monthly (COM/List Bill)	12	\$80.41	\$964.92	\$51.22
Monthly (Non-COM)	12	\$82.23	\$986.76	\$73.06

This table illustrates the additional amounts that are required in the first year. Additional amounts will be due in future years if premiums are paid more frequently than annually and may vary from the above example.

This illustration assumes premiums are paid on an annual basis. Premium payments made on any other basis could potentially affect this policy's Modified Endowment status.

COST INDEX STATEMENT:

Cost Indexes combine the premiums, dividends and guaranteed cash value with an interest factor. They are useful only for the purpose of comparing the cost of two or more similar policies, and they do not reflect differences in the quality of service that can be expected from the agent and the Company. Explanations of the intended use of the Cost Indexes are provided in the Life Insurance Buyer's Guide.

Cost indexes for base policy at 5%

	Year 10	Year 20
Payment	\$8.03	\$8.03
Surrender	\$2.88	\$2.75

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

May 17, 2012

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A Life Insurance Illustration
 ValuGuard - Whole Life - Policy Form Series 20073(0512)
 Statement of Policy Cost and Benefit Information
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 Ethan Allen and Edna Allen

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 Ethan Allen - Age 35/Male/Non-Smoker
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	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

UNDERWRITING DATA

Ethan Allen
 Non-Smoker

Edna Allen
 Preferred Non-Smoker

A Life Insurance Illustration
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	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
1	\$ 1,413	\$ 584	\$105,000
2	913	1,332	105,000
3	913	2,115	105,382
4	913	2,933	106,005
5	913	3,791	106,603
6	913	4,688	107,179
7	913	5,626	107,733
8	913	6,609	108,265
9	913	7,634	108,777
10	913	8,706	109,269
	\$ 9,631		
11	913	9,826	109,743
12	913	10,995	110,198
13	913	12,216	110,637
14	913	13,490	111,058
15	913	14,818	111,463

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
16	\$ 913	\$16,203	\$111,853
17	913	17,646	112,228
18	913	19,147	112,589
19	913	20,710	112,937
20	913	22,331	113,271
	\$18,761		
21	913	24,016	113,593
22	913	25,763	113,902
23	913	27,575	114,201
24	913	29,452	114,488
25	913	31,397	114,765
26	813	33,308	114,765
27	813	35,282	114,765
28	813	37,316	114,765
29	813	39,406	114,765
30	813	41,549	114,765
	\$27,391		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
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Ethan Allen - Age 35/Male/Non-Smoker
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State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
31	\$ 813	\$43,742	\$114,765
32	813	45,982	114,765
33	813	48,269	114,765
34	813	50,601	114,765
35	813	52,977	114,765
36	813	55,392	114,765
37	813	57,838	114,765
38	813	60,299	114,765
39	813	62,763	114,765
40	813	65,214	114,765
	\$35,521		
41	813	67,643	114,765
42	813	70,040	114,765
43	813	72,402	114,765
44	813	74,727	114,765
45	813	77,010	114,765

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
46	\$ 813	\$79,247	\$114,765
47	813	81,423	114,765
48	813	83,525	114,765
49	813	85,538	114,765
50	813	87,452	114,765
	\$43,651		
51	813	89,265	114,765
52	813	90,984	114,765
53	813	92,614	114,765
54	813	94,172	114,765
55	813	95,674	114,765
56	813	97,149	114,765
57	813	98,636	114,765
58	813	100,167	114,765
59	813	101,778	114,765
60	813	103,360	114,765
	\$51,871		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
61	\$ 813	\$105,033	\$114,765
62	813	106,959	114,765
63	813	109,318	114,765
64	813	112,543	114,765
65	813	114,765	114,765
	\$55,846		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
1	\$ 1,413	\$12	\$596	\$596	\$105,012
2	913	12	760	1,357	105,012
3	913	13	797	2,155	105,566
4	913	13	833	2,989	106,276
5	913	14	874	3,864	106,961
6	913	15	914	4,779	107,624
7	913	15	957	5,737	108,265
8	913	16	1,002	6,740	108,886
9	913	17	1,046	7,787	109,487
10	913	18	1,097	8,885	110,068
	\$ 9,631	\$150	\$8,885		
11	913	19	1,144	10,030	110,632
12	913	20	1,197	11,228	111,179
13	913	21	1,250	12,479	111,709
14	913	22	1,306	13,786	112,223
15	913	23	1,362	15,149	112,723

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
16	\$ 913	\$24	\$1,728	\$16,878	\$113,514
17	913	26	1,832	18,711	114,336
18	913	27	1,939	20,651	115,191
19	913	29	2,049	22,701	116,079
20	913	46	2,173	24,875	117,019
	\$18,761	\$407	\$24,875		
21	913	114	1,915	26,791	117,657
22	913	197	2,065	28,857	118,510
23	913	288	2,229	31,087	119,600
24	913	398	2,415	33,503	120,945
25	913	519	2,619	36,123	122,571
26	813	656	2,743	38,867	124,226
27	813	718	2,895	41,763	126,118
28	813	786	3,051	44,815	128,110
29	813	863	3,215	48,031	130,212
30	813	947	3,386	51,418	132,435
	\$27,391	\$5,901	\$51,418		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
31	\$ 813	\$1,038	\$3,564	\$54,983	\$134,785
32	813	1,134	3,687	58,671	137,204
33	813	1,239	3,861	62,533	139,737
34	813	1,347	4,063	66,597	142,409
35	813	1,459	4,272	70,870	145,215
36	813	1,582	4,487	75,358	148,162
37	813	1,714	4,709	80,068	151,258
38	813	1,867	4,935	85,004	154,521
39	813	2,037	5,171	90,176	157,975
40	813	2,223	5,407	95,584	161,637
	\$35,521	\$21,545	\$95,584		
41	813	2,419	5,649	101,234	165,516
42	813	2,626	5,893	107,128	169,617
43	813	2,841	6,140	113,269	173,941
44	813	3,051	6,381	119,651	178,478
45	813	3,270	6,624	126,276	183,223

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
46	\$ 813	\$3,495	\$6,867	\$133,144	\$188,178
47	813	3,743	7,106	140,251	193,361
48	813	3,994	7,332	147,584	198,775
49	813	4,273	7,567	155,152	204,446
50	813	4,556	7,795	162,948	210,377
	\$43,651	\$55,817	\$162,948		
51	813	4,847	8,015	170,964	216,574
52	813	5,122	8,239	179,204	223,016
53	813	5,406	8,444	187,649	229,704
54	813	5,678	8,650	196,300	236,623
55	813	5,933	8,861	205,162	243,756
56	813	6,164	9,109	214,272	251,072
57	813	6,331	9,447	223,720	258,499
58	813	6,521	9,845	233,566	266,041
59	813	6,738	10,295	243,862	273,721
60	813	6,972	10,702	254,565	281,552
	\$51,781	\$115,534	\$254,565		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

May 17, 2012

This illustration is not complete without all pages.

Page 14 of 16

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ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
61	\$ 813	\$7,292	\$11,361	\$265,927	\$289,614
62	813	7,626	12,449	278,377	297,916
63	813	7,953	14,025	292,403	306,426
64	813	7,803	16,340	308,744	314,626
65	813	7,027	13,063	321,808	321,808
	\$55,846	\$153,238	\$321,808		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

Policy Cost and Benefit Summary

Prepared for
The Client

EEA35 Class 2

Presented by Sample Agent

Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

\$100,000 ValuGuard with benefits previously described

Policy Year	Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit	Averaged Total Cash Value End Year*	Averaged Total Death Benefit End Year*	End Year Total Cash Value*	End Year Total Death Benefit*
5	\$ 913	\$ 3,791	\$106,603	\$ 3,827	\$106,782	\$3,864	\$106,961
10	913	8,706	109,269	8,795	109,666	8,885	110,068
20	913	22,331	113,271	24,587	116,117	24,875	117,019
30	813	41,549	114,765	47,878	124,941	51,418	132,435

*The benefits and values are not guaranteed, the assumptions on which they are based are subject to change by the insured, and actual results may be more or less favorable.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.

Date _____ Applicant By _____

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Date _____ Agent _____

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Agent address:
1 National Life Drive
Montpelier, Vermont 05604
802 229-3333

ValuGuard is a level premium, individual whole life insurance policy with premiums payable to attained equal equivalent age 100. ValuGuard insures two lives and pays the death benefit at the second death.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown.

Flex Term II is a rider that uses the rider premium and annual dividend to purchase a combination of one year term insurance and paid up additions to provide the Flex Term death benefit. The Flex Term death benefit usually increases with a level amount of one year term purchased each year while the unused premium and dividend is used to purchase additional paid up additions.

Extra Annual Premium is a rider that uses additional premiums to purchase paid-up life insurance. This increases the policy death benefit and cash value.

Extra Single Premium is a rider that uses an additional premium to purchase paid-up life insurance. This increases the policy death benefit and cash value.

Definitions of key terms and column headings:

Age - The insured's age at nearest birthday

EEA - Equal Equivalent Age is used to compute the policy values and premiums. It is calculated using a formula which makes provisions for the actual age and gender of each insured. The EEA used in this proposal is 35.

Class - Is a number, from 1 to 6 with 1 being the best, determined based on the smoking status and other underwriting information. It is used to determine which rates will be used to compute premiums and policy values for this policy.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year - The year of the policy for which information is being illustrated.

Guaranteed Contract Premium - The annual guaranteed maximum premium for the policy.

End Year Guaranteed Cash Value - The guaranteed equity at the end of the policy year.

Guaranteed Death Benefit - The policy's guaranteed death benefit.

Contract Premium - The annualized premium that is required under the illustrated policy.

Annual Dividend* - The policy dividend. Dividends are not guaranteed. They are not based on a forecast of future experience nor are they guaranteed. The amount of dividends earned can also be affected by policy owner requested transactions, e.g. policy loan, dividend surrender, dividend withdrawal.

End Year Total Cash Value Increase* - The annual increase in the policy's total equity from the beginning of the policy year to the end of the same year, which is not guaranteed.

End Year Total Cash Value* - The entire policy equity at the end of the year before any deductions for any outstanding policy loans and loan interest. It may include dividends, interest and mortality credits which are not guaranteed.

End Year Total Death Benefit* - The entire policy death benefit at the end of the year before deductions for any outstanding policy loans and loan interest. It may include dividends, interest and mortality credits which are not guaranteed.

Averaged Total Cash Value End Year* - The total cash value assuming dividends are paid at one half the rate of the dividends shown in this illustration. These values are not guaranteed.

Averaged Total Death Benefit End Year* - The entire policy death benefit at the end of the year before deductions for any outstanding policy loans and loan interest. Values in this column are based on the assumption that dividends are paid at one half the rate of the dividends shown in this illustration. These values are not guaranteed.

Non- Guaranteed values in this illustration are based on our current dividend scale.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

STATEMENT ON NON-GUARANTEED VALUES:

The annual dividends, any terminal dividend, the cost of any one year term insurance purchased with dividends, interest on any dividends held at interest with the Company, and the year in which dividend values become sufficient to pay future premiums are all based on the Company's current level of expenses, claims and investment earnings. They are not based on a forecast of future experience nor are they guaranteed. The amount of dividends earned can also be affected by policy owner requested transactions, e.g. policy loan, dividend surrender, dividend withdrawal.

FLEX TERM:

If the dividend, flex term premium and additions available for surrender are insufficient to purchase the amount of One Year Term (OYT) insurance necessary to support the illustrated death benefit, the Company will accept a payment equal to the amount necessary to sustain the benefit. If the payment is not made, there may be a permanent decrease in total death benefits.

VARIABLE POLICY LOAN (VLR) RATE:

The variable policy loan interest rate for the first policy year is stated in the policy data pages. The actual VLR depends on the month a policy is issued and is subject to change annually base on the then current Moody's Corporate Bond Index. The VLR for policies issued in the month of this illustration is 5.00%, applied in arrears.

A Life Insurance Illustration
 ValuGuard - Whole Life - Policy Form Series 20073(0512)
 Statement of Policy Cost and Benefit Information
 Prepared for
 Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
 Ethan Allen - Age 35/Male/Non-Smoker
 Edna Allen - Age 35/Female/Preferred Non-Smoker
 State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Premium payment options

Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay in the first year is as follows:

Premium Frequency	Number of payments per year	Amount of each premium payment	Total premium per year	Amount you will pay each year in addition to the annual premium
Annual	1	\$913.70	\$913.70	\$0.00
Semi-annual	2	\$465.99	\$931.98	\$18.28
Quarterly	4	\$237.56	\$950.24	\$36.54
Monthly (COM/List Bill)	12	\$80.41	\$964.92	\$51.22
Monthly (Non-COM)	12	\$82.23	\$986.76	\$73.06

This table illustrates the additional amounts that are required in the first year. Additional amounts will be due in future years if premiums are paid more frequently than annually and may vary from the above example.

This illustration assumes premiums are paid on an annual basis. Premium payments made on any other basis could potentially affect this policy's Modified Endowment status.

COST INDEX STATEMENT:

Cost Indexes combine the premiums, dividends and guaranteed cash value with an interest factor. They are useful only for the purpose of comparing the cost of two or more similar policies, and they do not reflect differences in the quality of service that can be expected from the agent and the Company. Explanations of the intended use of the Cost Indexes are provided in the Life Insurance Buyer's Guide.

Cost indexes for base policy at 5%

	Year 10	Year 20
Payment	\$8.03	\$8.03
Surrender	\$2.88	\$2.75

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

March 30, 2012

This illustration is not complete without all pages.

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A Life Insurance Illustration
 ValuGuard - Whole Life - Policy Form Series 20073(0512)
 Statement of Policy Cost and Benefit Information
 Prepared for
 Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
 Ethan Allen - Age 35/Male/Non-Smoker
 Edna Allen - Age 35/Female/Preferred Non-Smoker
 State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

UNDERWRITING DATA

Ethan Allen
 Non-Smoker

Edna Allen
 Preferred Non-Smoker

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
1	\$1,413	\$584	\$109,057
2	913	1,332	109,733
3	913	2,115	110,383
4	913	2,934	111,008
5	913	3,792	111,609
6	913	4,690	112,187
7	913	5,628	112,743
8	913	6,611	113,277
9	913	7,636	113,790
10	913	8,709	114,284
	\$9,637		
11	913	9,829	114,758
12	913	10,998	115,213
13	913	12,220	115,651
14	913	13,493	116,071
15	913	14,821	116,475

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
16	\$913	\$16,206	\$116,863
17	913	17,648	117,236
18	913	19,149	117,593
19	913	20,709	117,936
20	913	22,330	118,264
	\$18,774		
21	913	24,012	118,579
22	913	25,756	118,879
23	913	27,564	119,167
24	913	29,436	119,441
25	913	31,375	119,703
26	813	33,278	119,686
27	813	35,243	119,666
28	813	37,266	119,642
29	813	39,342	119,614
30	813	41,469	119,582
	\$27,411		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
31	\$813	\$43,642	\$119,545
32	813	45,859	119,502
33	813	48,119	119,454
34	813	50,419	119,400
35	813	52,757	119,338
36	813	55,127	119,269
37	813	57,521	119,190
38	813	59,921	119,100
39	813	62,313	118,997
40	813	64,681	118,881
	\$35,548		
41	813	67,012	118,749
42	813	69,296	118,601
43	813	71,527	118,433
44	813	73,701	118,244
45	813	75,810	118,029

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
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Ethan Allen - Age 35/Male/Non-Smoker
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State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
46	\$813	\$77,845	\$117,786
47	813	79,789	117,510
48	813	81,622	117,196
49	813	83,328	116,843
50	813	84,892	116,446
	\$43,685		
51	813	86,307	116,001
52	813	87,577	115,506
53	813	88,699	114,950
54	813	89,683	114,329
55	813	90,545	113,640
56	813	91,310	112,889
57	813	92,030	112,094
58	813	92,721	111,245
59	813	93,402	110,320
60	813	93,945	109,311
	\$51,821		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20073(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
61	\$813	\$94,444	\$108,195
62	813	95,052	106,988
63	813	95,903	105,681
64	813	98,064	102,600
65	813	100,000	100,000
	\$55,890		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
1	\$1,414	\$12	\$597	\$597	\$109,070
2	914	13	761	1,358	109,831
3	914	13	798	2,156	110,568
4	914	14	834	2,990	111,279
5	914	15	875	3,865	111,967
6	914	15	916	4,781	112,632
7	914	16	958	5,739	113,276
8	914	17	1,003	6,742	113,898
9	914	17	1,048	7,791	114,501
10	914	18	1,097	8,888	115,084
	\$9,637	\$151	\$8,888		
11	914	19	1,146	10,034	115,649
12	914	20	1,198	11,232	116,197
13	914	21	1,252	12,484	116,728
14	914	22	1,307	13,791	117,243
15	914	23	1,364	15,154	117,742

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
16	\$914	\$25	\$1,729	\$16,883	\$118,532
17	914	26	1,833	18,716	119,353
18	914	28	1,940	20,656	120,206
19	914	30	2,049	22,705	121,092
20	914	46	2,174	24,879	122,029
	\$18,774	\$411	\$24,879		
21	914	115	1,914	26,793	122,663
22	914	197	2,065	28,858	123,512
23	914	289	2,229	31,087	124,598
24	914	398	2,414	33,501	125,937
25	914	519	2,618	36,118	127,556
26	814	656	2,740	38,859	129,203
27	814	719	2,892	41,751	131,086
28	814	786	3,047	44,797	133,067
29	814	864	3,210	48,008	135,157
30	814	947	3,381	51,388	137,367
	\$27,411	\$5,901	\$51,388		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
31	\$814	\$1,039	\$3,557	\$54,946	\$139,702
32	814	1,134	3,678	58,624	142,105
33	814	1,239	3,851	62,475	144,618
34	814	1,347	4,052	66,527	147,268
35	814	1,459	4,257	70,784	150,049
36	814	1,581	4,471	72,254	152,968
37	814	1,713	4,688	79,943	156,031
38	814	1,865	4,911	84,854	159,257
39	814	2,036	5,142	89,996	162,669
40	814	2,221	5,373	95,369	166,282
	\$35,548	\$21,535	\$95,369		
41	814	2,417	5,608	100,977	170,105
42	814	2,623	5,845	106,822	174,141
43	814	2,837	6,083	112,905	178,391
44	814	3,045	6,314	119,220	182,840
45	814	3,263	6,544	125,763	187,485

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

March 30, 2012

This illustration is not complete without all pages.

Page 13 of 16

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ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
46	\$814	\$3,486	\$6,773	\$132,536	\$192,324
47	814	3,733	7,083	139,619	192,571
48	813	3,984	7,308	146,927	197,892
49	813	4,262	7,543	154,470	203,548
50	813	4,544	7,770	162,241	209,464
	\$43,683	\$55,731	\$162,241		
51	813	4,835	7,990	170,231	215,644
52	813	5,109	8,213	178,444	222,070
53	813	5,392	8,419	186,863	228,739
54	813	5,663	8,623	195,486	235,641
55	813	5,918	8,835	204,321	242,744
56	813	6,149	9,082	213,403	250,052
57	813	6,315	9,420	222,823	257,460
58	813	6,506	9,816	232,640	264,983
59	813	6,722	10,265	242,905	272,643
60	813	6,956	10,672	253,576	280,456
	\$51,813	\$115,294	\$253,576		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

March 30, 2012

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ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$813.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,413.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
61	\$813	\$7,275	\$11,328	\$264,905	288,498
62	813	7,609	12,414	277,318	296,781
63	813	7,937	13,985	291,303	305,273
64	813	7,790	15,627	306,931	313,459
65	813	7,022	13,704	320,635	320,635
	\$55,878	\$152,927	\$320,635		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

Policy Cost and Benefit Summary

Prepared for
The Client

EEA35 Class 2

Presented by Sample Agent

Ethan Allen - Age 35/Male/Non-Smoker
Edna Allen - Age 35/Female/Preferred Non-Smoker
State - VT

\$100,000 ValuGuard with benefits previously described

Policy Year	Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit	Averaged Total Cash Value End Year*	Averaged Total Death Benefit End Year*	End Year Total Cash Value*	End Year Total Death Benefit*
5	\$913	\$3,792	\$111,609	\$3,828	\$111,787	\$3,864	\$111,966
10	913	8,709	114,284	8,798	114,681	8,888	115,083
20	913	22,330	118,264	24,587	121,118	24,878	122,028
30	813	41,469	119,582	47,822	129,814	51,387	137,366

*The benefits and values are not guaranteed, the assumptions on which they are based are subject to change by the insured, and actual results may be more or less favorable.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.

Date _____ Applicant By _____

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Date _____ Agent _____

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Agent address:
1 National Life Drive
Montpelier, Vermont 05604
802 229-3333

ValuGuard is a level premium, individual whole life insurance policy with premiums payable to attained equal equivalent age 100. ValuGuard insures two lives and pays the death benefit at the second death.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown.

Flex Term I is a rider that uses the rider premium and annual dividend to purchase a combination of one year term insurance and paid up additions to provide the Flex Term death benefit. The Flex Term death benefit usually remains level with a decreasing amount of one year term purchased each year while the amount of paid up additions increases.

Extra Annual Premium is a rider that uses additional premiums to purchase paid-up life insurance. This increases the policy death benefit and cash value.

Extra Single Premium is a rider that uses an additional premium to purchase paid-up life insurance. This increases the policy death benefit and cash value.

Definitions of key terms and column headings:

Age - The insured's age at nearest birthday

EEA - Equal Equivalent Age is used to compute the policy values and premiums. It is calculated using a formula which makes provisions for the actual age and gender of each insured. The EEA used in this proposal is 35.

Class - Is a number, from 1 to 6 with 1 being the best, determined based on the smoking status and other underwriting information. It is used to determine which rates will be used to compute premiums and policy values for this policy.

Policy Year - The year of the policy for which information is being illustrated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Guaranteed Contract Premium - The annual guaranteed maximum premium for the policy.

End Year Guaranteed Cash Value - The guaranteed equity at the end of the policy year.

Guaranteed Death Benefit - The policy's guaranteed death benefit.

Contract Premium - The annualized premium that is required under the illustrated policy.

Annual Dividend* - The policy dividend. Dividends are not guaranteed. They are not based on a forecast of future experience nor are they guaranteed. The amount of dividends earned can also be affected by policy owner requested transactions, e.g. policy loan, dividend surrender, dividend withdrawal.

End Year Total Cash Value Increase* - The annual increase in the policy's total equity from the beginning of the policy year to the end of the same year, which is not guaranteed.

End Year Total Cash Value* - The entire policy equity at the end of the year before any deductions for any outstanding policy loans and loan interest. It may include dividends, interest and mortality credits which are not guaranteed.

End Year Total Death Benefit* - The entire policy death benefit at the end of the year before deductions for any outstanding policy loans and loan interest. It may include dividends, interest and mortality credits which are not guaranteed.

Averaged Total Cash Value End Year* - The total cash value assuming dividends are paid at one half the rate of the dividends shown in this illustration. These values are not guaranteed.

Averaged Total Death Benefit End Year* - The entire policy death benefit at the end of the year before deductions for any outstanding policy loans and loan interest. Values in this column are based on the assumption that dividends are paid at one half the rate of the dividends shown in this illustration. These values are not guaranteed.

Non- Guaranteed values in this illustration are based on our current dividend scale.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

STATEMENT ON NON-GUARANTEED VALUES:

The annual dividends, any terminal dividend, the cost of any one year term insurance purchased with dividends, interest on any dividends held at interest with the Company, and the year in which dividend values become sufficient to pay future premiums are all based on the Company's current level of expenses, claims and investment earnings. They are not based on a forecast of future experience nor are they guaranteed. The amount of dividends earned can also be affected by policy owner requested transactions, e.g. policy loan, dividend surrender, dividend withdrawal.

FLEX TERM:

If the dividend, flex term premium and additions available for surrender are insufficient to purchase the amount of One Year Term (OYT) insurance necessary to support the illustrated death benefit, the Company will accept a payment equal to the amount necessary to sustain the benefit. If the payment is not made, there may be a permanent decrease in total death benefits.

VARIABLE POLICY LOAN (VLR) RATE:

The variable policy loan interest rate for the first policy year is stated in the policy data pages. The actual VLR depends on the month a policy is issued and is subject to change annually base on the then current Moody's Corporate Bond Index. The VLR for policies issued in the month of this illustration is 5.00%, applied in arrears.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

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Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Premium payment options

Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay in the first year is as follows:

Premium Frequency	Number of payments per year	Amount of each premium payment	Total premium per year	Amount you will pay each year in addition to the annual premium
Annual	1	\$972.70	\$972.70	\$0.00
Semi-annual	2	\$496.08	\$992.15	\$19.46
Quarterly	4	\$252.90	\$1,011.60	\$38.90
Monthly (COM/List Bill)	12	\$85.60	\$1,027.20	\$54.50
Monthly (Non-COM)	12	\$87.54	\$1,050.48	\$77.78

This table illustrates the additional amounts that are required in the first year. Additional amounts will be due in future years if premiums are paid more frequently than annually and may vary from the above example.

This illustration assumes premiums are paid on an annual basis. Premium payments made on any other basis could potentially affect this policy's Modified Endowment status.

COST INDEX STATEMENT:

Cost Indexes combine the premiums, dividends and guaranteed cash value with an interest factor. They are useful only for the purpose of comparing the cost of two or more similar policies, and they do not reflect differences in the quality of service that can be expected from the agent and the Company. Explanations of the intended use of the Cost Indexes are provided in the Life Insurance Buyer's Guide.

Cost indexes for base policy at 5%

	Year 10	Year 20
Payment	\$8.62	\$8.62
Surrender	\$3.01	\$2.88

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

May 17, 2012

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A Life Insurance Illustration
 ValuGuard - Whole Life - Policy Form Series 20074(0512)
 Statement of Policy Cost and Benefit Information
 Prepared for
 Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
 Ethan Allen - Age 35/Unisex/Non-Smoker
 Edna Allen - Age 35/Unisex/Preferred Non-Smoker
 State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

UNDERWRITING DATA

Ethan Allen
 Non-Smoker

Edna Allen
 Preferred Non-Smoker

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

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Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
1	\$1,472	\$584	\$105,000
2	972	1,388	105,000
3	972	2,228	105,359
4	972	3,108	105,979
5	972	4,029	106,576
6	972	4,992	107,149
7	972	6,000	107,700
8	972	7,054	108,230
9	972	8,157	108,740
10	972	9,307	109,230
	\$10,221		
11	972	10,510	109,702
12	972	11,765	110,156
13	972	13,075	110,592
14	972	14,441	111,011
15	972	15,866	111,415

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
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Statement of Policy Cost and Benefit Information
Prepared for
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Presented by Sample Agent

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Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
16	\$972	\$17,349	\$111,803
17	972	18,894	112,177
18	972	20,501	112,536
19	972	22,170	112,882
20	972	23,902	113,215
	\$19,941		
21	972	25,697	113,536
22	972	27,555	113,844
23	972	29,477	114,141
24	972	31,464	114,427
25	972	33,515	114,703
26	872	35,529	114,703
27	872	37,599	114,703
28	872	39,724	114,703
29	872	41,898	114,703
30	872	44,116	114,703
	\$29,161		
31	872	46,374	114,703

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
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Presented by Sample Agent

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Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
32	\$872	\$48,668	\$114,703
33	872	50,995	114,703
34	872	53,352	114,703
35	872	55,735	114,703
36	872	58,137	114,703
37	872	60,548	114,703
38	872	62,955	114,703
39	872	65,343	114,703
40	872	67,698	114,703
	\$37,881		
41	872	70,011	114,703
42	872	72,276	114,703
43	872	74,491	114,703
44	872	76,660	114,703
45	872	78,781	114,703
46	872	80,851	114,703
47	872	82,860	114,703

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
		<hr/>
	Total	\$1,472.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
48	\$872	\$84,794	\$114,703
49	872	86,641	114,703
50	872	88,394	114,703
	\$46,601		
51	872	90,051	114,703
52	872	91,621	114,703
53	872	93,113	114,703
54	872	94,542	114,703
55	872	95,930	114,703
56	872	97,303	114,703
57	872	98,703	114,703
58	872	100,164	114,703
59	872	101,717	114,703
60	872	103,281	114,703
	\$55,321		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
61	\$872	\$104,954	\$114,703
62	872	106,888	114,703
63	872	109,249	114,703
64	872	112,482	114,703
65	872	114,703	114,703
	\$59,681		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
1	\$1,472	\$12	\$596	\$596	\$105,012
2	972	12	816	1,413	105,012
3	972	13	854	2,268	105,543
4	972	13	895	3,164	106,249
5	972	14	937	4,102	106,932
6	972	15	980	5,083	107,592
7	972	15	1,027	6,111	108,231
8	972	16	1,074	7,186	108,849
9	972	17	1,124	8,311	109,447
10	972	18	1,174	9,486	110,027
	\$10,221	\$150	\$9,486		
11	972	19	1,227	10,714	110,589
12	972	20	1,283	11,998	111,133
13	972	21	1,340	13,339	111,661
14	972	22	1,397	14,737	112,174
15	972	23	1,459	16,197	112,672

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
16	\$972	\$24	\$1,827	\$18,025	\$113,461
17	972	26	1,935	19,961	114,282
18	972	27	2,044	22,006	115,135
19	972	29	2,156	24,163	116,023
20	972	63	2,301	26,465	116,978
	\$19,941	\$424	\$26,465		
21	972	153	2,064	28,530	117,693
22	972	257	2,239	30,770	118,689
23	972	379	2,434	33,205	119,990
24	972	517	2,653	35,859	121,625
25	972	677	2,896	38,756	123,624
26	872	749	2,958	41,715	125,642
27	872	817	3,114	44,830	127,779
28	872	901	3,284	48,115	130,032
29	872	989	3,457	51,573	132,420
30	872	1,088	3,641	55,215	134,949
	\$29,161	\$6,962	\$55,215		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

May 17, 2012

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ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
31	\$872	\$1,192	\$3,827	\$59,043	\$137,625
32	872	1,308	3,964	63,008	140,396
33	872	1,424	4,142	67,151	143,301
34	872	1,550	4,356	71,508	146,363
35	872	1,681	4,570	76,079	149,584
36	872	1,823	4,796	80,876	152,968
37	872	1,977	5,026	85,903	156,526
38	872	2,151	5,262	91,166	160,276
39	872	2,338	5,500	96,667	164,235
40	872	2,546	5,749	102,417	168,419
	\$37,881	\$24,957	\$102,417		
41	872	2,762	5,998	108,416	172,840
42	872	2,985	6,251	114,668	177,496
43	872	3,209	6,500	121,169	182,378
44	872	3,435	6,755	127,925	187,479
45	872	3,665	7,010	134,936	192,793

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
46	\$872	\$3,896	\$7,260	\$142,197	\$198,315
47	872	4,151	7,509	149,707	204,060
48	872	4,417	7,747	157,455	210,043
49	872	4,700	7,990	165,446	216,279
50	872	4,991	8,230	173,677	222,776
	\$46,601	\$63,174	\$173,677		
51	872	5,287	8,466	182,144	229,535
52	872	5,564	8,701	190,846	236,535
53	872	5,843	8,906	199,753	243,766
54	872	6,106	9,112	208,866	251,212
55	872	6,349	9,322	218,189	258,849
56	872	6,560	9,561	227,751	266,641
57	872	6,692	9,905	237,657	274,499
58	872	6,855	10,308	247,966	282,434
59	872	7,047	10,758	258,725	290,471
60	872	7,278	11,207	269,933	298,649
	\$55,321	\$126,760	\$269,933		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

May 17, 2012

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ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	0.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
61	\$872	\$7,583	\$11,908	\$281,842	\$307,038
62	872	7,917	13,054	294,897	315,660
63	872	8,270	14,716	309,614	324,509
64	872	8,046	17,121	326,736	332,968
65	872	7,174	13,564	340,301	340,301
	\$59,681	\$165,752	\$340,301		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

Policy Cost and Benefit Summary

Prepared for
The Client

EEA35 Class 2

Presented by Sample Agent

Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

\$100,000 ValuGuard with benefits previously described

Policy Year	Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit	Averaged Total Cash Value End Year*	Averaged Total Death Benefit End Year*	End Year Total Cash Value*	End Year Total Death Benefit*
5	\$972	\$4,029	\$106,576	\$4,065	\$106,753	\$4,102	\$106,932
10	972	9,307	109,230	9,396	109,625	9,486	110,027
20	972	23,902	113,215	26,167	116,069	26,465	116,978
30	872	44,116	114,703	51,050	126,148	55,215	134,949

*The benefits and values are not guaranteed, the assumptions on which they are based are subject to change by the insured, and actual results may be more or less favorable.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.

Date _____ Applicant By _____

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Date _____ Agent _____

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Agent address:
1 National Life Drive
Montpelier, Vermont 05604
802 229-3333

ValuGuard is a level premium, individual whole life insurance policy with premiums payable to attained equal equivalent age 100. ValuGuard insures two lives and pays the death benefit at the second death.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown.

Flex Term II is a rider that uses the rider premium and annual dividend to purchase a combination of one year term insurance and paid up additions to provide the Flex Term death benefit. The Flex Term death benefit usually increases with a level amount of one year term purchased each year while the unused premium and dividend is used to purchase additional paid up additions.

Extra Annual Premium is a rider that uses additional premiums to purchase paid-up life insurance. This increases the policy death benefit and cash value.

Extra Single Premium is a rider that uses an additional premium to purchase paid-up life insurance. This increases the policy death benefit and cash value.

Definitions of key terms and column headings:

Age - The insured's age at nearest birthday

EEA - Equal Equivalent Age is used to compute the policy values and premiums. It is calculated using a formula which makes provisions for the actual age and gender of each insured. The EEA used in this proposal is 35.

Class - Is a number, from 1 to 6 with 1 being the best, determined based on the smoking status and other underwriting information. It is used to determine which rates will be used to compute premiums and policy values for this policy.

Policy Year - The year of the policy for which information is being illustrated.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

March 30, 2012

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A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Guaranteed Contract Premium - The annual guaranteed maximum premium for the policy.

End Year Guaranteed Cash Value - The guaranteed equity at the end of the policy year.

Guaranteed Death Benefit - The policy's guaranteed death benefit.

Contract Premium - The annualized premium that is required under the illustrated policy.

Annual Dividend* - The policy dividend. Dividends are not guaranteed. They are not based on a forecast of future experience nor are they guaranteed. The amount of dividends earned can also be affected by policy owner requested transactions, e.g. policy loan, dividend surrender, dividend withdrawal.

End Year Total Cash Value Increase* - The annual increase in the policy's total equity from the beginning of the policy year to the end of the same year, which is not guaranteed.

End Year Total Cash Value* - The entire policy equity at the end of the year before any deductions for any outstanding policy loans and loan interest. It may include dividends, interest and mortality credits which are not guaranteed.

End Year Total Death Benefit* - The entire policy death benefit at the end of the year before deductions for any outstanding policy loans and loan interest. It may include dividends, interest and mortality credits which are not guaranteed.

Averaged Total Cash Value End Year* - The total cash value assuming dividends are paid at one half the rate of the dividends shown in this illustration. These values are not guaranteed.

Averaged Total Death Benefit End Year* - The entire policy death benefit at the end of the year before deductions for any outstanding policy loans and loan interest. Values in this column are based on the assumption that dividends are paid at one half the rate of the dividends shown in this illustration. These values are not guaranteed.

Non- Guaranteed values in this illustration are based on our current dividend scale.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

March 30, 2012

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A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

STATEMENT ON NON-GUARANTEED VALUES:

The annual dividends, any terminal dividend, the cost of any one year term insurance purchased with dividends, interest on any dividends held at interest with the Company, and the year in which dividend values become sufficient to pay future premiums are all based on the Company's current level of expenses, claims and investment earnings. They are not based on a forecast of future experience nor are they guaranteed. The amount of dividends earned can also be affected by policy owner requested transactions, e.g. policy loan, dividend surrender, dividend withdrawal.

FLEX TERM:

If the dividend, flex term premium and additions available for surrender are insufficient to purchase the amount of One Year Term (OYT) insurance necessary to support the illustrated death benefit, the Company will accept a payment equal to the amount necessary to sustain the benefit. If the payment is not made, there may be a permanent decrease in total death benefits.

VARIABLE POLICY LOAN (VLR) RATE:

The variable policy loan interest rate for the first policy year is stated in the policy data pages. The actual VLR depends on the month a policy is issued and is subject to change annually base on the then current Moody's Corporate Bond Index. The VLR for policies issued in the month of this illustration is 5.00%, applied in arrears.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Premium payment options

Your yearly cost will be higher if you choose to pay premiums more frequently than annually. For example, the additional amount you will pay in the first year is as follows:

Premium Frequency	Number of payments per year	Amount of each premium payment	Total premium per year	Amount you will pay each year in addition to the annual premium
Annual	1	\$972.70	\$972.70	\$0.00
Semi-annual	2	\$496.08	\$992.15	\$19.45
Quarterly	4	\$252.90	\$1,011.60	\$38.90
Monthly (COM/List Bill)	12	\$85.60	\$1,027.20	\$54.50
Monthly (Non-COM)	12	\$87.54	\$1,050.48	\$77.78

This table illustrates the additional amounts that are required in the first year. Additional amounts will be due in future years if premiums are paid more frequently than annually and may vary from the above example.

This illustration assumes premiums are paid on an annual basis. Premium payments made on any other basis could potentially affect this policy's Modified Endowment status.

COST INDEX STATEMENT:

Cost Indexes combine the premiums, dividends and guaranteed cash value with an interest factor. They are useful only for the purpose of comparing the cost of two or more similar policies, and they do not reflect differences in the quality of service that can be expected from the agent and the Company. Explanations of the intended use of the Cost Indexes are provided in the Life Insurance Buyer's Guide.

Cost indexes for base policy at 5%

	Year 10	Year 20
Payment	\$8.62	\$8.62
Surrender	\$3.01	\$2.88

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

March 30, 2012

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A Life Insurance Illustration
 ValuGuard - Whole Life - Policy Form Series 20074(0512)
 Statement of Policy Cost and Benefit Information
 Prepared for
 Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
 Ethan Allen - Age 35/Unisex/Non-Smoker
 Edna Allen - Age 35/Unisex/Preferred Non-Smoker
 State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

UNDERWRITING DATA

Ethan Allen
 Non-Smoker

Edna Allen
 Preferred Non-Smoker

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
1	\$1,472	\$584	\$109,040
2	972	1,388	109,713
3	972	2,228	110,360
4	972	3,109	110,983
5	972	4,030	111,581
6	972	4,994	112,157
7	972	6,002	112,710
8	972	7,057	113,242
9	972	8,159	113,754
10	972	9,310	114,245
	\$10,227		
11	972	10,513	114,717
12	972	11,768	115,171
13	972	13,078	115,607
14	972	14,444	116,025
15	972	15,869	116,427

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
16	\$972	\$17,352	\$116,813
17	972	18,896	117,184
18	972	20,502	117,540
19	972	22,170	117,881
20	972	23,900	118,208
	\$19,954		
21	972	25,692	118,521
22	972	27,547	118,820
23	972	29,465	119,106
24	972	31,447	119,379
25	972	33,492	119,640
26	872	35,498	119,622
27	872	37,559	119,601
28	872	39,673	119,577
29	872	41,833	119,549
30	872	44,035	119,517
	\$29,181		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
31	\$872	\$46,273	\$119,480
32	872	48,543	119,437
33	872	50,842	119,388
34	872	53,166	119,332
35	872	55,510	119,270
36	872	57,867	119,199
37	872	60,225	119,119
38	872	62,570	119,027
39	872	64,884	118,923
40	872	67,154	118,805
	\$37,908		
41	872	69,368	118,671
42	872	71,518	118,520
43	872	73,599	118,349
44	872	75,614	118,155
45	872	77,556	117,936

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
46	\$872	\$79,422	\$117,690
47	872	81,193	117,408
48	872	82,854	117,089
49	872	84,389	116,729
50	872	85,786	116,326
	\$46,635		
51	872	87,040	115,875
52	872	88,157	115,374
53	872	89,135	114,813
54	872	89,986	114,187
55	872	90,729	113,495
56	872	91,390	112,739
57	872	92,021	111,943
58	872	92,641	111,093
59	872	93,262	110,169
60	872	93,786	109,158
	\$55,361		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

A Life Insurance Illustration
ValuGuard - Whole Life - Policy Form Series 20074(0512)
Statement of Policy Cost and Benefit Information
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term II	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Policy Year	Guaranteed Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit
61	\$872	\$94,288	\$108,046
62	872	94,905	106,844
63	872	95,761	105,542
64	872	98,064	102,087
65	872	100,000	100,000
	\$59,725		

This illustration assumes all premium payments are received on the first day of the policy year. Values and benefits are as of the end of the policy year unless otherwise indicated.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
1	\$1,473	\$12	\$597	\$597	\$109,053
2	973	13	817	1,414	109,811
3	973	13	855	2,269	110,544
4	973	14	896	3,165	111,253
5	973	15	938	4,103	111,938
6	973	15	982	5,085	112,601
7	973	16	1,028	6,113	113,242
8	973	17	1,076	7,188	113,861
9	973	17	1,125	8,314	114,462
10	973	18	1,176	9,489	115,043
	\$10,227	\$151	\$9,489		
11	973	19	1,229	10,718	115,606
12	973	20	1,284	12,002	116,152
13	973	21	1,341	13,343	116,680
14	973	22	1,399	14,742	117,193
15	973	24	1,461	16,203	117,690

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

March 30, 2012

This illustration is not complete without all pages.

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v12.3

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
16	\$973	\$25	\$1,827	\$18,030	\$118,480
17	973	26	1,936	19,966	119,299
18	973	28	2,045	22,011	120,150
19	973	30	2,156	24,167	121,035
20	973	64	2,301	26,468	121,988
	\$19,954	\$430	\$26,468		
21	973	154	2,064	28,532	122,699
22	973	257	2,239	30,771	123,692
23	973	379	2,433	33,204	124,987
24	973	518	2,652	35,856	126,617
25	973	677	2,895	38,751	128,609
26	873	750	2,956	41,707	130,619
27	873	818	3,111	44,818	132,747
28	873	901	3,280	48,098	134,989
29	873	990	3,453	51,551	137,365
30	873	1,088	3,635	55,186	139,881
	\$29,181	\$6,962	\$55,186		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

March 30, 2012

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v12.3

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
31	\$873	\$1,192	\$3,820	\$59,005	\$142,543
32	873	1,308	3,956	62,961	145,296
33	873	1,424	4,133	67,094	148,182
34	873	1,550	4,343	71,437	151,222
35	873	1,680	4,556	75,993	154,418
36	873	1,823	4,779	80,772	157,774
37	873	1,976	5,005	85,777	161,300
38	873	2,150	5,238	91,015	165,013
39	873	2,337	5,472	96,487	168,929
40	873	2,544	5,715	102,201	173,065
	\$37,908	\$24,946	\$102,201		
41	873	2,760	5,957	108,159	177,429
42	873	2,982	6,202	114,361	182,020
43	873	3,204	6,443	120,804	186,827
44	873	3,429	6,687	127,492	191,840
45	872	3,658	6,929	134,421	197,052

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
46	\$872	\$3,887	\$7,164	\$141,585	\$202,456
47	872	4,142	7,485	149,070	203,187
48	872	4,406	7,723	156,793	209,155
49	872	4,688	7,966	164,759	215,375
50	872	4,979	8,205	172,964	221,855
	\$46,631	\$63,081	\$172,964		
51	872	5,274	8,440	181,404	228,597
52	872	5,550	8,674	190,078	235,578
53	872	5,828	8,879	198,957	242,791
54	872	6,091	9,085	208,042	250,218
55	872	6,333	9,295	217,337	257,835
56	872	6,544	9,534	226,871	265,606
57	872	6,675	9,877	236,747	273,445
58	872	6,839	10,279	247,026	281,360
59	872	7,030	10,727	257,753	289,378
60	872	7,261	11,176	268,929	297,536
	\$55,351	\$126,506	\$268,929		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

NATIONAL LIFE INSURANCE COMPANY, MONTPELIER, VT 05604

March 30, 2012

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ValuGuard
Prepared for
Ethan Allen and Edna Allen

Presented by Sample Agent

EEA 35 Class 2
Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

Benefit		Annual Premium
\$100,000	ValuGuard	\$872.00
5,000	Flex Term I	.70
	Extra Annual Premium	100.00
	Extra Single Premium	500.00
	Total	\$1,472.70

Dividends purchase a combination of one year term insurance and additions.

Policy Year	Contract Premium	Annual Dividend*	End Year Total Cash Value Increase*	End Year Total Cash Value*	End Year Total Death Benefit*
61	\$872	\$7,566	\$11,875	\$280,804	\$305,905
62	872	7,899	13,018	293,822	314,507
63	872	8,253	14,676	308,497	323,337
64	872	8,033	16,369	324,866	331,782
65	872	7,168	14,243	339,109	339,109
	\$59,711	\$165,425	\$339,109		

*Some of the illustrated benefits and values are derived from dividends and are not guaranteed. The assumptions on which they are based are subject to change by the Company. Actual results may be more or less favorable than illustrated.

See previous pages of the illustration for guaranteed values and benefits.

Policy Cost and Benefit Summary

Prepared for
The Client

EEA35 Class 2

Presented by Sample Agent

Ethan Allen - Age 35/Unisex/Non-Smoker
Edna Allen - Age 35/Unisex/Preferred Non-Smoker
State - VT

\$100,000 ValuGuard with benefits previously described

Policy Year	Contract Premium	End Year Guaranteed Cash Value	Guaranteed Death Benefit	Averaged Total Cash Value End Year*	Averaged Total Death Benefit End Year*	End Year Total Cash Value*	End Year Total Death Benefit*
5	\$972	\$4,030	\$111,581	\$4,066	\$111,759	\$4,103	\$111,937
10	972	9,310	114,245	9,399	114,641	9,489	115,042
20	972	23,900	118,208	26,167	121,070	26,467	121,987
30	872	44,035	119,517	50,994	131,020	55,185	139,881

*The benefits and values are not guaranteed, the assumptions on which they are based are subject to change by the insured, and actual results may be more or less favorable.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.

Date _____ Applicant By _____

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Date _____ Agent _____

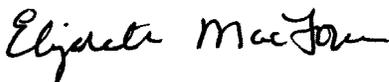
CERTIFICATION
STATE OF ARKANSAS

Regarding: **20073AR(0512), Survivorship Whole Life Policy**
 20074AR(0512), Survivorship Whole Life Policy, Unisex Version
 20075(0512), Additional Paid Up Life Insurance Rider
 20077(0512), Rider Applying Dividends Toward Paid Up Additions and Decreasing
 One Year Term Insurance
 20078(0512), Rider Applying Dividends Toward Paid Up Additions and Level
 One Year Term Insurance
 20079(0512), Rider for Exchange to New Insureds

I, Elizabeth MacGowan, certify for National Life Insurance Company that the forms referenced above meet the provisions of Regulation 19§10B, as well as all applicable requirements of the Arkansas Insurance Department.

I further certify that the forms referenced above are in compliance with Regulation 49 concerning Life & Health Guaranty Association Notices and Arkansas Insurance Code 23-79-138 concerning required policy information.

Life Insurance Company of the Southwest



Elizabeth MacGowan, FSA, MAAA
Designated Representative

July 9, 2012

Date

State: Arkansas
TOI/Sub-TOI: L071 Individual Life - Whole/L071.103 Fixed/Indeterminate Premium - Joint (Last Survivor)
Product Name: ValuGuard 2012
Project Name/Number: ValuGuard 2012/20073(0512)

Filing Company: National Life Insurance Company

Superceded Schedule Items

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

Creation Date	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/03/2012	Form	Survivorship Whole Life Policy	08/29/2012	20073AR(0512) revised2.pdf (Superceded)
08/03/2012	Form	Survivorship Whole Life Policy-Unisex	08/29/2012	20074AR(0512) revised2.pdf (Superceded)
07/20/2012	Form	Survivorship Whole Life Policy-Unisex	08/03/2012	20074AR(0512) revised.pdf (Superceded)
07/20/2012	Form	Survivorship Whole Life Policy	08/03/2012	20073AR(0512) revised.pdf (Superceded)
07/12/2012	Form	Survivorship Whole Life Policy-Unisex	07/20/2012	20074AR(0512).pdf (Superceded)
07/12/2012	Form	Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance	07/20/2012	20077(0512).pdf (Superceded)
07/12/2012	Form	Rider Applying Dividends Toward Paid Up Additions and Level One Year Term Insurance	07/20/2012	20078(0512).pdf (Superceded)
07/12/2012	Form	Survivorship Whole Life Policy	07/20/2012	20073AR(0512).pdf (Superceded)



NATIONAL LIFE

National Life Insurance Company
Montpelier, Vermont 05604
Tel: 802-229-3333

Should You Need to Call

Your agent is, and should continue to be, the primary contact for information about your National Life coverage. However, there may be times when it is necessary to contact our Home Office for assistance.

If you need to contact our Home Office directly, please dial 1-800-732-8939. Contract information is also available at www.nationallife.com, where you can self-register to access policy information in a secure setting.

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 your 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*). On the next page 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 contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation (*FPBC*) (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

Limits on Amount of Coverage

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or 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.



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

Survivorship Whole Life Insurance with Dividends. Premiums to be paid for years shown in Data Section or until prior death of both Insureds. The Death Benefit is payable upon the death of the second of the Insureds to die. This policy is nonparticipating.

Right to Review Policy. This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Date of Issue. We will then refund any premium paid.

Effective Date:	08/15/2012
Policy Number:	1234567
Face Amount:	\$100,000
First Insured:	Ethan Allen
Issue Age:	35
Second Insured:	Edna Allen
Issue Age:	35
Owner:	As stated in the application unless later changed
Beneficiary:	As stated in the application unless later changed

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

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

Signed for National Life Insurance Company at [Montpelier, Vermont] as of the Date of Issue, by

Mehran Assadi
President & Chief Executive Officer

James F. McQuinn
Secretary

One National Life Drive, Montpelier, Vermont 05604, Tel: 800-732-8939
National Life Group® is a trade name of National Life Insurance Company and its affiliates.

DATA SECTION

[++REFER TO THE ADDITIONAL PAID UP LIFE INSURANCE RIDER VALUES SECTION FOR DETAILS ON FACE AMOUNTS FOR THE ADDITIONAL PAID UP LIFE INSURANCE.]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

[**REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE.]

[IF MODAL PREMIUMS ON THIS POLICY ARE PAID BY SURRENDERING DIVIDEND ADDITIONS OR BY TAKING LOANS AGAINST THE POLICY, THE RIDER SUM INSURED MAY NOT BE SUPPORTED FOR THE DURATION OF THE POLICY YEAR.]

[EXPENSE CHARGES FOR FLEX TERM PREMIUM AS A PERCENTAGE OF PREMIUM PAID.

YEARS 2-10: 10%

YEARS 11+: 3%]

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

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

THIS POLICY IS IN PREMIUM CLASS [02].

[THE EXTENDED TERM INSURANCE DEFAULT BENEFIT IS AVAILABLE AND IS THE AUTOMATIC DEFAULT BENEFIT IF NO OTHER DEFAULT BENEFIT IS CHOSEN PRIOR TO THE SIXTIETH DAY AFTER THE DATE OF DEFAULT.]

THE LOAN INTEREST RATE IS VARIABLE. THE LOAN INTEREST RATE AT THE DATE OF ISSUE IS [5.00%].

DATA SECTION

ANNUAL PREMIUMS PAYABLE*

<u>AS OF</u> <u>[AUG 15]</u> <u>YEAR</u>	<u>TOTAL</u>
[2012	\$1413.70
2013-2036	\$913.70
2037-2076	\$813.70]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

DATA SECTION

[PREMIUM PAYMENT OPTIONS AND ADDITIONAL COSTS ASSOCIATED WITH PAYING PREMIUMS MORE FREQUENTLY THAN ANNUALLY: YOU MAY PAY PREMIUMS ONCE A YEAR (ANNUALLY), TWICE A YEAR (SEMI-ANNUALLY), OR FOUR TIMES A YEAR (QUARTERLY). YOU MAY ALSO PAY PREMIUMS TWELVE TIMES A YEAR (MONTHLY) BY PRE-AUTHORIZED ELECTRONIC TRANSFER.]

YOUR YEARLY COST WILL BE HIGHER IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY. FOR EXAMPLE, THE ADDITIONAL AMOUNT YOU WILL PAY IN THE FIRST YEAR IS AS FOLLOWS:

<u>PREMIUM FREQUENCY</u>	<u>NUMBER OF PAYMENTS PER YEAR</u>	<u>AMOUNT OF EACH PREMIUM PAYMENT</u>	<u>TOTAL PREMIUM PER YEAR</u>	<u>AMOUNT YOU WILL PAY EACH YEAR IN ADDITION TO THE ANNUAL PREMIUM</u>
ANNUAL	1	[\$913.70	\$913.70	\$ 0.00
SEMI-ANNUAL	2	\$465.99	\$931.98	\$18.28
QUARTERLY	4	\$237.56	\$950.24	\$36.54
MONTHLY (EFT/LIST BILL)	12	\$80.41	\$964.92	\$51.22]

THIS TABLE ILLUSTRATES THE ADDITIONAL AMOUNTS THAT ARE REQUIRED IN THE FIRST YEAR. ADDITIONAL AMOUNTS WILL BE DUE IN FUTURE YEARS IF PREMIUMS ARE PAID MORE FREQUENTLY THAN ANNUALLY AND MAY VARY FROM THE ABOVE EXAMPLE. CONTACT YOUR AGENT OR THE COMPANY TO DETERMINE THE ADDITIONAL AMOUNT DUE IN ANY GIVEN YEAR IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY.

DATA SECTION

ON POLICY ANNIVERSARY <u>IN YEAR</u>	CASH VALUE*	PAID UP LIFE INSURANCE*	PERIOD OF EXTENDED TERM INSURANCE*	
			<u>YEARS</u>	<u>DAYS</u>
[2013	\$0.00	\$0	0	0
2014	\$623.00	\$4159	27	122
2015	\$1277.00	\$8196	31	40
2016	\$1961.00	\$12103	33	43
2017	\$2679.00	\$15900	34	113
2018	\$3431.00	\$19582	35	22
2019	\$4218.00	\$23150	35	184
2020	\$5043.00	\$26618	35	277
2021	\$5905.00	\$29975	35	312
2022	\$6808.00	\$33236	35	306
2023	\$7751.00	\$36393	35	262
2024	\$8737.00	\$39457	35	190
2025	\$9768.00	\$42433	35	98
2026	\$10844.00	\$45314	34	354
2027	\$11967.00	\$48107	34	228
2028	\$13139.00	\$50816	34	90
2029	\$14360.00	\$53437	33	307
2030	\$15632.00	\$55977	33	151
2031	\$16956.00	\$58433	32	353
2032	\$18331.00	\$60805	32	180
2042	\$35112.00	\$80538	27	125
2047	\$45347.00	\$87742	24	300]

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, OR DEBT TO US ON THIS POLICY. ANY DIVIDEND ADDITIONS AND DIVIDENDS HELD WILL INCREASE, AND ANY DEBT WILL DECREASE, THE NET CASH VALUE AND THE AMOUNTS OF PAID UP LIFE INSURANCE AND EXTENDED TERM INSURANCE.

THESE VALUES APPLY ONLY IF PREMIUMS ARE PAID TO THE STATED ANNIVERSARIES.

THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THEY WILL BE QUOTED UPON REQUEST.

DIVIDENDS PAID ON THIS POLICY ARE NOT GUARANTEED. NATIONAL LIFE MAY CHANGE THE AMOUNT OF DIVIDEND TO BE CREDITED TO THE POLICY, WHICH MAY RESULT IN LOWER CASH VALUES THAN THOSE THAT MAY HAVE BEEN PROVIDED TO YOU ON AN ILLUSTRATION OF PROJECTED PERFORMANCE OF THIS POLICY. THE VALUES DISPLAYED IN THIS DATA SECTION ARE GUARANTEED.

DATA SECTION

<u>ON POLICY ANNIVERSARY IN YEAR</u>	<u>CASH VALUE*</u>	<u>ADDITIONAL PAID UP LIFE INSURANCE*</u>
[2013	\$584.48	\$4057
2014	\$708.73	\$4731
2015	\$837.95	\$5378
2016	\$972.27	\$6001
2017	\$1111.97	\$6600
2018	\$1257.19	\$7175
2019	\$1408.21	\$7729
2020	\$1565.19	\$8261
2021	\$1728.34	\$8773
2022	\$1897.98	\$9266
2023	\$2074.26	\$9739
2024	\$2257.41	\$10195
2025	\$2447.65	\$10633
2026	\$2645.36	\$11054
2027	\$2850.65	\$11459
2028	\$3063.77	\$11849
2029	\$3285.09	\$12225
2030	\$3514.62	\$12585
2031	\$3752.85	\$12933
2032	\$3999.63	\$13267
2042	\$6435.29	\$14761
2047	\$7628.70	\$14761]

THE ADDITIONAL PAID UP LIFE INSURANCE PERIODIC PREMIUM IS [\$100.00] FOR A [12-MONTH] INTERVAL.

THE ADDITIONAL PAID UP LIFE INSURANCE SINGLE PREMIUM IS [\$500.00].

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, DEBT TO US ON THIS POLICY, OR ANY UNCOLLECTED PERIODIC PREMIUMS.

THESE VALUES APPLY ONLY IF PREMIUMS FOR THIS RIDER ARE PAID ON THE STATED POLICY ANNIVERSARY DATES. ANY ADDITIONAL PAID UP LIFE INSURANCE PURCHASED UNDER THIS RIDER MAY BE SURRENDERED FOR ITS CASH VALUE AT THAT TIME. THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF THE TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THE VALUES ON THIS PAGE REPRESENT THE GUARANTEED PURCHASE BASIS STATED IN YOUR POLICY.

THE PERCENTAGE OF THE ANNUAL PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [97.0%].

THE PERCENTAGE OF THE SINGLE PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [93.0%].

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Any riders and Endorsements and a copy of
the application, follow page 24

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

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of premiums as shown in the Data Section. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

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

POLICY DATE

The Policy Date is the Date of Issue, as stated in the Data Section.

POLICY MONTHS, YEARS AND ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Policy Date.

Each policy month shall begin on the same day of the month as the Policy Date or on the last day of any month having no such day.

PAYMENT OF BENEFITS

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

NOTICES

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

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

MISSTATEMENT OF AGE OR SEX

The ages of the Insureds on their respective birthdays nearest to the Policy Date are shown in the Data Section. They are based on the dates of birth shown in the application. If the age or sex of either Insured has been misstated, any benefits under this policy shall be such as the premiums paid would have bought using the correct ages and sexes.

EQUAL EQUIVALENT AGE

The Equal Equivalent Age of the Insureds on any date is based upon the Insureds respective birthdays nearest to the Policy Date. The Equal Equivalent Age of the Insureds on the Policy Date is shown in the Data Section.

ATTAINED EQUAL EQUIVALENT AGE

The Attained Equal Equivalent Age of the Insureds on any date is the Equal Equivalent Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Policy Date. The Attained Equal Equivalent Age of the Insureds is not affected by the death of one of the Insureds.

CHANGE OF PLAN

If we agree, the policy may be changed to another plan of insurance.

BASIS OF VALUES

The Cash Values and paid up default benefits are not less than the minimum values and benefits required by the law of the state in which this policy is delivered. A detailed statement of the method used to compute Cash Values and paid up default benefits has been filed in that state.

The Values are based on the Commissioners 2001 Standard Ordinary (Male/Female) Composite, Ultimate, Age Nearest Birthday, mortality table. They use continuous functions and compound interest at the rate of 4.0% per year.

The Basis of Values will not change as long as this policy is in force. An Additional Paid Up Life Insurance Rider may be added to this policy after issue subject to our limits in place for such rider at the time it is added and subject to underwriting. The Basis of Values of any Additional Paid Up Life Insurance Rider attached to this policy will be the same as this policy.

PREMIUMS

PAYMENT OF PREMIUMS

The first premium and its interval are shown in the Data Section. It is due on the Policy Date. Each later premium is due at the end of the interval of time for which the preceding premium was paid.

Premiums may be paid for 12-, 6-, or 3-month intervals at the rates in effect on the Date of Issue or in any manner agreed to by us. The Owner may make a change from one interval to another by filing a written request at our Home Office.

The first premium may be paid to us either at our Home Office or through our duly authorized agent in exchange for a receipt signed by that agent. All later premiums must be paid to us at our Home Office.

We will incur no liability if no premium is paid.

Premiums will be payable to the Insureds Attained Equal Equivalent Age 100.

GRACE PERIOD

If any premium is not paid on or before the day it is due, the premium shall be in default. However, a Grace Period, during which the insurance shall stay in force, shall be allowed for the payment of every premium except the first. A Grace Period shall begin on the due date of the premium in default and end thirty-one days from such due date.

AUTOMATIC
PAYMENT OF
PREMIUM - FROM
DIVIDENDS HELD
OR BY LOAN

Any premium still unpaid at the end of the Grace Period less any dividend being applied toward payment of such premium shall be paid by a loan against this policy subject to the following terms.

1. The Owner must file at our Home Office a written request for Automatic Payment of Premium. No premium due prior to our receipt of the request shall be paid under this section. No premium due after the request is withdrawn shall be paid under this section.
2. Any Dividends Held must be applied to pay the premium before a Policy Loan will be made.
3. The Loan Value must fully secure such loan and all other debt on this policy.
4. This policy need not be assigned to us for this type of loan. All other terms of the Policy Loans section shall apply.
5. The modal premium that will be loaned automatically will be the same modal premium that was elected prior to the request for Automatic Payment of Premium.
6. If the Loan Value is not sufficient to pay the full modal premium, the outstanding portion of the modal premium will need to be paid or the policy will enter a Grace Period, after which the policy will lapse.

PREMIUM DEFAULT

Upon default in payment of any premium due, this policy shall lapse as of the due date of the premium in default. That date shall be called the Date of Default. Except as stated under the Default Benefits and Grace Period sections, all our liability shall then cease.

DEATH BENEFIT

DEATH BENEFIT

The Death Benefit shall be:

1. the Sum Insured shown in the Data Section; plus
2. any Dividend Additions in force; plus
3. any remaining Dividends Held; plus
4. any dividend credited at the death of the second Insured to die; plus
5. the part of any premium paid for any period after the second Insured to die; less
6. any debt to us on this policy; less
7. the part of any premium in default for any period prior to the death of the second Insured to die.

At the Insureds Attained Equal Equivalent Age 100, if the policy is still in force, the total Face Amount of this policy will be set equal to the Cash Value. After that point, the Death Benefit will increase with interest at a rate determined by the Company.

We will pay the Death Benefit to the Beneficiary when we receive at our Home Office due proof that both Insureds died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Grace Period for any premium in default has passed, the Death Benefit is not payable. In such event any amount payable is set forth in the Default Benefits section. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of death of the second Insured to die to the date of payment. We will set the rate of interest at not less than the rate applicable for the funds left on deposit. If the Death Benefit is not paid within 30 days after we receive at our Home Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8% per year.

SUICIDE LIMITATION

If either of the Insureds dies within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay to the Owner only a sum equal to the premiums paid less any dividends taken in cash or applied toward payment of premiums and less any debt to us on this policy.

NOTICE OF DEATH AND CLAIMS

The Owner must notify us within 180 days after the date of death of each Insured. We may require proof whether both Insureds are living two years from the Date of Issue. Within 180 days after the date of death of the first Insured to die, we will require the Owner to provide us with evidence of death and proof of age and, if the death is within two years from the Date of Issue, the cause of death.

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REPRESENTATIONS AND INCONTESTABILITY

REPRESENTATIONS

All statements made by or for either or both of the Insureds shall be deemed representations and not warranties. No such statement shall be used to make this policy void or be used in defense of a claim upon it unless such statement is in the application.

INCONTESTABILITY

After this policy has been in force during the life of each Insured for two years from the policy Date of Issue, we will not contest it with respect to representations made by that Insured. After this policy has been in force during the life of both Insureds for two years from the policy Date of Issue, we will not contest it except for failure to pay premiums.

The statement on which the contest will be made shall be material to the risk accepted or hazard assumed by the Company.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

BENEFICIARY

GENERAL BENEFICIARY TERMS

The Owner has the right to change the Beneficiary which shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by the Company prior to receipt of this notice. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary dying before the death of the second of the Insureds to die shall vest in the Owner unless otherwise stated.

Where two or more Beneficiaries are designated to take in the alternative based on the order of the Insureds deaths and there is not sufficient evidence that the Insureds died other than simultaneously; one half of the Death Benefit shall be paid as if the first Insured had survived the second Insured; and one half shall be paid as if the second Insured had survived the first Insured. This shall not apply if the application or the Owner has provided for a different payment.

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

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

CHANGE OF BENEFICIARY

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

POLICY OWNERSHIP

GENERAL OWNERSHIP TERMS

The Owner may:

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

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner has waived the right to change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while one or both of the Insureds are alive.

Changes to Owner designation, unless otherwise specified by the Owner, shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by us prior to receipt of this notice.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Home Office. When notice is received at our Home Office, the change shall take effect on the date the notice is signed by the Owner whether or not either Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

SPENDTHRIFT PROVISION

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

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

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

DIVIDENDS

DIVIDENDS

We will credit this policy with shares, called dividends, from our divisible surplus, until Attained Equal Equivalent Age 100. The dividends, if any, credited to this policy shall be set by us. Any first dividend shall be credited on the first Policy Anniversary or when premiums for two full Policy Years have been paid, whichever occurs later. Any later dividends shall be credited on the second and all later Policy Anniversaries. Dividends will be affected by loans. No dividends shall be credited if Extended Term Insurance is in force.

The dividends may be used under one of the following options:

1. **Cash.** Dividends may be taken in cash.
2. **Applied.** Dividends may be applied toward payment of a premium due. If the balance of such premium is not paid, or if this policy is paid up, the dividend shall be used to buy Dividend Additions.
3. **Dividend Additions.** Dividends may be used to buy Paid Up Life Insurance, called Dividend Additions. The rate used shall be the net single premium per \$1,000 of insurance as of the date the dividend is credited. Any Dividend Additions in force may be surrendered at any time for their value at that time. Their value shall not be less than the total of the dividends used to buy them.
4. **Dividends Held.** Dividends may be left with us. Such dividends and interest added to them are called Dividends Held. We will add interest each year on Dividends Held which have remained with us for a full Policy Year. The rate of interest will be set by us each year at not less than 4% per year. Any Dividends Held may be withdrawn at any time by the Owner alone.
5. **Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance.** This option applies dividends to purchase a blend of decreasing term insurance and paid-up additions. This option may be subject to underwriting. This option is made available through a rider to the policy.

Once chosen, a dividend option shall remain in effect until changed by the Owner. If a dividend option is not chosen, we will use the dividend to buy Dividend Additions.

NET CASH VALUE

NET CASH VALUE

The Net Cash Value is:

1. the Cash Value; plus
2. the value of any Dividend Additions in force; plus
3. the amount of any unearned net premium; plus
4. any remaining Dividends Held; plus
5. any dividends payable on the policy; less
6. any debt to us on this policy.

If premiums are payable, the Cash Value shall be determined as of the date to which premiums are paid. At the Insureds Attained Equal Equivalent Age 100, the Cash Value will increase with interest at a rate determined by the Company. The Cash Value of any Paid Up Life Insurance or Extended Term Insurance shall be its net single premium. The Cash Value of any premium-paying life insurance and the value of any Paid Up Life Insurance and Extended Term Insurance within thirty days after any Policy Anniversary shall not be less than its Cash Value as of such anniversary.

POLICY LOANS

LOAN VALUE

If this policy is in force and premiums are payable, the Loan Value is the amount which, with interest at the Loan Interest Rate to the date to which premiums are paid, equals the Cash Value on such date plus the value on such date of any Dividend Additions.

If this policy is in force as Paid Up Life Insurance, the Loan Value is the amount which, with interest at the Loan Interest Rate to the next Policy Anniversary, equals the value on such date of the Paid Up Life Insurance and of any Dividend Additions.

LOAN INTEREST RATE

The Loan Interest Rate on the Date of Issue is shown in the Data Section. It shall apply to any debt to us on this policy until the rate is changed by us. The Loan Interest Rate may change from Policy Year to Policy Year. The Loan Interest Rate we set shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the lesser of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs; or
2. the limit on the Published Monthly Average, if any, set by the Owner as shown in the Data Section or as received in writing at the Home Office;

but not less than 5%.

The Published Monthly Average shall be the Moodys Corporate Bond Yield Average - Monthly Average Corporates, as published by Moodys Investors Service, Inc., or any successor to it. However, if at any time that Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

On any Policy Anniversary after the Date of Issue of this policy, the Owner may set a limit on the Published Monthly Average. If the Owner elects to set or change a limit, he or she must notify us at least 45 days in advance of the Policy Anniversary.

On each Policy Anniversary we may change the Loan Interest Rate on this policy. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year less than the Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Loan Interest Rate for this policy. It will be decreased to a rate equal to or less than the Maximum Rate then allowed. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year more than the Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give to the Owner:

1. notice of the Loan Interest Rate in effect for this policy:
 - a) at the time a cash loan is made; and
 - b) as soon as reasonably practical after an initial premium loan is made; and
2. reasonable advance notice of any increase in the Loan Interest Rate, if there is any debt to us on this policy.

In no event shall the Loan Interest Rate exceed the highest loan interest rate allowed by the law of the state in which this policy is delivered.

If there is a Policy Loan, the policy dividends may be adjusted. Such dividends may be altered based on the interest return the Company realized on any Policy Loan on this policy when compared to its return on other assets.

POLICY LOAN

We will loan, upon the sole security of the policy, an amount which, with outstanding debt on the policy and its accrued interest, does not exceed the Loan Value. Loans are subject to the following terms.

1. This policy must be in its second or later Policy Year.
2. This policy must be in force.
3. Unless the policy is in force as Paid Up Life Insurance, no premium may be in default.
4. Extended Term Insurance must not be in force.
5. This policy must be duly assigned to us.

GENERAL LOAN TERMS

Any loan shall bear interest at the Loan Interest Rate from the date the loan is made. If a loan is for the sole purpose of paying a premium on this policy, it shall be deemed to have been made on the due date of the premium being paid.

If the policy is not assigned except to us, a premium loan agreement and assignment may be made by the Owner without the consent and against the interest of any Beneficiary and any contingent owner.

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

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

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

1. the death of the second of the Insureds to die; and
2. surrender of the policy while in force as Paid Up Life Insurance; and
3. default in payment of any premium. Debt may be paid after default in payment of a premium while the policy is in force as Paid Up Life Insurance.

When any of these events occur, all debt shall become due at once. It shall then be paid from the policy values.

Whenever the debt equals or exceeds the Loan Value, this policy shall become null and void. It shall not become null and void until thirty-one days after we mail notice to the last known addresses of the Owner and the assignee under any assignment duly filed with us.

We may defer any Policy Loan, other than one to pay premiums on our policies, for not more than six months.

DEFAULT BENEFITS

DEFAULT BENEFITS

At the end of the Grace Period for any premium in default, a Default Benefit shall take effect as of the Date of Default.

In the event of non-payment of premiums due at any time other than a policy anniversary, the Net Cash Value and any paid-up nonforfeiture benefit, shall be calculated with allowance for the period of default and the payment of partial premiums from the last preceding policy anniversary.

These nonforfeiture provisions do not reflect a change in status or cash value upon the first death, because they are based on the Frasier methodology.

SURRENDER BENEFITS

We will pay the Net Cash Value as of the Date of Default if:

- a) request is made prior to the sixtieth day after the Date of Default;
and
- b) this policy is legally surrendered within sixty days after the Date of Default.

If this policy is in force as Paid Up Life Insurance, it may be surrendered at any time for its Net Cash Value. Any Extended Term Insurance in force may be surrendered within thirty days after any Policy Anniversary for its value as of such date or at any other time for its value. The value of any Extended Term Insurance shall be its net single premium.

We may defer the payment of any surrender value for not more than six months. If we defer payment for more than thirty days, the surrender value shall bear interest at 4% per year from the date of surrender to the date of payment.

PAID UP LIFE INSURANCE

This policy shall remain in force as Paid Up Life Insurance from the Date of Default if:

- a) the Data Section so states and no other default benefit is chosen prior to the sixtieth day after the Date of Default; or
- b) request is made prior to the sixtieth day after the Date of Default.

The amount of Paid Up Life Insurance shall be the level amount which can be bought by the Net Cash Value on the Date of Default on the net single premium basis at the then attained age of the Insureds.

EXTENDED TERM INSURANCE

This benefit is not available if the Data Section so states. Otherwise, the policy shall remain in force as Extended Term Insurance from the Date of Default if no other default benefit is chosen prior to the sixtieth day after the Date of Default.

The amount of term insurance shall be:

- a) the Sum Insured; plus
- b) any Dividend Additions in force and any remaining Dividends Held;
less
- c) any debt to us on the policy.

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Such term insurance shall start on the Date of Default. It shall extend for such term as the Net Cash Value provides when applied as a net single premium at the then attained age of the Insureds.

If the Net Cash Value provides Paid Up Life Insurance equal to or in excess of the amount of Extended Term Insurance, it shall instead be used to buy Paid Up Life Insurance.

ENHANCED PAID
UP LIFE INSURANCE

Unless the Data Section states that Enhanced Paid Up Life Insurance is not available, if the Owner elects Paid Up Life Insurance under Default Benefit 2 of this section, the Owner may elect a Death Benefit called the Optional Benefit Amount.

OPTIONAL BENEFIT
AMOUNT

The Optional Benefit Amount may be any amount up to the lesser of the Death Benefit of this policy on the Date of Default and a maximum. The maximum is the maximum amount which the Dividend Protection Provision, under the dividend scale in effect as of the Date of Default, could keep in force until the death of the second of the Insureds to die without requiring that the Owner pay a Term Insurance Premium under paragraph b. of the Dividend Protection Provision.

DIVIDEND
PROTECTION
PROVISION

If the Enhanced Paid Up Life Insurance Benefit is elected, dividends will be applied under this Dividend Protection Provision. On each Policy Anniversary any annual dividend credited shall be applied to purchase a combination of Dividend Additions and one year term insurance.

- a) If the dividend is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that their sum plus any outstanding Dividend Additions, plus the amount of Paid Up Life Insurance, shall equal the Optional Benefit Amount.
- b) If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance, and the Owner shall pay a premium which will purchase one year term insurance equal to such insufficiency. This premium, referred to herein as the Term Insurance Premium, shall be at the rate currently being charged to provide one year term insurance under this Dividend Protection Provision.
- c) If the dividend applied would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions and the amount of Paid Up Life Insurance would equal or exceed the Optional Benefit Amount, such dividend and all subsequent dividends shall be applied solely to purchase Dividend Additions.

Any insurance purchased under this Dividend Protection Provision shall be payable to the Beneficiary as part of the proceeds of the policy.

CONDITIONS

The purchase price of any one year term insurance purchased under this provision shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insureds issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (Male/Female) Non-Smoker/Smoker, Ultimate, Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

If this provision terminates at any time, the Cash Value of the policy shall be increased by a pro rata part, corresponding to any unexpired portion of the policy year then current, of the purchase price of any one year term insurance then in force under the policy.

At the end of the Grace Period for the payment of any required Term Insurance Premium which is not paid, the Dividend Protection Provision shall remain in effect under its terms, except that paragraph b. of the Dividend Protection Provision shall be deleted, and the following added in its place:

b. If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of the Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance.

TERMINATION

The Optional Benefit Amount and this Dividend Protection Provision and any one year term insurance in force under this policy shall terminate on the first of the following to occur:

- a) Upon receipt by us of a written request for termination of the Optional Benefit Amount or the Dividend Protection Provision;
- b) On the Policy Anniversary upon which, in accordance with a proper election, any dividend is not applied under the Dividend Protection Provision;
- c) Upon the surrender of any Dividend Additions;
- d) Upon any exchange of the policy for a new policy.

Once terminated the Dividend Protection Provision may not be later re-elected, except with our approval and subject to such conditions as we may determine.

REINSTATEMENT

REINSTATEMENT

If this policy has lapsed and as of the Date of Default it:

1. had no Net Cash Value; or
2. remained in force as Paid Up Life Insurance; or
3. remained in force as Extended Term Insurance;

then upon request it may be reinstated within five years of the Date of Default. We will require proof to our satisfaction that each Insured who was living on the Date of Default is living and insurable. No such proof shall be required if at the time of request Extended Term Insurance is in force and extends at least five years beyond the date of the request. Any debt to us on this policy on the Date of Default must be paid or reinstated. Compound interest on such debt for the period from the Date of Default to the date of Reinstatement must be paid or reinstated. Interest shall be at the Loan Interest Rates which would have been applicable during such period in the absence of default. All unpaid premiums and compound interest on them at the rate of 6% per year must be paid.

We may contest any Reinstatement until such Reinstatement has been in force during the life of each Insured who was living at the time of Reinstatement for two years from its effective date.

PAYMENT OPTIONS

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

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

OPTION EFFECTIVE DATE

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

GENERAL PAYMENT OPTION TERMS

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

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

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

CHOICE OF OPTION

Choice of an option may be made:

1. by the Owner if one or both of the Insureds are living; or
2. by the Beneficiary if neither Insured is living and no option is in effect.

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

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

CHANGE OF
PAYMENT OPTION

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

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

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

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

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

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

OPTION 1
-PAYMENT OF
INTEREST ONLY

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

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

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

OPTION 2
-PAYMENTS FOR A
STATED TIME

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

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

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

OPTION 3
 -PAYMENTS FOR
 LIFE

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

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

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

Guaranteed Period

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

+ Higher ages the same

OPTION 4
-PAYMENTS OF A
STATED AMOUNT

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

OPTION 5 - LIFE
ANNUITY

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

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

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

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

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

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

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

+ Higher ages the same

OPTION 7 - 50%
SURVIVOR
ANNUITY

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

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

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

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

+ Higher ages the same



NATIONAL LIFE

National Life Insurance Company
Montpelier, Vermont 05604
Tel: 802-229-3333

Should You Need to Call

Your agent is, and should continue to be, the primary contact for information about your National Life coverage. However, there may be times when it is necessary to contact our Home Office for assistance.

If you need to contact our Home Office directly, please dial 1-800-732-8939. Contract information is also available at www.nationallife.com, where you can self-register to access policy information in a secure setting.

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 your 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*). On the next page 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 contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation (*FPBC*) (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

Limits on Amount of Coverage

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or 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.



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

Survivorship Whole Life Insurance with Dividends. Unisex Version. Premiums to be paid for years shown in Data Section or until prior death of both Insureds. The Death Benefit is payable upon the death of the second of the Insureds to die. This policy is nonparticipating.

Right to Review Policy. This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Date of Issue. We will then refund any premium paid.

Effective Date:	08/15/2012
Policy Number:	1234567
Face Amount:	\$100,000
First Insured:	Ethan Allen
Issue Age:	35
Second Insured:	Edna Allen
Issue Age:	35
Owner:	As stated in the application unless later changed
Beneficiary:	As stated in the application unless later changed

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

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

Signed for National Life Insurance Company at [Montpelier, Vermont] as of the Date of Issue, by

Mehran Assad
President & Chief Executive Officer

James F. McQuinn
Secretary

One National Life Drive, Montpelier, Vermont 05604, Tel: 800-732-8939
National Life Group® is a trade name of National Life Insurance Company and its affiliates.

DATA SECTION

[++REFER TO THE ADDITIONAL PAID UP LIFE INSURANCE RIDER VALUES SECTION FOR DETAILS ON FACE AMOUNTS FOR THE ADDITIONAL PAID UP LIFE INSURANCE.]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

[**REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE.]

[IF MODAL PREMIUMS ON THIS POLICY ARE PAID BY SURRENDERING DIVIDEND ADDITIONS OR BY TAKING LOANS AGAINST THE POLICY, THE RIDER SUM INSURED MAY NOT BE SUPPORTED FOR THE DURATION OF THE POLICY YEAR.]

[EXPENSE CHARGES FOR FLEX TERM PREMIUM AS A PERCENTAGE OF PREMIUM PAID.

YEARS 2-10: 10%

YEARS 11+: 3%]

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

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

THIS POLICY IS IN PREMIUM CLASS [02].

[THE EXTENDED TERM INSURANCE DEFAULT BENEFIT IS AVAILABLE AND IS THE AUTOMATIC DEFAULT BENEFIT IF NO OTHER DEFAULT BENEFIT IS CHOSEN PRIOR TO THE SIXTIETH DAY AFTER THE DATE OF DEFAULT.]

THE LOAN INTEREST RATE IS VARIABLE. THE LOAN INTEREST RATE AT THE DATE OF ISSUE IS [5.00%].

DATA SECTION

ANNUAL PREMIUMS PAYABLE*

<u>AS OF</u> <u>[AUG 15]</u> <u>YEAR</u>	<u>TOTAL</u>
[2012	\$1472.70
2013-2036	\$972.70
2037-2076	\$872.70]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

DATA SECTION

[PREMIUM PAYMENT OPTIONS AND ADDITIONAL COSTS ASSOCIATED WITH PAYING PREMIUMS MORE FREQUENTLY THAN ANNUALLY: YOU MAY PAY PREMIUMS ONCE A YEAR (ANNUALLY), TWICE A YEAR (SEMI-ANNUALLY), OR FOUR TIMES A YEAR (QUARTERLY). YOU MAY ALSO PAY PREMIUMS TWELVE TIMES A YEAR (MONTHLY) BY PRE-AUTHORIZED ELECTRONIC TRANSFER.]

YOUR YEARLY COST WILL BE HIGHER IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY. FOR EXAMPLE, THE ADDITIONAL AMOUNT YOU WILL PAY IN THE FIRST YEAR IS AS FOLLOWS:

<u>PREMIUM FREQUENCY</u>	<u>NUMBER OF PAYMENTS PER YEAR</u>	<u>AMOUNT OF EACH PREMIUM PAYMENT</u>	<u>TOTAL PREMIUM PER YEAR</u>	<u>AMOUNT YOU WILL PAY EACH YEAR IN ADDITION TO THE ANNUAL PREMIUM</u>
ANNUAL	1	[\$972.70	\$972.70	\$ 0.00
SEMI-ANNUAL	2	\$496.08	\$992.16	\$19.46
QUARTERLY	4	\$252.90	\$1,011.60	\$38.90
MONTHLY (EFT/LIST BILL)	12	\$85.60	\$1,027.20	\$54.50]

THIS TABLE ILLUSTRATES THE ADDITIONAL AMOUNTS THAT ARE REQUIRED IN THE FIRST YEAR. ADDITIONAL AMOUNTS WILL BE DUE IN FUTURE YEARS IF PREMIUMS ARE PAID MORE FREQUENTLY THAN ANNUALLY AND MAY VARY FROM THE ABOVE EXAMPLE. CONTACT YOUR AGENT OR THE COMPANY TO DETERMINE THE ADDITIONAL AMOUNT DUE IN ANY GIVEN YEAR IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY.

DATA SECTION

ON POLICY ANNIVERSARY <u>IN YEAR</u>	CASH VALUE*	PAID UP LIFE INSURANCE*	PERIOD OF EXTENDED TERM INSURANCE*	
			<u>YEARS</u>	<u>DAYS</u>
[2013	\$0.00	\$0	0	0
2014	\$679.00	\$4513	27	302
2015	\$1390.00	\$8885	31	224
2016	\$2136.00	\$13128	33	237
2017	\$2917.00	\$17240	34	315
2018	\$3735.00	\$21228	35	225
2019	\$4592.00	\$25098	36	35
2020	\$5489.00	\$28852	36	130
2021	\$6428.00	\$32493	36	172
2022	\$7409.00	\$36018	36	171
2023	\$8435.00	\$39440	36	135
2024	\$9507.00	\$42755	36	73
2025	\$10627.00	\$45970	35	357
2026	\$11795.00	\$49082	35	256
2027	\$13015.00	\$52104	35	143
2028	\$14285.00	\$55021	35	18
2029	\$15609.00	\$57845	34	249
2030	\$16986.00	\$60576	34	106
2031	\$18417.00	\$63208	33	320
2032	\$19902.00	\$65746	33	163
2042	\$37682.00	\$86103	28	345
2047	\$48109.00	\$92756	26	292]

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, OR DEBT TO US ON THIS POLICY. ANY DIVIDEND ADDITIONS AND DIVIDENDS HELD WILL INCREASE, AND ANY DEBT WILL DECREASE, THE NET CASH VALUE AND THE AMOUNTS OF PAID UP LIFE INSURANCE AND EXTENDED TERM INSURANCE.

THESE VALUES APPLY ONLY IF PREMIUMS ARE PAID TO THE STATED ANNIVERSARIES.

THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THEY WILL BE QUOTED UPON REQUEST.

DIVIDENDS PAID ON THIS POLICY ARE NOT GUARANTEED. NATIONAL LIFE MAY CHANGE THE AMOUNT OF DIVIDEND TO BE CREDITED TO THE POLICY, WHICH MAY RESULT IN LOWER CASH VALUES THAN THOSE THAT MAY HAVE BEEN PROVIDED TO YOU ON AN ILLUSTRATION OF PROJECTED PERFORMANCE OF THIS POLICY. THE VALUES DISPLAYED IN THIS DATA SECTION ARE GUARANTEED.

DATA SECTION

<u>ON POLICY ANNIVERSARY IN YEAR</u>	<u>CASH VALUE*</u>	<u>ADDITIONAL PAID UP LIFE INSURANCE*</u>
[2013	\$584.46	\$4040
2014	\$709.33	\$4711
2015	\$838.55	\$5356
2016	\$972.92	\$5976
2017	\$1112.67	\$6572
2018	\$1257.92	\$7145
2019	\$1408.90	\$7696
2020	\$1565.91	\$8227
2021	\$1729.16	\$8736
2022	\$1898.81	\$9227
2023	\$2075.08	\$9698
2024	\$2258.30	\$10152
2025	\$2448.62	\$10588
2026	\$2646.27	\$11008
2027	\$2851.49	\$11411
2028	\$3064.64	\$11800
2029	\$3285.98	\$12173
2030	\$3515.49	\$12533
2031	\$3753.69	\$12879
2032	\$4000.55	\$13212
2042	\$6434.83	\$14699
2047	\$7626.11	\$14699]

THE ADDITIONAL PAID UP LIFE INSURANCE PERIODIC PREMIUM IS [\$100.00] FOR A [12-MONTH] INTERVAL.

THE ADDITIONAL PAID UP LIFE IN SURANCE SINGLE PREMIUM IS [\$500.00].

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, DEBT TO US ON THIS POLICY, OR ANY UNCOLLECTED PERIODIC PREMIUMS.

THESE VALUES APPLY ONLY IF PREMIUMS FOR THIS RIDER ARE PAID ON THE STATED POLICY ANNIVERSARY DATES. ANY ADDITIONAL PAID UP LIFE INSURANCE PURCHASED UNDER THIS RIDER MAY BE SURRENDERED FOR ITS CASH VALUE AT THAT TIME. THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF THE TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THE VALUES ON THIS PAGE REPRESENT THE GUARANTEED PURCHASE BASIS STATED IN YOUR POLICY.

THE PERCENTAGE OF THE ANNUAL PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [97.0%].

THE PERCENTAGE OF THE SINGLE PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [93.0%].

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

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of premiums as shown in the Data Section. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

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

POLICY DATE

The Policy Date is the Date of Issue, as stated in the Data Section.

POLICY MONTHS, YEARS AND ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Policy Date.

Each policy month shall begin on the same day of the month as the Policy Date or on the last day of any month having no such day.

PAYMENT OF BENEFITS

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

NOTICES

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

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

MISSTATEMENT OF AGE

The ages of the Insureds on their respective birthdays nearest to the Policy Date are shown in the Data Section. They are based on the dates of birth shown in the application. If the age of either Insured has been misstated, any benefits under this policy shall be such as the premiums paid would have bought using the correct ages.

EQUAL EQUIVALENT AGE

The Equal Equivalent Age of the Insureds on any date is based upon the Insureds respective birthdays nearest to the Policy Date. The Equal Equivalent Age of the Insureds on the Policy Date is shown in the Data Section.

ATTAINED EQUAL EQUIVALENT AGE

The Attained Equal Equivalent Age of the Insureds on any date is the Equal Equivalent Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Policy Date. The Attained Equal Equivalent Age of the Insureds is not affected by the death of one of the Insureds.

CHANGE OF PLAN

If we agree, the policy may be changed to another plan of insurance.

BASIS OF VALUES

The Cash Values and paid up default benefits are not less than the minimum values and benefits required by the law of the state in which this policy is delivered. A detailed statement of the method used to compute Cash Values and paid up default benefits has been filed in that state.

The Values are based on the Commissioners 2001 Standard Ordinary (50) Composite, Ultimate, Age Nearest Birthday, mortality table. They use continuous functions and compound interest at the rate of 4.0% per year.

The Basis of Values will not change as long as this policy is in force. An Additional Paid Up Life Insurance Rider may be added to this policy after issue subject to our limits in place for such rider at the time it is added and subject to underwriting. The Basis of Values of any Additional Paid Up Life Insurance Rider attached to this policy will be the same as this policy.

PREMIUMS

PAYMENT OF PREMIUMS

The first premium and its interval are shown in the Data Section. It is due on the Policy Date. Each later premium is due at the end of the interval of time for which the preceding premium was paid.

Premiums may be paid for 12-, 6-, or 3-month intervals at the rates in effect on the Date of Issue or in any manner agreed to by us. The Owner may make a change from one interval to another by filing a written request at our Home Office.

The first premium may be paid to us either at our Home Office or through our duly authorized agent in exchange for a receipt signed by that agent. All later premiums must be paid to us at our Home Office.

We will incur no liability if no premium is paid.

Premiums will be payable to the Insureds Attained Equal Equivalent Age 100.

GRACE PERIOD

If any premium is not paid on or before the day it is due, the premium shall be in default. However, a Grace Period, during which the insurance shall stay in force, shall be allowed for the payment of every premium except the first. A Grace Period shall begin on the due date of the premium in default and end thirty-one days from such due date.

AUTOMATIC
PAYMENT OF
PREMIUM - FROM
DIVIDENDS HELD
OR BY LOAN

Any premium still unpaid at the end of the Grace Period less any dividend being applied toward payment of such premium shall be paid by a loan against this policy subject to the following terms.

1. The Owner must file at our Home Office a written request for Automatic Payment of Premium. No premium due prior to our receipt of the request shall be paid under this section. No premium due after the request is withdrawn shall be paid under this section.
2. Any Dividends Held must be applied to pay the premium before a Policy Loan will be made.
3. The Loan Value must fully secure such loan and all other debt on this policy.
4. This policy need not be assigned to us for this type of loan. All other terms of the Policy Loans section shall apply.
5. The modal premium that will be loaned automatically will be the same modal premium that was elected prior to the request for Automatic Payment of Premium.
6. If the Loan Value is not sufficient to pay the full modal premium, the outstanding portion of the modal premium will need to be paid or the policy will enter a Grace Period, after which the policy will lapse.

PREMIUM DEFAULT

Upon default in payment of any premium due, this policy shall lapse as of the due date of the premium in default. That date shall be called the Date of Default. Except as stated under the Default Benefits and Grace Period sections, all our liability shall then cease.

DEATH BENEFIT

DEATH BENEFIT

The Death Benefit shall be:

1. the Sum Insured shown in the Data Section; plus
2. any Dividend Additions in force; plus
3. any remaining Dividends Held; plus
4. any dividend credited at the death of the second Insured to die; plus
5. the part of any premium paid for any period after the second Insured to die; less
6. any debt to us on this policy; less
7. the part of any premium in default for any period prior to the death of the second Insured to die.

At the Insureds Attained Equal Equivalent Age 100, if the policy is still in force, the total Face Amount of this policy will be set equal to the Cash Value. After that point, the Death Benefit will increase with interest at a rate determined by the Company.

We will pay the Death Benefit to the Beneficiary when we receive at our Home Office due proof that both Insureds died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Grace Period for any premium in default has passed, the Death Benefit is not payable. In such event any amount payable is set forth in the Default Benefits section. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of death of the second Insured to die to the date of payment. We will set the rate of interest at not less than the rate applicable for the funds left on deposit. If the Death Benefit is not paid within 30 days after we receive at our Home Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8% per year.

SUICIDE LIMITATION

If either of the Insureds dies within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay to the Owner only a sum equal to the premiums paid less any dividends taken in cash or applied toward payment of premiums and less any debt to us on this policy.

NOTICE OF DEATH AND CLAIMS

The Owner must notify us within 180 days after the date of death of each Insured. We may require proof whether both Insureds are living two years from the Date of Issue. Within 180 days after the date of death of the first Insured to die, we will require the Owner to provide us with evidence of death and proof of age and, if the death is within two years from the Date of Issue, the cause of death.

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REPRESENTATIONS AND INCONTESTABILITY

REPRESENTATIONS

All statements made by or for either or both of the Insureds shall be deemed representations and not warranties. No such statement shall be used to make this policy void or be used in defense of a claim upon it unless such statement is in the application.

INCONTESTABILITY

After this policy has been in force during the life of each Insured for two years from the policy Date of Issue, we will not contest it with respect to representations made by that Insured. After this policy has been in force during the life of both Insureds for two years from the policy Date of Issue, we will not contest it except for failure to pay premiums.

The statement on which the contest will be made shall be material to the risk accepted or hazard assumed by the Company.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

BENEFICIARY

GENERAL BENEFICIARY TERMS

The Owner has the right to change the Beneficiary which shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by the Company prior to receipt of this notice. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary dying before the death of the second of the Insureds to die shall vest in the Owner unless otherwise stated.

Where two or more Beneficiaries are designated to take in the alternative based on the order of the Insureds deaths and there is not sufficient evidence that the Insureds died other than simultaneously; one half of the Death Benefit shall be paid as if the first Insured had survived the second Insured; and one half shall be paid as if the second Insured had survived the first Insured. This shall not apply if the application or the Owner has provided for a different payment.

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

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

CHANGE OF BENEFICIARY

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

POLICY OWNERSHIP

GENERAL OWNERSHIP TERMS

The Owner may:

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

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner has waived the right to change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while one or both of the Insureds are alive.

Changes to Owner designation, unless otherwise specified by the Owner, shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by us prior to receipt of this notice.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Home Office. When notice is received at our Home Office, the change shall take effect on the date the notice is signed by the Owner whether or not either Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

SPENDTHRIFT PROVISION

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

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

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

DIVIDENDS

DIVIDENDS

We will credit this policy with shares, called dividends, from our divisible surplus, until Attained Equal Equivalent Age 100. The dividends, if any, credited to this policy shall be set by us. Any first dividend shall be credited on the first Policy Anniversary or when premiums for two full Policy Years have been paid, whichever occurs later. Any later dividends shall be credited on the second and all later Policy Anniversaries. Dividends will be affected by loans. No dividends shall be credited if Extended Term Insurance is in force.

The dividends may be used under one of the following options:

1. **Cash.** Dividends may be taken in cash.
2. **Applied.** Dividends may be applied toward payment of a premium due. If the balance of such premium is not paid, or if this policy is paid up, the dividend shall be used to buy Dividend Additions.
3. **Dividend Additions.** Dividends may be used to buy Paid Up Life Insurance, called Dividend Additions. The rate used shall be the net single premium per \$1,000 of insurance as of the date the dividend is credited. Any Dividend Additions in force may be surrendered at any time for their value at that time. Their value shall not be less than the total of the dividends used to buy them.
4. **Dividends Held.** Dividends may be left with us. Such dividends and interest added to them are called Dividends Held. We will add interest each year on Dividends Held which have remained with us for a full Policy Year. The rate of interest will be set by us each year at not less than 4% per year. Any Dividends Held may be withdrawn at any time by the Owner alone.
5. **Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance.** This option applies dividends to purchase a blend of decreasing term insurance and paid-up additions. This option may be subject to underwriting. This option is made available through a rider to the policy.

Once chosen, a dividend option shall remain in effect until changed by the Owner. If a dividend option is not chosen, we will use the dividend to buy Dividend Additions.

NET CASH VALUE

NET CASH VALUE

The Net Cash Value is:

1. the Cash Value; plus
2. the value of any Dividend Additions in force; plus
3. the amount of any unearned net premium; plus
4. any remaining Dividends Held; plus
5. any dividends payable on the policy; less
6. any debt to us on this policy.

If premiums are payable, the Cash Value shall be determined as of the date to which premiums are paid. At the Insureds Attained Equal Equivalent Age 100, the Cash Value will increase with interest at a rate determined by the Company. The Cash Value of any Paid Up Life Insurance or Extended Term Insurance shall be its net single premium. The Cash Value of any premium-paying life insurance and the value of any Paid Up Life Insurance and Extended Term Insurance within thirty days after any Policy Anniversary shall not be less than its Cash Value as of such anniversary.

POLICY LOANS

LOAN VALUE

If this policy is in force and premiums are payable, the Loan Value is the amount which, with interest at the Loan Interest Rate to the date to which premiums are paid, equals the Cash Value on such date plus the value on such date of any Dividend Additions.

If this policy is in force as Paid Up Life Insurance, the Loan Value is the amount which, with interest at the Loan Interest Rate to the next Policy Anniversary, equals the value on such date of the Paid Up Life Insurance and of any Dividend Additions.

LOAN INTEREST RATE

The Loan Interest Rate on the Date of Issue is shown in the Data Section. It shall apply to any debt to us on this policy until the rate is changed by us. The Loan Interest Rate may change from Policy Year to Policy Year. The Loan Interest Rate we set shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the lesser of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs; or
2. the limit on the Published Monthly Average, if any, set by the Owner as shown in the Data Section or as received in writing at the Home Office;

but not less than 5%.

The Published Monthly Average shall be the Moodys Corporate Bond Yield Average - Monthly Average Corporates, as published by Moodys Investors Service, Inc., or any successor to it. However, if at any time that Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

On any Policy Anniversary after the Date of Issue of this policy, the Owner may set a limit on the Published Monthly Average. If the Owner elects to set or change a limit, he or she must notify us at least 45 days in advance of the Policy Anniversary.

On each Policy Anniversary we may change the Loan Interest Rate on this policy. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year less than the Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Loan Interest Rate for this policy. It will be decreased to a rate equal to or less than the Maximum Rate then allowed. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year more than the Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give to the Owner:

1. notice of the Loan Interest Rate in effect for this policy:
 - a) at the time a cash loan is made; and
 - b) as soon as reasonably practical after an initial premium loan is made; and
2. reasonable advance notice of any increase in the Loan Interest Rate, if there is any debt to us on this policy.

In no event shall the Loan Interest Rate exceed the highest loan interest rate allowed by the law of the state in which this policy is delivered.

If there is a Policy Loan, the policy dividends may be adjusted. Such dividends may be altered based on the interest return the Company realized on any Policy Loan on this policy when compared to its return on other assets.

POLICY LOAN

We will loan, upon the sole security of the policy, an amount which, with outstanding debt on the policy and its accrued interest, does not exceed the Loan Value. Loans are subject to the following terms.

1. This policy must be in its second or later Policy Year.
2. This policy must be in force.
3. Unless the policy is in force as Paid Up Life Insurance, no premium may be in default.
4. Extended Term Insurance must not be in force.
5. This policy must be duly assigned to us.

GENERAL LOAN TERMS

Any loan shall bear interest at the Loan Interest Rate from the date the loan is made. If a loan is for the sole purpose of paying a premium on this policy, it shall be deemed to have been made on the due date of the premium being paid.

If the policy is not assigned except to us, a premium loan agreement and assignment may be made by the Owner without the consent and against the interest of any Beneficiary and any contingent owner.

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

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

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

1. the death of the second of the Insureds to die; and
2. surrender of the policy while in force as Paid Up Life Insurance; and
3. default in payment of any premium. Debt may be paid after default in payment of a premium while the policy is in force as Paid Up Life Insurance.

When any of these events occur, all debt shall become due at once. It shall then be paid from the policy values.

Whenever the debt equals or exceeds the Loan Value, this policy shall become null and void. It shall not become null and void until thirty-one days after we mail notice to the last known addresses of the Owner and the assignee under any assignment duly filed with us.

We may defer any Policy Loan, other than one to pay premiums on our policies, for not more than six months.

DEFAULT BENEFITS

DEFAULT BENEFITS

At the end of the Grace Period for any premium in default, a Default Benefit shall take effect as of the Date of Default.

In the event of non-payment of premiums due at any time other than a policy anniversary, the Net Cash Value and any paid-up nonforfeiture benefit, shall be calculated with allowance for the period of default and the payment of partial premiums from the last preceding policy anniversary.

These nonforfeiture provisions do not reflect a change in status or cash value upon the first death, because they are based on the Frasier methodology.

SURRENDER BENEFITS

We will pay the Net Cash Value as of the Date of Default if:

- a) request is made prior to the sixtieth day after the Date of Default;
and
- b) this policy is legally surrendered within sixty days after the Date of Default.

If this policy is in force as Paid Up Life Insurance, it may be surrendered at any time for its Net Cash Value. Any Extended Term Insurance in force may be surrendered within thirty days after any Policy Anniversary for its value as of such date or at any other time for its value. The value of any Extended Term Insurance shall be its net single premium.

We may defer the payment of any surrender value for not more than six months. If we defer payment for more than thirty days, the surrender value shall bear interest at 4% per year from the date of surrender to the date of payment.

PAID UP LIFE INSURANCE

This policy shall remain in force as Paid Up Life Insurance from the Date of Default if:

- a) the Data Section so states and no other default benefit is chosen prior to the sixtieth day after the Date of Default; or
- b) request is made prior to the sixtieth day after the Date of Default.

The amount of Paid Up Life Insurance shall be the level amount which can be bought by the Net Cash Value on the Date of Default on the net single premium basis at the then attained age of the Insureds.

EXTENDED TERM INSURANCE

This benefit is not available if the Data Section so states. Otherwise, the policy shall remain in force as Extended Term Insurance from the Date of Default if no other default benefit is chosen prior to the sixtieth day after the Date of Default.

The amount of term insurance shall be:

- a) the Sum Insured; plus
- b) any Dividend Additions in force and any remaining Dividends Held;
less
- c) any debt to us on the policy.

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Such term insurance shall start on the Date of Default. It shall extend for such term as the Net Cash Value provides when applied as a net single premium at the then attained age of the Insureds.

If the Net Cash Value provides Paid Up Life Insurance equal to or in excess of the amount of Extended Term Insurance, it shall instead be used to buy Paid Up Life Insurance.

ENHANCED PAID UP LIFE INSURANCE

Unless the Data Section states that Enhanced Paid Up Life Insurance is not available, if the Owner elects Paid Up Life Insurance under Default Benefit 2 of this section, the Owner may elect a Death Benefit called the Optional Benefit Amount.

OPTIONAL BENEFIT AMOUNT

The Optional Benefit Amount may be any amount up to the lesser of the Death Benefit of this policy on the Date of Default and a maximum. The maximum is the maximum amount which the Dividend Protection Provision, under the dividend scale in effect as of the Date of Default, could keep in force until the death of the second of the Insureds to die without requiring that the Owner pay a Term Insurance Premium under paragraph b. of the Dividend Protection Provision.

DIVIDEND
PROTECTION
PROVISION

If the Enhanced Paid Up Life Insurance Benefit is elected, dividends will be applied under this Dividend Protection Provision. On each Policy Anniversary any annual dividend credited shall be applied to purchase a combination of Dividend Additions and one year term insurance.

- a) If the dividend is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that their sum plus any outstanding Dividend Additions, plus the amount of Paid Up Life Insurance, shall equal the Optional Benefit Amount.
- b) If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance, and the Owner shall pay a premium which will purchase one year term insurance equal to such insufficiency. This premium, referred to herein as the Term Insurance Premium, shall be at the rate currently being charged to provide one year term insurance under this Dividend Protection Provision.
- c) If the dividend applied would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions and the amount of Paid Up Life Insurance would equal or exceed the Optional Benefit Amount, such dividend and all subsequent dividends shall be applied solely to purchase Dividend Additions.

Any insurance purchased under this Dividend Protection Provision shall be payable to the Beneficiary as part of the proceeds of the policy.

CONDITIONS

The purchase price of any one year term insurance purchased under this provision shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insureds issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (50), Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

If this provision terminates at any time, the Cash Value of the policy shall be increased by a pro rata part, corresponding to any unexpired portion of the policy year then current, of the purchase price of any one year term insurance then in force under the policy.

At the end of the Grace Period for the payment of any required Term Insurance Premium which is not paid, the Dividend Protection Provision shall remain in effect under its terms, except that paragraph b. of the Dividend Protection Provision shall be deleted, and the following added in its place:

b. If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of the Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance.

TERMINATION

The Optional Benefit Amount and this Dividend Protection Provision and any one year term insurance in force under this policy shall terminate on the first of the following to occur:

- a) Upon receipt by us of a written request for termination of the Optional Benefit Amount or the Dividend Protection Provision;
- b) On the Policy Anniversary upon which, in accordance with a proper election, any dividend is not applied under the Dividend Protection Provision;
- c) Upon the surrender of any Dividend Additions;
- d) Upon any exchange of the policy for a new policy.

Once terminated the Dividend Protection Provision may not be later re-elected, except with our approval and subject to such conditions as we may determine.

REINSTATEMENT

REINSTATEMENT

If this policy has lapsed and as of the Date of Default it:

1. had no Net Cash Value; or
2. remained in force as Paid Up Life Insurance; or
3. remained in force as Extended Term Insurance;

then upon request it may be reinstated within five years of the Date of Default. We will require proof to our satisfaction that each Insured who was living on the Date of Default is living and insurable. No such proof shall be required if at the time of request Extended Term Insurance is in force and extends at least five years beyond the date of the request. Any debt to us on this policy on the Date of Default must be paid or reinstated. Compound interest on such debt for the period from the Date of Default to the date of Reinstatement must be paid or reinstated. Interest shall be at the Loan Interest Rates which would have been applicable during such period in the absence of default. All unpaid premiums and compound interest on them at the rate of 6% per year must be paid.

We may contest any Reinstatement until such Reinstatement has been in force during the life of each Insured who was living at the time of Reinstatement for two years from its effective date.

PAYMENT OPTIONS

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

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

OPTION EFFECTIVE DATE

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

GENERAL PAYMENT OPTION TERMS

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

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

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

CHOICE OF OPTION

Choice of an option may be made:

1. by the Owner if one or both of the Insureds are living; or
2. by the Beneficiary if neither Insured is living and no option is in effect.

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

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

CHANGE OF
PAYMENT OPTION

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

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

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

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

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

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

OPTION 1
-PAYMENT OF
INTEREST ONLY

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

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

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

OPTION 2
-PAYMENTS FOR A
STATED TIME

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

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

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

OPTION 3
 -PAYMENTS FOR
 LIFE

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

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

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

Guaranteed Period

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

+ Higher ages the same

OPTION 4
-PAYMENTS OF A
STATED AMOUNT

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

OPTION 5 - LIFE
ANNUITY

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

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

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

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

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

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

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

+ Higher ages the same

OPTION 7 - 50%
SURVIVOR
ANNUITY

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

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

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

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

+ Higher ages the same



NATIONAL LIFE

National Life Insurance Company
Montpelier, Vermont 05604
Tel: 802-229-3333

Should You Need to Call

Your agent is, and should continue to be, the primary contact for information about your National Life coverage. However, there may be times when it is necessary to contact our Home Office for assistance.

If you need to contact our Home Office directly, please dial 1-800-732-8939. Contract information is also available at www.nationallife.com, where you can self-register to access policy information in a secure setting.

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 your 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*). On the next page 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 contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation (*FPBC*) (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

Limits on Amount of Coverage

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or 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.



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

Survivorship Whole Life Insurance with Dividends. Unisex Version. Premiums to be paid for years shown in Data Section or until prior death of both Insureds. The Death Benefit is payable upon the death of the second of the Insureds to die. This policy is nonparticipating.

Right to Review Policy. This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Date of Issue. We will then refund any premium paid.

Effective Date:	08/15/2012
Policy Number:	1234567
Face Amount:	\$100,000
First Insured:	Ethan Allen
Issue Age:	35
Second Insured:	Edna Allen
Issue Age:	35
Owner:	As stated in the application unless later changed
Beneficiary:	As stated in the application unless later changed

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

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

Signed for National Life Insurance Company at [Montpelier, Vermont] as of the Date of Issue, by

 President & Chief Executive Officer	 Secretary
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One National Life Drive, Montpelier, Vermont 05604, Tel: 800-732-8939
National Life Group® is a trade name of National Life Insurance Company and its affiliates.

DATA SECTION

[++REFER TO THE ADDITIONAL PAID UP LIFE INSURANCE RIDER VALUES SECTION FOR DETAILS ON FACE AMOUNTS FOR THE ADDITIONAL PAID UP LIFE INSURANCE.]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

[**REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE.]

[IF MODAL PREMIUMS ON THIS POLICY ARE PAID BY SURRENDERING DIVIDEND ADDITIONS OR BY TAKING LOANS AGAINST THE POLICY, THE RIDER SUM INSURED MAY NOT BE SUPPORTED FOR THE DURATION OF THE POLICY YEAR.]

[EXPENSE CHARGES FOR FLEX TERM PREMIUM AS A PERCENTAGE OF PREMIUM PAID.

YEARS 2-10: 10%

YEARS 11+: 3%]

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

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

THIS POLICY IS IN PREMIUM CLASS [02].

[THE EXTENDED TERM INSURANCE DEFAULT BENEFIT IS AVAILABLE AND IS THE AUTOMATIC DEFAULT BENEFIT IF NO OTHER DEFAULT BENEFIT IS CHOSEN PRIOR TO THE SIXTIETH DAY AFTER THE DATE OF DEFAULT.]

THE LOAN INTEREST RATE IS VARIABLE. THE LOAN INTEREST RATE AT THE DATE OF ISSUE IS [5.00%].

DATA SECTION

ANNUAL PREMIUMS PAYABLE*

<u>AS OF</u> <u>[AUG 15]</u> <u>YEAR</u>	<u>TOTAL</u>
[2012	\$1472.70
2013-2036	\$972.70
2037-2076	\$872.70]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

DATA SECTION

[PREMIUM PAYMENT OPTIONS AND ADDITIONAL COSTS ASSOCIATED WITH PAYING PREMIUMS MORE FREQUENTLY THAN ANNUALLY: YOU MAY PAY PREMIUMS ONCE A YEAR (ANNUALLY), TWICE A YEAR (SEMI-ANNUALLY), OR FOUR TIMES A YEAR (QUARTERLY). YOU MAY ALSO PAY PREMIUMS TWELVE TIMES A YEAR (MONTHLY) BY PRE-AUTHORIZED ELECTRONIC TRANSFER.]

YOUR YEARLY COST WILL BE HIGHER IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY. FOR EXAMPLE, THE ADDITIONAL AMOUNT YOU WILL PAY IN THE FIRST YEAR IS AS FOLLOWS:

<u>PREMIUM FREQUENCY</u>	<u>NUMBER OF PAYMENTS PER YEAR</u>	<u>AMOUNT OF EACH PREMIUM PAYMENT</u>	<u>TOTAL PREMIUM PER YEAR</u>	<u>AMOUNT YOU WILL PAY EACH YEAR IN ADDITION TO THE ANNUAL PREMIUM</u>
ANNUAL	1	[\$972.70	\$972.70	\$ 0.00
SEMI-ANNUAL	2	\$496.08	\$992.16	\$19.46
QUARTERLY	4	\$252.90	\$1,011.60	\$38.90
MONTHLY (EFT/LIST BILL)	12	\$85.60	\$1,027.20	\$54.50]

THIS TABLE ILLUSTRATES THE ADDITIONAL AMOUNTS THAT ARE REQUIRED IN THE FIRST YEAR. ADDITIONAL AMOUNTS WILL BE DUE IN FUTURE YEARS IF PREMIUMS ARE PAID MORE FREQUENTLY THAN ANNUALLY AND MAY VARY FROM THE ABOVE EXAMPLE. CONTACT YOUR AGENT OR THE COMPANY TO DETERMINE THE ADDITIONAL AMOUNT DUE IN ANY GIVEN YEAR IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY.

DATA SECTION

ON POLICY ANNIVERSARY <u>IN YEAR</u>	CASH <u>VALUE*</u>	PAID UP LIFE <u>INSURANCE*</u>	PERIOD OF EXTENDED TERM <u>INSURANCE*</u>	
			<u>YEARS</u>	<u>DAYS</u>
[2013	\$0.00	\$0	0	0
2014	\$679.00	\$4513	27	302
2015	\$1390.00	\$8885	31	224
2016	\$2136.00	\$13128	33	237
2017	\$2917.00	\$17240	34	315
2018	\$3735.00	\$21228	35	225
2019	\$4592.00	\$25098	36	35
2020	\$5489.00	\$28852	36	130
2021	\$6428.00	\$32493	36	172
2022	\$7409.00	\$36018	36	171
2023	\$8435.00	\$39440	36	135
2024	\$9507.00	\$42755	36	73
2025	\$10627.00	\$45970	35	357
2026	\$11795.00	\$49082	35	256
2027	\$13015.00	\$52104	35	143
2028	\$14285.00	\$55021	35	18
2029	\$15609.00	\$57845	34	249
2030	\$16986.00	\$60576	34	106
2031	\$18417.00	\$63208	33	320
2032	\$19902.00	\$65746	33	163
2042	\$37682.00	\$86103	28	345
2047	\$48109.00	\$92756	26	292]

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, OR DEBT TO US ON THIS POLICY. ANY DIVIDEND ADDITIONS AND DIVIDENDS HELD WILL INCREASE, AND ANY DEBT WILL DECREASE, THE NET CASH VALUE AND THE AMOUNTS OF PAID UP LIFE INSURANCE AND EXTENDED TERM INSURANCE.

THESE VALUES APPLY ONLY IF PREMIUMS ARE PAID TO THE STATED ANNIVERSARIES.

THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THEY WILL BE QUOTED UPON REQUEST.

DIVIDENDS PAID ON THIS POLICY ARE NOT GUARANTEED.

DATA SECTION

<u>ON POLICY ANNIVERSARY IN YEAR</u>	<u>CASH VALUE*</u>	<u>ADDITIONAL PAID UP LIFE INSURANCE*</u>
[2013	\$584.46	\$4040
2014	\$709.33	\$4711
2015	\$838.55	\$5356
2016	\$972.92	\$5976
2017	\$1112.67	\$6572
2018	\$1257.92	\$7145
2019	\$1408.90	\$7696
2020	\$1565.91	\$8227
2021	\$1729.16	\$8736
2022	\$1898.81	\$9227
2023	\$2075.08	\$9698
2024	\$2258.30	\$10152
2025	\$2448.62	\$10588
2026	\$2646.27	\$11008
2027	\$2851.49	\$11411
2028	\$3064.64	\$11800
2029	\$3285.98	\$12173
2030	\$3515.49	\$12533
2031	\$3753.69	\$12879
2032	\$4000.55	\$13212
2042	\$6434.83	\$14699
2047	\$7626.11	\$14699]

THE ADDITIONAL PAID UP LIFE INSURANCE PERIODIC PREMIUM IS [\$100.00] FOR A [12-MONTH] INTERVAL.

THE ADDITIONAL PAID UP LIFE IN SURANCE SINGLE PREMIUM IS [\$500.00].

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, DEBT TO US ON THIS POLICY, OR ANY UNCOLLECTED PERIODIC PREMIUMS.

THESE VALUES APPLY ONLY IF PREMIUMS FOR THIS RIDER ARE PAID ON THE STATED POLICY ANNIVERSARY DATES. ANY ADDITIONAL PAID UP LIFE INSURANCE PURCHASED UNDER THIS RIDER MAY BE SURRENDERED FOR ITS CASH VALUE AT THAT TIME. THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF THE TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THE VALUES ON THIS PAGE REPRESENT THE GUARANTEED PURCHASE BASIS STATED IN YOUR POLICY.

THE PERCENTAGE OF THE ANNUAL PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [97.0%].

THE PERCENTAGE OF THE SINGLE PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [93.0%].

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Any riders and Endorsements and a copy of
the application, follow page 24

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

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of premiums as shown in the Data Section. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

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

POLICY DATE

The Policy Date is the Date of Issue, as stated in the Data Section.

POLICY MONTHS, YEARS AND ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Policy Date.

Each policy month shall begin on the same day of the month as the Policy Date or on the last day of any month having no such day.

PAYMENT OF BENEFITS

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

NOTICES

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

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

MISSTATEMENT OF AGE

The ages of the Insureds on their respective birthdays nearest to the Policy Date are shown in the Data Section. They are based on the dates of birth shown in the application. If the age of either Insured has been misstated, any benefits under this policy shall be such as the premiums paid would have bought using the correct ages.

EQUAL EQUIVALENT AGE

The Equal Equivalent Age of the Insureds on any date is based upon the Insureds respective birthdays nearest to the Policy Date. The Equal Equivalent Age of the Insureds on the Policy Date is shown in the Data Section.

ATTAINED EQUAL EQUIVALENT AGE

The Attained Equal Equivalent Age of the Insureds on any date is the Equal Equivalent Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Policy Date. The Attained Equal Equivalent Age of the Insureds is not affected by the death of one of the Insureds.

CHANGE OF PLAN

If we agree, the policy may be changed to another plan of insurance.

BASIS OF VALUES

The Cash Values and paid up default benefits are not less than the minimum values and benefits required by the law of the state in which this policy is delivered. A detailed statement of the method used to compute Cash Values and paid up default benefits has been filed in that state.

The Values are based on the Commissioners 2001 Standard Ordinary (50) Composite, Ultimate, Age Nearest Birthday, mortality table. They use continuous functions and compound interest at the rate of 4.0% per year.

The Basis of Values will not change as long as this policy is in force. An Additional Paid Up Life Insurance Rider may be added to this policy after issue subject to our limits in place for such rider at the time it is added and subject to underwriting. The Basis of Values of any Additional Paid Up Life Insurance Rider attached to this policy will be the same as this policy.

PREMIUMS

PAYMENT OF PREMIUMS

The first premium and its interval are shown in the Data Section. It is due on the Policy Date. Each later premium is due at the end of the interval of time for which the preceding premium was paid.

Premiums may be paid for 12-, 6-, or 3-month intervals at the rates in effect on the Date of Issue or in any manner agreed to by us. The Owner may make a change from one interval to another by filing a written request at our Home Office.

The first premium may be paid to us either at our Home Office or through our duly authorized agent in exchange for a receipt signed by that agent. All later premiums must be paid to us at our Home Office.

We will incur no liability if no premium is paid.

Premiums will be payable to the Insureds Attained Equal Equivalent Age 100.

GRACE PERIOD

If any premium is not paid on or before the day it is due, the premium shall be in default. However, a Grace Period, during which the insurance shall stay in force, shall be allowed for the payment of every premium except the first. A Grace Period shall begin on the due date of the premium in default and end thirty-one days from such due date.

AUTOMATIC
PAYMENT OF
PREMIUM - FROM
DIVIDENDS HELD
OR BY LOAN

Any premium still unpaid at the end of the Grace Period less any dividend being applied toward payment of such premium shall be paid by a loan against this policy subject to the following terms.

1. The Owner must file at our Home Office a written request for Automatic Payment of Premium. No premium due prior to our receipt of the request shall be paid under this section. No premium due after the request is withdrawn shall be paid under this section.
2. Any Dividends Held must be applied to pay the premium before a Policy Loan will be made.
3. The Loan Value must fully secure such loan and all other debt on this policy.
4. This policy need not be assigned to us for this type of loan. All other terms of the Policy Loans section shall apply.
5. The modal premium that will be loaned automatically will be the same modal premium that was elected prior to the request for Automatic Payment of Premium.
6. If the Loan Value is not sufficient to pay the full modal premium, the outstanding portion of the modal premium will need to be paid or the policy will enter a Grace Period, after which the policy will lapse.

PREMIUM DEFAULT

Upon default in payment of any premium due, this policy shall lapse as of the due date of the premium in default. That date shall be called the Date of Default. Except as stated under the Default Benefits and Grace Period sections, all our liability shall then cease.

DEATH BENEFIT

DEATH BENEFIT

The Death Benefit shall be:

1. the Sum Insured shown in the Data Section; plus
2. any Dividend Additions in force; plus
3. any remaining Dividends Held; plus
4. any dividend credited at the death of the second Insured to die; plus
5. the part of any premium paid for any period after the second Insured to die; less
6. any debt to us on this policy; less
7. the part of any premium in default for any period prior to the death of the second Insured to die.

At the Insureds Attained Equal Equivalent Age 100, if the policy is still in force, the total Face Amount of this policy will be set equal to the Cash Value. After that point, the Death Benefit will increase with interest at a rate determined by the Company.

We will pay the Death Benefit to the Beneficiary when we receive at our Home Office due proof that both Insureds died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Grace Period for any premium in default has passed, the Death Benefit is not payable. In such event any amount payable is set forth in the Default Benefits section. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of death of the second Insured to die to the date of payment. We will set the rate of interest at not less than the rate applicable for the funds left on deposit. If the Death Benefit is not paid within 30 days after we receive at our Home Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8% per year.

SUICIDE LIMITATION

If either of the Insureds dies within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay to the Owner only a sum equal to the premiums paid less any dividends taken in cash or applied toward payment of premiums and less any debt to us on this policy.

NOTICE OF DEATH AND CLAIMS

The Owner must notify us within 180 days after the date of death of each Insured. We may require proof whether both Insureds are living two years from the Date of Issue. Within 180 days after the date of death of the first Insured to die, we will require the Owner to provide us with evidence of death and proof of age and, if the death is within two years from the Date of Issue, the cause of death.

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REPRESENTATIONS AND INCONTESTABILITY

REPRESENTATIONS

All statements made by or for either or both of the Insureds shall be deemed representations and not warranties. No such statement shall be used to make this policy void or be used in defense of a claim upon it unless such statement is in the application.

INCONTESTABILITY

After this policy has been in force during the life of each Insured for two years from the policy Date of Issue, we will not contest it with respect to representations made by that Insured. After this policy has been in force during the life of both Insureds for two years from the policy Date of Issue, we will not contest it except for failure to pay premiums.

The statement on which the contest will be made shall be material to the risk accepted or hazard assumed by the Company.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

BENEFICIARY

GENERAL BENEFICIARY TERMS

The Owner has the right to change the Beneficiary which shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by the Company prior to receipt of this notice. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary dying before the death of the second of the Insureds to die shall vest in the Owner unless otherwise stated.

Where two or more Beneficiaries are designated to take in the alternative based on the order of the Insureds deaths and there is not sufficient evidence that the Insureds died other than simultaneously; one half of the Death Benefit shall be paid as if the first Insured had survived the second Insured; and one half shall be paid as if the second Insured had survived the first Insured. This shall not apply if the application or the Owner has provided for a different payment.

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

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

CHANGE OF BENEFICIARY

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

POLICY OWNERSHIP

GENERAL OWNERSHIP TERMS

The Owner may:

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

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner has waived the right to change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while one or both of the Insureds are alive.

Changes to Owner designation, unless otherwise specified by the Owner, shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by us prior to receipt of this notice.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Home Office. When notice is received at our Home Office, the change shall take effect on the date the notice is signed by the Owner whether or not either Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

SPENDTHRIFT PROVISION

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

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

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

DIVIDENDS

DIVIDENDS

We will credit this policy with shares, called dividends, from our divisible surplus, until Attained Equal Equivalent Age 100. The dividends, if any, credited to this policy shall be set by us. Any first dividend shall be credited on the first Policy Anniversary or when premiums for two full Policy Years have been paid, whichever occurs later. Any later dividends shall be credited on the second and all later Policy Anniversaries. Dividends will be affected by loans. No dividends shall be credited if Extended Term Insurance is in force.

The dividends may be used under one of the following options:

1. **Cash.** Dividends may be taken in cash.
2. **Applied.** Dividends may be applied toward payment of a premium due. If the balance of such premium is not paid, or if this policy is paid up, the dividend shall be used to buy Dividend Additions.
3. **Dividend Additions.** Dividends may be used to buy Paid Up Life Insurance, called Dividend Additions. The rate used shall be the net single premium per \$1,000 of insurance as of the date the dividend is credited. Any Dividend Additions in force may be surrendered at any time for their value at that time. Their value shall not be less than the total of the dividends used to buy them.
4. **Dividends Held.** Dividends may be left with us. Such dividends and interest added to them are called Dividends Held. We will add interest each year on Dividends Held which have remained with us for a full Policy Year. The rate of interest will be set by us each year at not less than 4% per year. Any Dividends Held may be withdrawn at any time by the Owner alone.
5. **Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance.** This option applies dividends to purchase a blend of decreasing term insurance and paid-up additions. This option may be subject to underwriting. This option is made available through a rider to the policy.

Once chosen, a dividend option shall remain in effect until changed by the Owner. If a dividend option is not chosen, we will use the dividend to buy Dividend Additions.

NET CASH VALUE

NET CASH VALUE

The Net Cash Value is:

1. the Cash Value; plus
2. the value of any Dividend Additions in force; plus
3. the amount of any unearned net premium; plus
4. any remaining Dividends Held; plus
5. any dividends payable on the policy; less
6. any debt to us on this policy.

If premiums are payable, the Cash Value shall be determined as of the date to which premiums are paid. At the Insureds Attained Equal Equivalent Age 100, the Cash Value will increase with interest at a rate determined by the Company. The Cash Value of any Paid Up Life Insurance or Extended Term Insurance shall be its net single premium. The Cash Value of any premium-paying life insurance and the value of any Paid Up Life Insurance and Extended Term Insurance within thirty days after any Policy Anniversary shall not be less than its Cash Value as of such anniversary.

POLICY LOANS

LOAN VALUE

If this policy is in force and premiums are payable, the Loan Value is the amount which, with interest at the Loan Interest Rate to the date to which premiums are paid, equals the Cash Value on such date plus the value on such date of any Dividend Additions.

If this policy is in force as Paid Up Life Insurance, the Loan Value is the amount which, with interest at the Loan Interest Rate to the next Policy Anniversary, equals the value on such date of the Paid Up Life Insurance and of any Dividend Additions.

LOAN INTEREST RATE

The Loan Interest Rate on the Date of Issue is shown in the Data Section. It shall apply to any debt to us on this policy until the rate is changed by us. The Loan Interest Rate may change from Policy Year to Policy Year. The Loan Interest Rate we set shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the lesser of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs; or
2. the limit on the Published Monthly Average, if any, set by the Owner as shown in the Data Section or as received in writing at the Home Office;

but not less than 5%.

The Published Monthly Average shall be the Moodys Corporate Bond Yield Average - Monthly Average Corporates, as published by Moodys Investors Service, Inc., or any successor to it. However, if at any time that Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

On any Policy Anniversary after the Date of Issue of this policy, the Owner may set a limit on the Published Monthly Average. If the Owner elects to set or change a limit, he or she must notify us at least 45 days in advance of the Policy Anniversary.

On each Policy Anniversary we may change the Loan Interest Rate on this policy. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year less than the Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Loan Interest Rate for this policy. It will be decreased to a rate equal to or less than the Maximum Rate then allowed. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year more than the Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give to the Owner:

1. notice of the Loan Interest Rate in effect for this policy:
 - a) at the time a cash loan is made; and
 - b) as soon as reasonably practical after an initial premium loan is made; and
2. reasonable advance notice of any increase in the Loan Interest Rate, if there is any debt to us on this policy.

In no event shall the Loan Interest Rate exceed the highest loan interest rate allowed by the law of the state in which this policy is delivered.

If there is a Policy Loan, the policy dividends may be adjusted. Such dividends may be altered based on the interest return the Company realized on any Policy Loan on this policy when compared to its return on other assets.

POLICY LOAN

We will loan, upon the sole security of the policy, an amount which, with outstanding debt on the policy and its accrued interest, does not exceed the Loan Value. Loans are subject to the following terms.

1. This policy must be in its second or later Policy Year.
2. This policy must be in force.
3. Unless the policy is in force as Paid Up Life Insurance, no premium may be in default.
4. Extended Term Insurance must not be in force.
5. This policy must be duly assigned to us.

GENERAL LOAN TERMS

Any loan shall bear interest at the Loan Interest Rate from the date the loan is made. If a loan is for the sole purpose of paying a premium on this policy, it shall be deemed to have been made on the due date of the premium being paid.

If the policy is not assigned except to us, a premium loan agreement and assignment may be made by the Owner without the consent and against the interest of any Beneficiary and any contingent owner.

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

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

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

1. the death of the second of the Insureds to die; and
2. surrender of the policy while in force as Paid Up Life Insurance; and
3. default in payment of any premium. Debt may be paid after default in payment of a premium while the policy is in force as Paid Up Life Insurance.

When any of these events occur, all debt shall become due at once. It shall then be paid from the policy values.

Whenever the debt equals or exceeds the Loan Value, this policy shall become null and void. It shall not become null and void until thirty-one days after we mail notice to the last known addresses of the Owner and the assignee under any assignment duly filed with us.

We may defer any Policy Loan, other than one to pay premiums on our policies, for not more than six months.

DEFAULT BENEFITS

DEFAULT BENEFITS

At the end of the Grace Period for any premium in default, a Default Benefit shall take effect as of the Date of Default.

In the event of non-payment of premiums due at any time other than a policy anniversary, the Net Cash Value and any paid-up nonforfeiture benefit, shall be calculated with allowance for the period of default and the payment of partial premiums from the last preceding policy anniversary.

These nonforfeiture provisions do not reflect a change in status or cash value upon the first death, because they are based on the Frasier methodology.

SURRENDER BENEFITS

We will pay the Net Cash Value as of the Date of Default if:

- a) request is made prior to the sixtieth day after the Date of Default;
and
- b) this policy is legally surrendered within sixty days after the Date of Default.

If this policy is in force as Paid Up Life Insurance, it may be surrendered at any time for its Net Cash Value. Any Extended Term Insurance in force may be surrendered within thirty days after any Policy Anniversary for its value as of such date or at any other time for its value. The value of any Extended Term Insurance shall be its net single premium.

We may defer the payment of any surrender value for not more than six months. If we defer payment for more than thirty days, the surrender value shall bear interest at 4% per year from the date of surrender to the date of payment.

PAID UP LIFE INSURANCE

This policy shall remain in force as Paid Up Life Insurance from the Date of Default if:

- a) the Data Section so states and no other default benefit is chosen prior to the sixtieth day after the Date of Default; or
- b) request is made prior to the sixtieth day after the Date of Default.

The amount of Paid Up Life Insurance shall be the level amount which can be bought by the Net Cash Value on the Date of Default on the net single premium basis at the then attained age of the Insureds.

EXTENDED TERM INSURANCE

This benefit is not available if the Data Section so states. Otherwise, the policy shall remain in force as Extended Term Insurance from the Date of Default if no other default benefit is chosen prior to the sixtieth day after the Date of Default.

The amount of term insurance shall be:

- a) the Sum Insured; plus
- b) any Dividend Additions in force and any remaining Dividends Held;
less
- c) any debt to us on the policy.

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Such term insurance shall start on the Date of Default. It shall extend for such term as the Net Cash Value provides when applied as a net single premium at the then attained age of the Insureds.

If the Net Cash Value provides Paid Up Life Insurance equal to or in excess of the amount of Extended Term Insurance, it shall instead be used to buy Paid Up Life Insurance.

ENHANCED PAID UP LIFE INSURANCE

Unless the Data Section states that Enhanced Paid Up Life Insurance is not available, if the Owner elects Paid Up Life Insurance under Default Benefit 2 of this section, the Owner may elect a Death Benefit called the Optional Benefit Amount.

OPTIONAL BENEFIT AMOUNT

The Optional Benefit Amount may be any amount up to the lesser of the Death Benefit of this policy on the Date of Default and a maximum. The maximum is the maximum amount which the Dividend Protection Provision, under the dividend scale in effect as of the Date of Default, could keep in force until the death of the second of the Insureds to die without requiring that the Owner pay a Term Insurance Premium under paragraph b. of the Dividend Protection Provision.

DIVIDEND
PROTECTION
PROVISION

If the Enhanced Paid Up Life Insurance Benefit is elected, dividends will be applied under this Dividend Protection Provision. On each Policy Anniversary any annual dividend credited shall be applied to purchase a combination of Dividend Additions and one year term insurance.

- a) If the dividend is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that their sum plus any outstanding Dividend Additions, plus the amount of Paid Up Life Insurance, shall equal the Optional Benefit Amount.
- b) If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance, and the Owner shall pay a premium which will purchase one year term insurance equal to such insufficiency. This premium, referred to herein as the Term Insurance Premium, shall be at the rate currently being charged to provide one year term insurance under this Dividend Protection Provision.
- c) If the dividend applied would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions and the amount of Paid Up Life Insurance would equal or exceed the Optional Benefit Amount, such dividend and all subsequent dividends shall be applied solely to purchase Dividend Additions.

Any insurance purchased under this Dividend Protection Provision shall be payable to the Beneficiary as part of the proceeds of the policy.

CONDITIONS

The purchase price of any one year term insurance purchased under this provision shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insureds issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (50), Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

If this provision terminates at any time, the Cash Value of the policy shall be increased by a pro rata part, corresponding to any unexpired portion of the policy year then current, of the purchase price of any one year term insurance then in force under the policy.

At the end of the Grace Period for the payment of any required Term Insurance Premium which is not paid, the Dividend Protection Provision shall remain in effect under its terms, except that paragraph b. of the Dividend Protection Provision shall be deleted, and the following added in its place:

b. If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of the Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance.

TERMINATION

The Optional Benefit Amount and this Dividend Protection Provision and any one year term insurance in force under this policy shall terminate on the first of the following to occur:

- a) Upon receipt by us of a written request for termination of the Optional Benefit Amount or the Dividend Protection Provision;
- b) On the Policy Anniversary upon which, in accordance with a proper election, any dividend is not applied under the Dividend Protection Provision;
- c) Upon the surrender of any Dividend Additions;
- d) Upon any exchange of the policy for a new policy.

Once terminated the Dividend Protection Provision may not be later re-elected, except with our approval and subject to such conditions as we may determine.

REINSTATEMENT

REINSTATEMENT

If this policy has lapsed and as of the Date of Default it:

1. had no Net Cash Value; or
2. remained in force as Paid Up Life Insurance; or
3. remained in force as Extended Term Insurance;

then upon request it may be reinstated within five years of the Date of Default. We will require proof to our satisfaction that each Insured who was living on the Date of Default is living and insurable. No such proof shall be required if at the time of request Extended Term Insurance is in force and extends at least five years beyond the date of the request. Any debt to us on this policy on the Date of Default must be paid or reinstated. Compound interest on such debt for the period from the Date of Default to the date of Reinstatement must be paid or reinstated. Interest shall be at the Loan Interest Rates which would have been applicable during such period in the absence of default. All unpaid premiums and compound interest on them at the rate of 6% per year must be paid.

We may contest any Reinstatement until such Reinstatement has been in force during the life of each Insured who was living at the time of Reinstatement for two years from its effective date.

PAYMENT OPTIONS

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

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

OPTION EFFECTIVE DATE

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

GENERAL PAYMENT OPTION TERMS

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

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

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

CHOICE OF OPTION

Choice of an option may be made:

1. by the Owner if one or both of the Insureds are living; or
2. by the Beneficiary if neither Insured is living and no option is in effect.

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

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

CHANGE OF
PAYMENT OPTION

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

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

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

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

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

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

OPTION 1
-PAYMENT OF
INTEREST ONLY

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

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

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

OPTION 2
-PAYMENTS FOR A
STATED TIME

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

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

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

OPTION 3
 -PAYMENTS FOR
 LIFE

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

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

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

Guaranteed Period

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

+ Higher ages the same

OPTION 4
-PAYMENTS OF A
STATED AMOUNT

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

OPTION 5 - LIFE
ANNUITY

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

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

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

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

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

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

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

+ Higher ages the same

OPTION 7 - 50%
SURVIVOR
ANNUITY

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

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

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

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

+ Higher ages the same



NATIONAL LIFE

National Life Insurance Company
Montpelier, Vermont 05604
Tel: 802-229-3333

Should You Need to Call

Your agent is, and should continue to be, the primary contact for information about your National Life coverage. However, there may be times when it is necessary to contact our Home Office for assistance.

If you need to contact our Home Office directly, please dial 1-800-732-8939. Contract information is also available at www.nationallife.com, where you can self-register to access policy information in a secure setting.

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 your 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*). On the next page 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 contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation (*FPBC*) (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

Limits on Amount of Coverage

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or 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.



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

Survivorship Whole Life Insurance with Dividends. Premiums to be paid for years shown in Data Section or until prior death of both Insureds. The Death Benefit is payable upon the death of the second of the Insureds to die. This policy is nonparticipating.

Right to Review Policy. This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Date of Issue. We will then refund any premium paid.

Effective Date:	08/15/2012
Policy Number:	1234567
Face Amount:	\$100,000
First Insured:	Ethan Allen
Issue Age:	35
Second Insured:	Edna Allen
Issue Age:	35
Owner:	As stated in the application unless later changed
Beneficiary:	As stated in the application unless later changed

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

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

Signed for National Life Insurance Company at [Montpelier, Vermont] as of the Date of Issue, by

Mehran Assadi
President & Chief Executive Officer

James F. McQuinn
Secretary

One National Life Drive, Montpelier, Vermont 05604, Tel: 800-732-8939
National Life Group® is a trade name of National Life Insurance Company and its affiliates.

DATA SECTION

[++REFER TO THE ADDITIONAL PAID UP LIFE INSURANCE RIDER VALUES SECTION FOR DETAILS ON FACE AMOUNTS FOR THE ADDITIONAL PAID UP LIFE INSURANCE.]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

[**REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE.]

[IF MODAL PREMIUMS ON THIS POLICY ARE PAID BY SURRENDERING DIVIDEND ADDITIONS OR BY TAKING LOANS AGAINST THE POLICY, THE RIDER SUM INSURED MAY NOT BE SUPPORTED FOR THE DURATION OF THE POLICY YEAR.]

[EXPENSE CHARGES FOR FLEX TERM PREMIUM AS A PERCENTAGE OF PREMIUM PAID.

YEARS 2-10: 10%

YEARS 11+: 3%]

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

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

THIS POLICY IS IN PREMIUM CLASS [02].

[THE EXTENDED TERM INSURANCE DEFAULT BENEFIT IS AVAILABLE AND IS THE AUTOMATIC DEFAULT BENEFIT IF NO OTHER DEFAULT BENEFIT IS CHOSEN PRIOR TO THE SIXTIETH DAY AFTER THE DATE OF DEFAULT.]

THE LOAN INTEREST RATE IS VARIABLE. THE LOAN INTEREST RATE AT THE DATE OF ISSUE IS [5.00%].

DATA SECTION

ANNUAL PREMIUMS PAYABLE*

<u>AS OF</u> <u>[AUG 15]</u> <u>YEAR</u>	<u>TOTAL</u>
[2012	\$1413.70
2013-2036	\$913.70
2037-2076	\$813.70]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

DATA SECTION

[PREMIUM PAYMENT OPTIONS AND ADDITIONAL COSTS ASSOCIATED WITH PAYING PREMIUMS MORE FREQUENTLY THAN ANNUALLY: YOU MAY PAY PREMIUMS ONCE A YEAR (ANNUALLY), TWICE A YEAR (SEMI-ANNUALLY), OR FOUR TIMES A YEAR (QUARTERLY). YOU MAY ALSO PAY PREMIUMS TWELVE TIMES A YEAR (MONTHLY) BY PRE-AUTHORIZED ELECTRONIC TRANSFER.]

YOUR YEARLY COST WILL BE HIGHER IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY. FOR EXAMPLE, THE ADDITIONAL AMOUNT YOU WILL PAY IN THE FIRST YEAR IS AS FOLLOWS:

<u>PREMIUM FREQUENCY</u>	<u>NUMBER OF PAYMENTS PER YEAR</u>	<u>AMOUNT OF EACH PREMIUM PAYMENT</u>	<u>TOTAL PREMIUM PER YEAR</u>	<u>AMOUNT YOU WILL PAY EACH YEAR IN ADDITION TO THE ANNUAL PREMIUM</u>
ANNUAL	1	[\$913.70	\$913.70	\$ 0.00
SEMI-ANNUAL	2	\$465.99	\$931.98	\$18.28
QUARTERLY	4	\$237.56	\$950.24	\$36.54
MONTHLY (EFT/LIST BILL)	12	\$80.41	\$964.92	\$51.22]

THIS TABLE ILLUSTRATES THE ADDITIONAL AMOUNTS THAT ARE REQUIRED IN THE FIRST YEAR. ADDITIONAL AMOUNTS WILL BE DUE IN FUTURE YEARS IF PREMIUMS ARE PAID MORE FREQUENTLY THAN ANNUALLY AND MAY VARY FROM THE ABOVE EXAMPLE. CONTACT YOUR AGENT OR THE COMPANY TO DETERMINE THE ADDITIONAL AMOUNT DUE IN ANY GIVEN YEAR IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY.

DATA SECTION

ON POLICY ANNIVERSARY <u>IN YEAR</u>	CASH VALUE*	PAID UP LIFE INSURANCE*	PERIOD OF EXTENDED TERM INSURANCE*	
			<u>YEARS</u>	<u>DAYS</u>
[2013	\$0.00	\$0	0	0
2014	\$623.00	\$4159	27	122
2015	\$1277.00	\$8196	31	40
2016	\$1961.00	\$12103	33	43
2017	\$2679.00	\$15900	34	113
2018	\$3431.00	\$19582	35	22
2019	\$4218.00	\$23150	35	184
2020	\$5043.00	\$26618	35	277
2021	\$5905.00	\$29975	35	312
2022	\$6808.00	\$33236	35	306
2023	\$7751.00	\$36393	35	262
2024	\$8737.00	\$39457	35	190
2025	\$9768.00	\$42433	35	98
2026	\$10844.00	\$45314	34	354
2027	\$11967.00	\$48107	34	228
2028	\$13139.00	\$50816	34	90
2029	\$14360.00	\$53437	33	307
2030	\$15632.00	\$55977	33	151
2031	\$16956.00	\$58433	32	353
2032	\$18331.00	\$60805	32	180
2042	\$35112.00	\$80538	27	125
2047	\$45347.00	\$87742	24	300]

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, OR DEBT TO US ON THIS POLICY. ANY DIVIDEND ADDITIONS AND DIVIDENDS HELD WILL INCREASE, AND ANY DEBT WILL DECREASE, THE NET CASH VALUE AND THE AMOUNTS OF PAID UP LIFE INSURANCE AND EXTENDED TERM INSURANCE.

THESE VALUES APPLY ONLY IF PREMIUMS ARE PAID TO THE STATED ANNIVERSARIES.

THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THEY WILL BE QUOTED UPON REQUEST.

DIVIDENDS PAID ON THIS POLICY ARE NOT GUARANTEED.

DATA SECTION

<u>ON POLICY ANNIVERSARY IN YEAR</u>	<u>CASH VALUE*</u>	<u>ADDITIONAL PAID UP LIFE INSURANCE*</u>
[2013	\$584.48	\$4057
2014	\$708.73	\$4731
2015	\$837.95	\$5378
2016	\$972.27	\$6001
2017	\$1111.97	\$6600
2018	\$1257.19	\$7175
2019	\$1408.21	\$7729
2020	\$1565.19	\$8261
2021	\$1728.34	\$8773
2022	\$1897.98	\$9266
2023	\$2074.26	\$9739
2024	\$2257.41	\$10195
2025	\$2447.65	\$10633
2026	\$2645.36	\$11054
2027	\$2850.65	\$11459
2028	\$3063.77	\$11849
2029	\$3285.09	\$12225
2030	\$3514.62	\$12585
2031	\$3752.85	\$12933
2032	\$3999.63	\$13267
2042	\$6435.29	\$14761
2047	\$7628.70	\$14761]

THE ADDITIONAL PAID UP LIFE INSURANCE PERIODIC PREMIUM IS [\$100.00] FOR A [12-MONTH] INTERVAL.

THE ADDITIONAL PAID UP LIFE INSURANCE SINGLE PREMIUM IS [\$500.00].

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, DEBT TO US ON THIS POLICY, OR ANY UNCOLLECTED PERIODIC PREMIUMS.

THESE VALUES APPLY ONLY IF PREMIUMS FOR THIS RIDER ARE PAID ON THE STATED POLICY ANNIVERSARY DATES. ANY ADDITIONAL PAID UP LIFE INSURANCE PURCHASED UNDER THIS RIDER MAY BE SURRENDERED FOR ITS CASH VALUE AT THAT TIME. THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF THE TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THE VALUES ON THIS PAGE REPRESENT THE GUARANTEED PURCHASE BASIS STATED IN YOUR POLICY.

THE PERCENTAGE OF THE ANNUAL PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [97.0%].

THE PERCENTAGE OF THE SINGLE PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [93.0%].

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Any riders and Endorsements and a copy of
the application, follow page 24

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

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of premiums as shown in the Data Section. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

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

POLICY DATE

The Policy Date is the Date of Issue, as stated in the Data Section.

POLICY MONTHS, YEARS AND ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Policy Date.

Each policy month shall begin on the same day of the month as the Policy Date or on the last day of any month having no such day.

PAYMENT OF BENEFITS

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

NOTICES

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

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

MISSTATEMENT OF AGE OR SEX

The ages of the Insureds on their respective birthdays nearest to the Policy Date are shown in the Data Section. They are based on the dates of birth shown in the application. If the age or sex of either Insured has been misstated, any benefits under this policy shall be such as the premiums paid would have bought using the correct ages and sexes.

EQUAL EQUIVALENT AGE

The Equal Equivalent Age of the Insureds on any date is based upon the Insureds respective birthdays nearest to the Policy Date. The Equal Equivalent Age of the Insureds on the Policy Date is shown in the Data Section.

ATTAINED EQUAL EQUIVALENT AGE

The Attained Equal Equivalent Age of the Insureds on any date is the Equal Equivalent Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Policy Date. The Attained Equal Equivalent Age of the Insureds is not affected by the death of one of the Insureds.

CHANGE OF PLAN

If we agree, the policy may be changed to another plan of insurance.

BASIS OF VALUES

The Cash Values and paid up default benefits are not less than the minimum values and benefits required by the law of the state in which this policy is delivered. A detailed statement of the method used to compute Cash Values and paid up default benefits has been filed in that state.

The Values are based on the Commissioners 2001 Standard Ordinary (Male/Female) Composite, Ultimate, Age Nearest Birthday, mortality table. They use continuous functions and compound interest at the rate of 4.0% per year.

The Basis of Values will not change as long as this policy is in force. An Additional Paid Up Life Insurance Rider may be added to this policy after issue subject to our limits in place for such rider at the time it is added and subject to underwriting. The Basis of Values of any Additional Paid Up Life Insurance Rider attached to this policy will be the same as this policy.

PREMIUMS

PAYMENT OF PREMIUMS

The first premium and its interval are shown in the Data Section. It is due on the Policy Date. Each later premium is due at the end of the interval of time for which the preceding premium was paid.

Premiums may be paid for 12-, 6-, or 3-month intervals at the rates in effect on the Date of Issue or in any manner agreed to by us. The Owner may make a change from one interval to another by filing a written request at our Home Office.

The first premium may be paid to us either at our Home Office or through our duly authorized agent in exchange for a receipt signed by that agent. All later premiums must be paid to us at our Home Office.

We will incur no liability if no premium is paid.

Premiums will be payable to the Insureds Attained Equal Equivalent Age 100.

GRACE PERIOD

If any premium is not paid on or before the day it is due, the premium shall be in default. However, a Grace Period, during which the insurance shall stay in force, shall be allowed for the payment of every premium except the first. A Grace Period shall begin on the due date of the premium in default and end thirty-one days from such due date.

AUTOMATIC
PAYMENT OF
PREMIUM - FROM
DIVIDENDS HELD
OR BY LOAN

Any premium still unpaid at the end of the Grace Period less any dividend being applied toward payment of such premium shall be paid by a loan against this policy subject to the following terms.

1. The Owner must file at our Home Office a written request for Automatic Payment of Premium. No premium due prior to our receipt of the request shall be paid under this section. No premium due after the request is withdrawn shall be paid under this section.
2. Any Dividends Held must be applied to pay the premium before a Policy Loan will be made.
3. The Loan Value must fully secure such loan and all other debt on this policy.
4. This policy need not be assigned to us for this type of loan. All other terms of the Policy Loans section shall apply.
5. The modal premium that will be loaned automatically will be the same modal premium that was elected prior to the request for Automatic Payment of Premium.
6. If the Loan Value is not sufficient to pay the full modal premium, the outstanding portion of the modal premium will need to be paid or the policy will enter a Grace Period, after which the policy will lapse.

PREMIUM DEFAULT

Upon default in payment of any premium due, this policy shall lapse as of the due date of the premium in default. That date shall be called the Date of Default. Except as stated under the Default Benefits and Grace Period sections, all our liability shall then cease.

DEATH BENEFIT

DEATH BENEFIT

The Death Benefit shall be:

1. the Sum Insured shown in the Data Section; plus
2. any Dividend Additions in force; plus
3. any remaining Dividends Held; plus
4. any dividend credited at the death of the second Insured to die; plus
5. the part of any premium paid for any period after the second Insured to die; less
6. any debt to us on this policy; less
7. the part of any premium in default for any period prior to the death of the second Insured to die.

At the Insureds Attained Equal Equivalent Age 100, if the policy is still in force, the total Face Amount of this policy will be set equal to the Cash Value. After that point, the Death Benefit will increase with interest at a rate determined by the Company.

We will pay the Death Benefit to the Beneficiary when we receive at our Home Office due proof that both Insureds died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Grace Period for any premium in default has passed, the Death Benefit is not payable. In such event any amount payable is set forth in the Default Benefits section. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of death of the second Insured to die to the date of payment. We will set the rate of interest at not less than the rate applicable for the funds left on deposit. If the Death Benefit is not paid within 30 days after we receive at our Home Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8% per year.

SUICIDE LIMITATION

If either of the Insureds dies within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay to the Owner only a sum equal to the premiums paid less any dividends taken in cash or applied toward payment of premiums and less any debt to us on this policy.

NOTICE OF DEATH AND CLAIMS

The Owner must notify us within 180 days after the date of death of each Insured. We may require proof whether both Insureds are living two years from the Date of Issue. Within 180 days after the date of death of the first Insured to die, we will require the Owner to provide us with evidence of death and proof of age and, if the death is within two years from the Date of Issue, the cause of death.

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REPRESENTATIONS AND INCONTESTABILITY

REPRESENTATIONS

All statements made by or for either or both of the Insureds shall be deemed representations and not warranties. No such statement shall be used to make this policy void or be used in defense of a claim upon it unless such statement is in the application.

INCONTESTABILITY

After this policy has been in force during the life of each Insured for two years from the policy Date of Issue, we will not contest it with respect to representations made by that Insured. After this policy has been in force during the life of both Insureds for two years from the policy Date of Issue, we will not contest it except for failure to pay premiums.

The statement on which the contest will be made shall be material to the risk accepted or hazard assumed by the Company.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

BENEFICIARY

GENERAL BENEFICIARY TERMS

The Owner has the right to change the Beneficiary which shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by the Company prior to receipt of this notice. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary dying before the death of the second of the Insureds to die shall vest in the Owner unless otherwise stated.

Where two or more Beneficiaries are designated to take in the alternative based on the order of the Insureds deaths and there is not sufficient evidence that the Insureds died other than simultaneously; one half of the Death Benefit shall be paid as if the first Insured had survived the second Insured; and one half shall be paid as if the second Insured had survived the first Insured. This shall not apply if the application or the Owner has provided for a different payment.

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

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

CHANGE OF BENEFICIARY

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

POLICY OWNERSHIP

GENERAL OWNERSHIP TERMS

The Owner may:

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

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner has waived the right to change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while one or both of the Insureds are alive.

Changes to Owner designation, unless otherwise specified by the Owner, shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by us prior to receipt of this notice.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Home Office. When notice is received at our Home Office, the change shall take effect on the date the notice is signed by the Owner whether or not either Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

SPENDTHRIFT PROVISION

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

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

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

DIVIDENDS

DIVIDENDS

We will credit this policy with shares, called dividends, from our divisible surplus, until Attained Equal Equivalent Age 100. The dividends, if any, credited to this policy shall be set by us. Any first dividend shall be credited on the first Policy Anniversary or when premiums for two full Policy Years have been paid, whichever occurs later. Any later dividends shall be credited on the second and all later Policy Anniversaries. Dividends will be affected by loans. No dividends shall be credited if Extended Term Insurance is in force.

The dividends may be used under one of the following options:

1. **Cash.** Dividends may be taken in cash.
2. **Applied.** Dividends may be applied toward payment of a premium due. If the balance of such premium is not paid, or if this policy is paid up, the dividend shall be used to buy Dividend Additions.
3. **Dividend Additions.** Dividends may be used to buy Paid Up Life Insurance, called Dividend Additions. The rate used shall be the net single premium per \$1,000 of insurance as of the date the dividend is credited. Any Dividend Additions in force may be surrendered at any time for their value at that time. Their value shall not be less than the total of the dividends used to buy them.
4. **Dividends Held.** Dividends may be left with us. Such dividends and interest added to them are called Dividends Held. We will add interest each year on Dividends Held which have remained with us for a full Policy Year. The rate of interest will be set by us each year at not less than 4% per year. Any Dividends Held may be withdrawn at any time by the Owner alone.
5. **Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance.** This option applies dividends to purchase a blend of decreasing term insurance and paid-up additions. This option may be subject to underwriting. This option is made available through a rider to the policy.

Once chosen, a dividend option shall remain in effect until changed by the Owner. If a dividend option is not chosen, we will use the dividend to buy Dividend Additions.

NET CASH VALUE

NET CASH VALUE

The Net Cash Value is:

1. the Cash Value; plus
2. the value of any Dividend Additions in force; plus
3. the amount of any unearned net premium; plus
4. any remaining Dividends Held; plus
5. any dividends payable on the policy; less
6. any debt to us on this policy.

If premiums are payable, the Cash Value shall be determined as of the date to which premiums are paid. At the Insureds Attained Equal Equivalent Age 100, the Cash Value will increase with interest at a rate determined by the Company. The Cash Value of any Paid Up Life Insurance or Extended Term Insurance shall be its net single premium. The Cash Value of any premium-paying life insurance and the value of any Paid Up Life Insurance and Extended Term Insurance within thirty days after any Policy Anniversary shall not be less than its Cash Value as of such anniversary.

POLICY LOANS

LOAN VALUE

If this policy is in force and premiums are payable, the Loan Value is the amount which, with interest at the Loan Interest Rate to the date to which premiums are paid, equals the Cash Value on such date plus the value on such date of any Dividend Additions.

If this policy is in force as Paid Up Life Insurance, the Loan Value is the amount which, with interest at the Loan Interest Rate to the next Policy Anniversary, equals the value on such date of the Paid Up Life Insurance and of any Dividend Additions.

LOAN INTEREST RATE

The Loan Interest Rate on the Date of Issue is shown in the Data Section. It shall apply to any debt to us on this policy until the rate is changed by us. The Loan Interest Rate may change from Policy Year to Policy Year. The Loan Interest Rate we set shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the lesser of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs; or
2. the limit on the Published Monthly Average, if any, set by the Owner as shown in the Data Section or as received in writing at the Home Office;

but not less than 5%.

The Published Monthly Average shall be the Moodys Corporate Bond Yield Average - Monthly Average Corporates, as published by Moodys Investors Service, Inc., or any successor to it. However, if at any time that Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

On any Policy Anniversary after the Date of Issue of this policy, the Owner may set a limit on the Published Monthly Average. If the Owner elects to set or change a limit, he or she must notify us at least 45 days in advance of the Policy Anniversary.

On each Policy Anniversary we may change the Loan Interest Rate on this policy. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year less than the Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Loan Interest Rate for this policy. It will be decreased to a rate equal to or less than the Maximum Rate then allowed. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year more than the Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give to the Owner:

1. notice of the Loan Interest Rate in effect for this policy:
 - a) at the time a cash loan is made; and
 - b) as soon as reasonably practical after an initial premium loan is made; and
2. reasonable advance notice of any increase in the Loan Interest Rate, if there is any debt to us on this policy.

In no event shall the Loan Interest Rate exceed the highest loan interest rate allowed by the law of the state in which this policy is delivered.

If there is a Policy Loan, the policy dividends may be adjusted. Such dividends may be altered based on the interest return the Company realized on any Policy Loan on this policy when compared to its return on other assets.

POLICY LOAN

We will loan, upon the sole security of the policy, an amount which, with outstanding debt on the policy and its accrued interest, does not exceed the Loan Value. Loans are subject to the following terms.

1. This policy must be in its second or later Policy Year.
2. This policy must be in force.
3. Unless the policy is in force as Paid Up Life Insurance, no premium may be in default.
4. Extended Term Insurance must not be in force.
5. This policy must be duly assigned to us.

GENERAL LOAN TERMS

Any loan shall bear interest at the Loan Interest Rate from the date the loan is made. If a loan is for the sole purpose of paying a premium on this policy, it shall be deemed to have been made on the due date of the premium being paid.

If the policy is not assigned except to us, a premium loan agreement and assignment may be made by the Owner without the consent and against the interest of any Beneficiary and any contingent owner.

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

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

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

1. the death of the second of the Insureds to die; and
2. surrender of the policy while in force as Paid Up Life Insurance; and
3. default in payment of any premium. Debt may be paid after default in payment of a premium while the policy is in force as Paid Up Life Insurance.

When any of these events occur, all debt shall become due at once. It shall then be paid from the policy values.

Whenever the debt equals or exceeds the Loan Value, this policy shall become null and void. It shall not become null and void until thirty-one days after we mail notice to the last known addresses of the Owner and the assignee under any assignment duly filed with us.

We may defer any Policy Loan, other than one to pay premiums on our policies, for not more than six months.

DEFAULT BENEFITS

DEFAULT BENEFITS

At the end of the Grace Period for any premium in default, a Default Benefit shall take effect as of the Date of Default.

In the event of non-payment of premiums due at any time other than a policy anniversary, the Net Cash Value and any paid-up nonforfeiture benefit, shall be calculated with allowance for the period of default and the payment of partial premiums from the last preceding policy anniversary.

These nonforfeiture provisions do not reflect a change in status or cash value upon the first death, because they are based on the Frasier methodology.

SURRENDER BENEFITS

We will pay the Net Cash Value as of the Date of Default if:

- a) request is made prior to the sixtieth day after the Date of Default;
and
- b) this policy is legally surrendered within sixty days after the Date of Default.

If this policy is in force as Paid Up Life Insurance, it may be surrendered at any time for its Net Cash Value. Any Extended Term Insurance in force may be surrendered within thirty days after any Policy Anniversary for its value as of such date or at any other time for its value. The value of any Extended Term Insurance shall be its net single premium.

We may defer the payment of any surrender value for not more than six months. If we defer payment for more than thirty days, the surrender value shall bear interest at 4% per year from the date of surrender to the date of payment.

PAID UP LIFE INSURANCE

This policy shall remain in force as Paid Up Life Insurance from the Date of Default if:

- a) the Data Section so states and no other default benefit is chosen prior to the sixtieth day after the Date of Default; or
- b) request is made prior to the sixtieth day after the Date of Default.

The amount of Paid Up Life Insurance shall be the level amount which can be bought by the Net Cash Value on the Date of Default on the net single premium basis at the then attained age of the Insureds.

EXTENDED TERM INSURANCE

This benefit is not available if the Data Section so states. Otherwise, the policy shall remain in force as Extended Term Insurance from the Date of Default if no other default benefit is chosen prior to the sixtieth day after the Date of Default.

The amount of term insurance shall be:

- a) the Sum Insured; plus
- b) any Dividend Additions in force and any remaining Dividends Held;
less
- c) any debt to us on the policy.

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Such term insurance shall start on the Date of Default. It shall extend for such term as the Net Cash Value provides when applied as a net single premium at the then attained age of the Insureds.

If the Net Cash Value provides Paid Up Life Insurance equal to or in excess of the amount of Extended Term Insurance, it shall instead be used to buy Paid Up Life Insurance.

ENHANCED PAID UP LIFE INSURANCE

Unless the Data Section states that Enhanced Paid Up Life Insurance is not available, if the Owner elects Paid Up Life Insurance under Default Benefit 2 of this section, the Owner may elect a Death Benefit called the Optional Benefit Amount.

OPTIONAL BENEFIT AMOUNT

The Optional Benefit Amount may be any amount up to the lesser of the Death Benefit of this policy on the Date of Default and a maximum. The maximum is the maximum amount which the Dividend Protection Provision, under the dividend scale in effect as of the Date of Default, could keep in force until the death of the second of the Insureds to die without requiring that the Owner pay a Term Insurance Premium under paragraph b. of the Dividend Protection Provision.

DIVIDEND
PROTECTION
PROVISION

If the Enhanced Paid Up Life Insurance Benefit is elected, dividends will be applied under this Dividend Protection Provision. On each Policy Anniversary any annual dividend credited shall be applied to purchase a combination of Dividend Additions and one year term insurance.

- a) If the dividend is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that their sum plus any outstanding Dividend Additions, plus the amount of Paid Up Life Insurance, shall equal the Optional Benefit Amount.
- b) If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance, and the Owner shall pay a premium which will purchase one year term insurance equal to such insufficiency. This premium, referred to herein as the Term Insurance Premium, shall be at the rate currently being charged to provide one year term insurance under this Dividend Protection Provision.
- c) If the dividend applied would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions and the amount of Paid Up Life Insurance would equal or exceed the Optional Benefit Amount, such dividend and all subsequent dividends shall be applied solely to purchase Dividend Additions.

Any insurance purchased under this Dividend Protection Provision shall be payable to the Beneficiary as part of the proceeds of the policy.

CONDITIONS

The purchase price of any one year term insurance purchased under this provision shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insureds issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (Male/Female) Non-Smoker/Smoker, Ultimate, Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

If this provision terminates at any time, the Cash Value of the policy shall be increased by a pro rata part, corresponding to any unexpired portion of the policy year then current, of the purchase price of any one year term insurance then in force under the policy.

At the end of the Grace Period for the payment of any required Term Insurance Premium which is not paid, the Dividend Protection Provision shall remain in effect under its terms, except that paragraph b. of the Dividend Protection Provision shall be deleted, and the following added in its place:

b. If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of the Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance.

TERMINATION

The Optional Benefit Amount and this Dividend Protection Provision and any one year term insurance in force under this policy shall terminate on the first of the following to occur:

- a) Upon receipt by us of a written request for termination of the Optional Benefit Amount or the Dividend Protection Provision;
- b) On the Policy Anniversary upon which, in accordance with a proper election, any dividend is not applied under the Dividend Protection Provision;
- c) Upon the surrender of any Dividend Additions;
- d) Upon any exchange of the policy for a new policy.

Once terminated the Dividend Protection Provision may not be later re-elected, except with our approval and subject to such conditions as we may determine.

REINSTATEMENT

REINSTATEMENT

If this policy has lapsed and as of the Date of Default it:

1. had no Net Cash Value; or
2. remained in force as Paid Up Life Insurance; or
3. remained in force as Extended Term Insurance;

then upon request it may be reinstated within five years of the Date of Default. We will require proof to our satisfaction that each Insured who was living on the Date of Default is living and insurable. No such proof shall be required if at the time of request Extended Term Insurance is in force and extends at least five years beyond the date of the request. Any debt to us on this policy on the Date of Default must be paid or reinstated. Compound interest on such debt for the period from the Date of Default to the date of Reinstatement must be paid or reinstated. Interest shall be at the Loan Interest Rates which would have been applicable during such period in the absence of default. All unpaid premiums and compound interest on them at the rate of 6% per year must be paid.

We may contest any Reinstatement until such Reinstatement has been in force during the life of each Insured who was living at the time of Reinstatement for two years from its effective date.

PAYMENT OPTIONS

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

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

OPTION EFFECTIVE DATE

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

GENERAL PAYMENT OPTION TERMS

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

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

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

CHOICE OF OPTION

Choice of an option may be made:

1. by the Owner if one or both of the Insureds are living; or
2. by the Beneficiary if neither Insured is living and no option is in effect.

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

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

CHANGE OF
PAYMENT OPTION

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

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

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

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

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

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

OPTION 1
-PAYMENT OF
INTEREST ONLY

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

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

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

OPTION 2
-PAYMENTS FOR A
STATED TIME

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

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

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

OPTION 3
 -PAYMENTS FOR
 LIFE

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

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

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

Guaranteed Period

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

+ Higher ages the same

OPTION 4
-PAYMENTS OF A
STATED AMOUNT

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

OPTION 5 - LIFE
ANNUITY

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

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

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

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

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

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

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

+ Higher ages the same

OPTION 7 - 50%
SURVIVOR
ANNUITY

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

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

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

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

+ Higher ages the same



NATIONAL LIFE

National Life Insurance Company
Montpelier, Vermont 05604
Tel: 802-229-3333

Should You Need to Call

Your agent is, and should continue to be, the primary contact for information about your National Life coverage. However, there may be times when it is necessary to contact our Home Office for assistance.

If you need to contact our Home Office directly, please dial 1-800-732-8939. Contract information is also available at www.nationallife.com, where you can self-register to access policy information in a secure setting.

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 your 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*). On the next page 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 contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation (*FPBC*) (whether the *FPBC* is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

Limits on Amount of Coverage

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or 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.



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

Survivorship Whole Life Insurance with Dividends. Unisex Version. Premiums to be paid for years shown in Data Section or until prior death of both Insureds. The Death Benefit is payable upon the death of the second of the Insureds to die. This policy is nonparticipating.

Right to Review Policy. This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Date of Issue. We will then refund any premium paid.

Effective Date:	08/15/2012
Policy Number:	1234567
Face Amount:	\$100,000
First Insured:	Ethan Allen
Issue Age:	35
Second Insured:	Edna Allen
Issue Age:	35
Owner:	As stated in the application unless later changed
Beneficiary:	As stated in the application unless later changed

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

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

Signed for National Life Insurance Company at [Montpelier, Vermont] as of the Date of Issue, by

 President & Chief Executive Officer	 Secretary
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One National Life Drive, Montpelier, Vermont 05604, Tel: 800-732-8939
National Life Group® is a trade name of National Life Insurance Company and its affiliates.

DATA SECTION

[++REFER TO THE ADDITIONAL PAID UP LIFE INSURANCE RIDER VALUES SECTION FOR DETAILS ON FACE AMOUNTS FOR THE ADDITIONAL PAID UP LIFE INSURANCE.]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

[**REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE.]

[IF MODAL PREMIUMS ON THIS POLICY ARE PAID BY SURRENDERING DIVIDEND ADDITIONS OR BY TAKING LOANS AGAINST THE POLICY, THE RIDER SUM INSURED MAY NOT BE SUPPORTED FOR THE DURATION OF THE POLICY YEAR.]

[EXPENSE CHARGES FOR FLEX TERM PREMIUM AS A PERCENTAGE OF PREMIUM PAID.
YEARS 2-10: 10%
YEARS 11+: 3%]

THE FIRST INSURED HAS BEEN CLASSIFIED A [STANDARD NON-SMOKER].
THE SECOND INSURED HAS BEEN CLASSIFIED A [PREFERRED NON-SMOKER].

THIS POLICY IS IN PREMIUM CLASS [02].

[THE EXTENDED TERM INSURANCE DEFAULT BENEFIT IS AVAILABLE AND IS THE AUTOMATIC DEFAULT BENEFIT IF NO OTHER DEFAULT BENEFIT IS CHOSEN PRIOR TO THE SIXTIETH DAY AFTER THE DATE OF DEFAULT.]

THE LOAN INTEREST RATE IS VARIABLE. THE LOAN INTEREST RATE AT THE DATE OF ISSUE IS [5.00%].

DATA SECTION

ANNUAL PREMIUMS PAYABLE*

<u>AS OF</u> <u>[AUG 15]</u> <u>YEAR</u>	<u>TOTAL</u>
[2012	\$1472.70
2013-2036	\$972.70
2037-2076	\$872.70]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

DATA SECTION

[PREMIUM PAYMENT OPTIONS AND ADDITIONAL COSTS ASSOCIATED WITH PAYING PREMIUMS MORE FREQUENTLY THAN ANNUALLY: YOU MAY PAY PREMIUMS ONCE A YEAR (ANNUALLY), TWICE A YEAR (SEMI-ANNUALLY), OR FOUR TIMES A YEAR (QUARTERLY). YOU MAY ALSO PAY PREMIUMS TWELVE TIMES A YEAR (MONTHLY) BY PRE-AUTHORIZED ELECTRONIC TRANSFER.]

YOUR YEARLY COST WILL BE HIGHER IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY. FOR EXAMPLE, THE ADDITIONAL AMOUNT YOU WILL PAY IN THE FIRST YEAR IS AS FOLLOWS:

<u>PREMIUM FREQUENCY</u>	<u>NUMBER OF PAYMENTS PER YEAR</u>	<u>AMOUNT OF EACH PREMIUM PAYMENT</u>	<u>TOTAL PREMIUM PER YEAR</u>	<u>AMOUNT YOU WILL PAY EACH YEAR IN ADDITION TO THE ANNUAL PREMIUM</u>
ANNUAL	1	[\$972.70	\$972.70	\$ 0.00
SEMI-ANNUAL	2	\$496.08	\$992.16	\$19.46
QUARTERLY	4	\$252.90	\$1,011.60	\$38.90
MONTHLY (EFT/LIST BILL)	12	\$85.60	\$1,027.20	\$54.50]

THIS TABLE ILLUSTRATES THE ADDITIONAL AMOUNTS THAT ARE REQUIRED IN THE FIRST YEAR. ADDITIONAL AMOUNTS WILL BE DUE IN FUTURE YEARS IF PREMIUMS ARE PAID MORE FREQUENTLY THAN ANNUALLY AND MAY VARY FROM THE ABOVE EXAMPLE. CONTACT YOUR AGENT OR THE COMPANY TO DETERMINE THE ADDITIONAL AMOUNT DUE IN ANY GIVEN YEAR IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY.

DATA SECTION

ON POLICY ANNIVERSARY <u>IN YEAR</u>	CASH <u>VALUE*</u>	PAID UP LIFE <u>INSURANCE*</u>	PERIOD OF EXTENDED TERM <u>INSURANCE*</u>	
			<u>YEARS</u>	<u>DAYS</u>
[2013	\$0.00	\$0	0	0
2014	\$679.00	\$4513	27	302
2015	\$1390.00	\$8885	31	224
2016	\$2136.00	\$13128	33	237
2017	\$2917.00	\$17240	34	315
2018	\$3735.00	\$21228	35	225
2019	\$4592.00	\$25098	36	35
2020	\$5489.00	\$28852	36	130
2021	\$6428.00	\$32493	36	172
2022	\$7409.00	\$36018	36	171
2023	\$8435.00	\$39440	36	135
2024	\$9507.00	\$42755	36	73
2025	\$10627.00	\$45970	35	357
2026	\$11795.00	\$49082	35	256
2027	\$13015.00	\$52104	35	143
2028	\$14285.00	\$55021	35	18
2029	\$15609.00	\$57845	34	249
2030	\$16986.00	\$60576	34	106
2031	\$18417.00	\$63208	33	320
2032	\$19902.00	\$65746	33	163
2042	\$37682.00	\$86103	28	345
2047	\$48109.00	\$92756	26	292]

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, OR DEBT TO US ON THIS POLICY. ANY DIVIDEND ADDITIONS AND DIVIDENDS HELD WILL INCREASE, AND ANY DEBT WILL DECREASE, THE NET CASH VALUE AND THE AMOUNTS OF PAID UP LIFE INSURANCE AND EXTENDED TERM INSURANCE.

THESE VALUES APPLY ONLY IF PREMIUMS ARE PAID TO THE STATED ANNIVERSARIES.

THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THEY WILL BE QUOTED UPON REQUEST.

DIVIDENDS PAID ON THIS POLICY ARE NOT GUARANTEED.

DATA SECTION

<u>ON POLICY ANNIVERSARY IN YEAR</u>	<u>CASH VALUE*</u>	<u>ADDITIONAL PAID UP LIFE INSURANCE*</u>
[2013	\$584.46	\$4040
2014	\$709.33	\$4711
2015	\$838.55	\$5356
2016	\$972.92	\$5976
2017	\$1112.67	\$6572
2018	\$1257.92	\$7145
2019	\$1408.90	\$7696
2020	\$1565.91	\$8227
2021	\$1729.16	\$8736
2022	\$1898.81	\$9227
2023	\$2075.08	\$9698
2024	\$2258.30	\$10152
2025	\$2448.62	\$10588
2026	\$2646.27	\$11008
2027	\$2851.49	\$11411
2028	\$3064.64	\$11800
2029	\$3285.98	\$12173
2030	\$3515.49	\$12533
2031	\$3753.69	\$12879
2032	\$4000.55	\$13212
2042	\$6434.83	\$14699
2047	\$7626.11	\$14699]

THE ADDITIONAL PAID UP LIFE INSURANCE PERIODIC PREMIUM IS [\$100.00] FOR A [12-MONTH] INTERVAL.

THE ADDITIONAL PAID UP LIFE IN SURANCE SINGLE PREMIUM IS [\$500.00].

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, DEBT TO US ON THIS POLICY, OR ANY UNCOLLECTED PERIODIC PREMIUMS.

THESE VALUES APPLY ONLY IF PREMIUMS FOR THIS RIDER ARE PAID ON THE STATED POLICY ANNIVERSARY DATES. ANY ADDITIONAL PAID UP LIFE INSURANCE PURCHASED UNDER THIS RIDER MAY BE SURRENDERED FOR ITS CASH VALUE AT THAT TIME. THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF THE TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THE VALUES ON THIS PAGE REPRESENT THE GUARANTEED PURCHASE BASIS STATED IN YOUR POLICY.

THE PERCENTAGE OF THE ANNUAL PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [97.0%].

THE PERCENTAGE OF THE SINGLE PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [93.0%].

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Any riders and Endorsements and a copy of
the application, follow page 24

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

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of premiums as shown in the Data Section. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

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

POLICY DATE

The Policy Date is the Date of Issue, as stated in the Data Section.

POLICY MONTHS, YEARS AND ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Policy Date.

Each policy month shall begin on the same day of the month as the Policy Date or on the last day of any month having no such day.

PAYMENT OF BENEFITS

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

NOTICES

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

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

MISSTATEMENT OF AGE

The ages of the Insureds on their respective birthdays nearest to the Policy Date are shown in the Data Section. They are based on the dates of birth shown in the application. If the age of either Insured has been misstated, any benefits under this policy shall be such as the premiums paid would have bought using the correct ages.

EQUAL EQUIVALENT AGE

The Equal Equivalent Age of the Insureds on any date is based upon the Insureds' respective birthdays nearest to the Policy Date. The Equal Equivalent Age of the Insureds on the Policy Date is shown in the Data Section.

ATTAINED EQUAL EQUIVALENT AGE

The Attained Equal Equivalent Age of the Insureds on any date is the Equal Equivalent Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Policy Date. The Attained Equal Equivalent Age of the Insureds is not affected by the death of one of the Insureds.

CHANGE OF PLAN

If we agree, the policy may be changed to another plan of insurance.

BASIS OF VALUES

The Cash Values and paid up default benefits are not less than the minimum values and benefits required by the law of the state in which this policy is delivered. A detailed statement of the method used to compute Cash Values and paid up default benefits has been filed in that state.

The Values are based on the Commissioners 2001 Standard Ordinary (50) Composite, Ultimate, Age Nearest Birthday, mortality table. They use continuous functions and compound interest at the rate of 4.0% per year.

The Basis of Values will not change as long as this policy is in force. An Additional Paid Up Life Insurance Rider may be added to this policy after issue subject to our limits in place for such rider at the time it is added and subject to underwriting. The Basis of Values of any Additional Paid Up Life Insurance Rider attached to this policy will be the same as this policy.

PREMIUMS

PAYMENT OF PREMIUMS

The first premium and its interval are shown in the Data Section. It is due on the Policy Date. Each later premium is due at the end of the interval of time for which the preceding premium was paid.

Premiums may be paid for 12-, 6-, or 3-month intervals at the rates in effect on the Date of Issue or in any manner agreed to by us. The Owner may make a change from one interval to another by filing a written request at our Home Office.

The first premium may be paid to us either at our Home Office or through our duly authorized agent in exchange for a receipt signed by that agent. All later premiums must be paid to us at our Home Office.

We will incur no liability if no premium is paid.

Premiums will be payable to the Insureds Attained Equal Equivalent Age 100.

GRACE PERIOD

If any premium is not paid on or before the day it is due, the premium shall be in default. However, a Grace Period, during which the insurance shall stay in force, shall be allowed for the payment of every premium except the first. A Grace Period shall begin on the due date of the premium in default and end thirty-one days from such due date.

AUTOMATIC
PAYMENT OF
PREMIUM - FROM
DIVIDENDS HELD
OR BY LOAN

Any premium still unpaid at the end of the Grace Period less any dividend being applied toward payment of such premium shall be paid by a loan against this policy subject to the following terms.

1. The Owner must file at our Home Office a written request for Automatic Payment of Premium. No premium due prior to our receipt of the request shall be paid under this section. No premium due after the request is withdrawn shall be paid under this section.
2. Any Dividends Held must be applied to pay the premium before a Policy Loan will be made.
3. The Loan Value must fully secure such loan and all other debt on this policy.
4. This policy need not be assigned to us for this type of loan. All other terms of the Policy Loans section shall apply.
5. The modal premium that will be loaned automatically will be the same modal premium that was elected prior to the request for Automatic Payment of Premium.
6. If the Loan Value is not sufficient to pay the full modal premium, the outstanding portion of the modal premium will need to be paid or the policy will enter a Grace Period, after which the policy will lapse.

PREMIUM DEFAULT

Upon default in payment of any premium due, this policy shall lapse as of the due date of the premium in default. That date shall be called the Date of Default. Except as stated under the Default Benefits and Grace Period sections, all our liability shall then cease.

DEATH BENEFIT

DEATH BENEFIT

The Death Benefit shall be:

1. the Sum Insured shown in the Data Section; plus
2. any Dividend Additions in force; plus
3. any remaining Dividends Held; plus
4. any dividend credited at the death of the second Insured to die; plus
5. the part of any premium paid for any period after the second Insured to die; less
6. any debt to us on this policy; less
7. the part of any premium in default for any period prior to the death of the second Insured to die.

At the Insureds Attained Equal Equivalent Age 100, if the policy is still in force, the total Face Amount of this policy will be set equal to the Cash Value. After that point, the Death Benefit will increase with interest at a rate determined by the Company.

We will pay the Death Benefit to the Beneficiary when we receive at our Home Office due proof that both Insureds died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Grace Period for any premium in default has passed, the Death Benefit is not payable. In such event any amount payable is set forth in the Default Benefits section. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of death of the second Insured to die to the date of payment. We will set the rate of interest at not less than the rate applicable for the funds left on deposit. If the Death Benefit is not paid within 30 days after we receive at our Home Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8% per year.

SUICIDE LIMITATION

If the death of both Insureds or the second of the Insureds to die occurs within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay to the Owner only a sum equal to the premiums paid less any dividends taken in cash or applied toward payment of premiums less any surrenders of paid up insurance, including dividend additions, and less any debt to us on this policy.

If this policy is reinstated, a similar two-year period shall start from the effective date of Reinstatement. During such period, if the death of both Insureds or the second of the Insureds to die occurs within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay only a sum equal to:

1. the premiums paid since the effective date of Reinstatement; less
2. any surrenders made since the effective date of Reinstatement; less
3. any debt to us on this policy; less
4. dividends taken in cash or applied toward payment of premiums.

NOTICE OF DEATH AND CLAIMS

The Owner must notify us within 180 days after the date of death of each Insured. We may require proof whether both Insureds are living two years from the Date of Issue. Within 180 days after the date of death of the first Insured to die, we will require the Owner to provide us with evidence of death and proof of age and, if the death is within two years from the Date of Issue, the cause of death.

REPRESENTATIONS AND INCONTESTABILITY

REPRESENTATIONS

All statements made by or for either or both of the Insureds shall be deemed representations and not warranties. No such statement shall be used to make this policy void or be used in defense of a claim upon it unless such statement is in the application.

INCONTESTABILITY

After this policy has been in force during the life of each Insured for two years from the policy Date of Issue, we will not contest it with respect to representations made by that Insured. After this policy has been in force during the life of both Insureds for two years from the policy Date of Issue, we will not contest it except for failure to pay premiums.

The statement on which the contest will be made shall be material to the risk accepted or hazard assumed by the Company.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

BENEFICIARY

GENERAL BENEFICIARY TERMS

The Owner has the right to change the Beneficiary which shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by the Company prior to receipt of this notice. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary dying before the death of the second of the Insureds to die shall vest in the Owner unless otherwise stated.

Where two or more Beneficiaries are designated to take in the alternative based on the order of the Insureds' deaths and there is not sufficient evidence that the Insureds died other than simultaneously: one half of the Death Benefit shall be paid as if the first Insured had survived the second Insured; and one half shall be paid as if the second Insured had survived the first Insured. This shall not apply if the application or the Owner has provided for a different payment.

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

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

CHANGE OF BENEFICIARY

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

POLICY OWNERSHIP

GENERAL OWNERSHIP TERMS

The Owner may:

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

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner has waived the right to change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while one or both of the Insureds are alive.

Changes to Owner designation, unless otherwise specified by the Owner, shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by us prior to receipt of this notice.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Home Office. When notice is received at our Home Office, the change shall take effect on the date the notice is signed by the Owner whether or not either Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

SPENDTHRIFT PROVISION

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

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

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

DIVIDENDS

DIVIDENDS

We will credit this policy with shares, called dividends, from our divisible surplus, until Attained Equal Equivalent Age 100. The dividends, if any, credited to this policy shall be set by us. Any first dividend shall be credited on the first Policy Anniversary or when premiums for two full Policy Years have been paid, whichever occurs later. Any later dividends shall be credited on the second and all later Policy Anniversaries. Dividends will be affected by loans. No dividends shall be credited if Extended Term Insurance is in force.

The dividends may be used under one of the following options:

1. **Cash.** Dividends may be taken in cash.
2. **Applied.** Dividends may be applied toward payment of a premium due. If the balance of such premium is not paid, or if this policy is paid up, the dividend shall be used to buy Dividend Additions.
3. **Dividend Additions.** Dividends may be used to buy Paid Up Life Insurance, called Dividend Additions. The rate used shall be the net single premium per \$1,000 of insurance as of the date the dividend is credited. Any Dividend Additions in force may be surrendered at any time for their value at that time. Their value shall not be less than the total of the dividends used to buy them.
4. **Dividends Held.** Dividends may be left with us. Such dividends and interest added to them are called Dividends Held. We will add interest each year on Dividends Held which have remained with us for a full Policy Year. The rate of interest will be set by us each year at not less than 4% per year. Any Dividends Held may be withdrawn at any time by the Owner alone.
5. **Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance.** This option applies dividends to purchase a blend of decreasing term insurance and paid-up additions. This option may be subject to underwriting. This option is made available through a rider to the policy.

Once chosen, a dividend option shall remain in effect until changed by the Owner. If a dividend option is not chosen, we will use the dividend to buy Dividend Additions.

NET CASH VALUE

NET CASH VALUE

The Net Cash Value is:

1. the Cash Value; plus
2. the value of any Dividend Additions in force; plus
3. the amount of any unearned net premium; plus
4. any remaining Dividends Held; plus
5. any dividends payable on the policy; less
6. any debt to us on this policy.

If premiums are payable, the Cash Value shall be determined as of the date to which premiums are paid. At the Insureds Attained Equal Equivalent Age 100, the Cash Value will increase with interest at a rate determined by the Company. The Cash Value of any Paid Up Life Insurance or Extended Term Insurance shall be its net single premium. The Cash Value of any premium-paying life insurance and the value of any Paid Up Life Insurance and Extended Term Insurance within thirty days after any Policy Anniversary shall not be less than its Cash Value as of such anniversary.

POLICY LOANS

LOAN VALUE

If this policy is in force and premiums are payable, the Loan Value is the amount which, with interest at the Loan Interest Rate to the date to which premiums are paid, equals the Cash Value on such date plus the value on such date of any Dividend Additions.

If this policy is in force as Paid Up Life Insurance, the Loan Value is the amount which, with interest at the Loan Interest Rate to the next Policy Anniversary, equals the value on such date of the Paid Up Life Insurance and of any Dividend Additions.

LOAN INTEREST
RATE

The Loan Interest Rate on the Date of Issue is shown in the Data Section. It shall apply to any debt to us on this policy until the rate is changed by us. The Loan Interest Rate may change from Policy Year to Policy Year. The Loan Interest Rate we set shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the lesser of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs; or
2. the limit on the Published Monthly Average, if any, set by the Owner as shown in the Data Section or as received in writing at the Home Office;

but not less than 5%.

The Published Monthly Average shall be the Moody's Corporate Bond Yield Average - Monthly Average Corporates, as published by Moody's Investors Service, Inc., or any successor to it. However, if at any time that Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

On any Policy Anniversary after the Date of Issue of this policy, the Owner may set a limit on the Published Monthly Average. If the Owner elects to set or change a limit, he or she must notify us at least 45 days in advance of the Policy Anniversary.

On each Policy Anniversary we may change the Loan Interest Rate on this policy. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year less than the Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Loan Interest Rate for this policy. It will be decreased to a rate equal to or less than the Maximum Rate then allowed. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year more than the Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give to the Owner:

1. notice of the Loan Interest Rate in effect for this policy:
 - a) at the time a cash loan is made; and
 - b) as soon as reasonably practical after an initial premium loan is made; and
2. reasonable advance notice of any increase in the Loan Interest Rate, if there is any debt to us on this policy.

In no event shall the Loan Interest Rate exceed the highest loan interest rate allowed by the law of the state in which this policy is delivered.

If there is a Policy Loan, the policy dividends may be adjusted. Such dividends may be altered based on the interest return the Company realized on any Policy Loan on this policy when compared to its return on other assets.

POLICY LOAN

We will loan, upon the sole security of the policy, an amount which, with outstanding debt on the policy and its accrued interest, does not exceed the Loan Value. Loans are subject to the following terms.

1. This policy must be in its second or later Policy Year.
2. This policy must be in force.
3. Unless the policy is in force as Paid Up Life Insurance, no premium may be in default.
4. Extended Term Insurance must not be in force.
5. This policy must be duly assigned to us.

GENERAL LOAN TERMS

Any loan shall bear interest at the Loan Interest Rate from the date the loan is made. If a loan is for the sole purpose of paying a premium on this policy, it shall be deemed to have been made on the due date of the premium being paid.

If the policy is not assigned except to us, a premium loan agreement and assignment may be made by the Owner without the consent and against the interest of any Beneficiary and any contingent owner.

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

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

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

1. the death of the second of the Insureds to die; and
2. surrender of the policy while in force as Paid Up Life Insurance; and
3. default in payment of any premium. Debt may be paid after default in payment of a premium while the policy is in force as Paid Up Life Insurance.

When any of these events occur, all debt shall become due at once. It shall then be paid from the policy values.

Whenever the debt equals or exceeds the Loan Value, this policy shall become null and void. It shall not become null and void until thirty-one days after we mail notice to the last known addresses of the Owner and the assignee under any assignment duly filed with us.

We may defer any Policy Loan, other than one to pay premiums on our policies, for not more than six months.

DEFAULT BENEFITS

DEFAULT BENEFITS

At the end of the Grace Period for any premium in default, a Default Benefit shall take effect as of the Date of Default.

In the event of non-payment of premiums due at any time other than a policy anniversary, the Net Cash Value and any paid-up nonforfeiture benefit, shall be calculated with allowance for the period of default and the payment of partial premiums from the last preceding policy anniversary.

These nonforfeiture provisions do not reflect a change in status or cash value upon the first death, because they are based on the Frasier methodology.

SURRENDER BENEFITS

We will pay the Net Cash Value as of the Date of Default if:

- a) request is made prior to the sixtieth day after the Date of Default;
and
- b) this policy is legally surrendered within sixty days after the Date of Default.

If this policy is in force as Paid Up Life Insurance, it may be surrendered at any time for its Net Cash Value. Any Extended Term Insurance in force may be surrendered within thirty days after any Policy Anniversary for its value as of such date or at any other time for its value. The value of any Extended Term Insurance shall be its net single premium.

We may defer the payment of any surrender value for not more than six months. If we defer payment for more than thirty days, the surrender value shall bear interest at 4% per year from the date of surrender to the date of payment.

PAID UP LIFE
INSURANCE

This policy shall remain in force as Paid Up Life Insurance from the Date of Default if:

- a) the Data Section so states and no other default benefit is chosen prior to the sixtieth day after the Date of Default; or
- b) request is made prior to the sixtieth day after the Date of Default.

The amount of Paid Up Life Insurance shall be the level amount which can be bought by the Net Cash Value on the Date of Default on the net single premium basis at the then attained age of the Insureds.

EXTENDED TERM
INSURANCE

This benefit is not available if the Data Section so states. Otherwise, the policy shall remain in force as Extended Term Insurance from the Date of Default if no other default benefit is chosen prior to the sixtieth day after the Date of Default.

The amount of term insurance shall be:

- a) the Sum Insured; plus
- b) any Dividend Additions in force and any remaining Dividends Held; less
- c) any debt to us on the policy.

Such term insurance shall start on the Date of Default. It shall extend for such term as the Net Cash Value provides when applied as a net single premium at the then attained age of the Insureds.

If the Net Cash Value provides Paid Up Life Insurance equal to or in excess of the amount of Extended Term Insurance, it shall instead be used to buy Paid Up Life Insurance.

ENHANCED PAID
UP LIFE INSURANCE

Unless the Data Section states that Enhanced Paid Up Life Insurance is not available, if the Owner elects Paid Up Life Insurance under Default Benefit 2 of this section, the Owner may elect a Death Benefit called the "Optional Benefit Amount" .

OPTIONAL BENEFIT
AMOUNT

The Optional Benefit Amount may be any amount up to the lesser of the Death Benefit of this policy on the Date of Default and a maximum. The maximum is the maximum amount which the Dividend Protection Provision, under the dividend scale in effect as of the Date of Default, could keep in force until the death of the second of the Insureds to die without requiring that the Owner pay a Term Insurance Premium under paragraph b. of the Dividend Protection Provision.

DIVIDEND
PROTECTION
PROVISION

If the Enhanced Paid Up Life Insurance Benefit is elected, dividends will be applied under this Dividend Protection Provision. On each Policy Anniversary any annual dividend credited shall be applied to purchase a combination of Dividend Additions and one year term insurance.

- a) If the dividend is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that their sum plus any outstanding Dividend Additions, plus the amount of Paid Up Life Insurance, shall equal the Optional Benefit Amount.
- b) If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance, and the Owner shall pay a premium which will purchase one year term insurance equal to such insufficiency. This premium, referred to herein as the Term Insurance Premium, shall be at the rate currently being charged to provide one year term insurance under this Dividend Protection Provision.
- c) If the dividend applied would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions and the amount of Paid Up Life Insurance would equal or exceed the Optional Benefit Amount, such dividend and all subsequent dividends shall be applied solely to purchase Dividend Additions.

Any insurance purchased under this Dividend Protection Provision shall be payable to the Beneficiary as part of the proceeds of the policy.

CONDITIONS

The purchase price of any one year term insurance purchased under this provision shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insured's issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (50), Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

If this provision terminates at any time, the Cash Value of the policy shall be increased by a pro rata part, corresponding to any unexpired portion of the policy year then current, of the purchase price of any one year term insurance then in force under the policy.

At the end of the Grace Period for the payment of any required Term Insurance Premium which is not paid, the Dividend Protection Provision shall remain in effect under its terms, except that paragraph b. of the Dividend Protection Provision shall be deleted, and the following added in its place:

“b. If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of the Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance.”

TERMINATION

The Optional Benefit Amount and this Dividend Protection Provision and any one year term insurance in force under this policy shall terminate on the first of the following to occur:

- a) Upon receipt by us of a written request for termination of the Optional Benefit Amount or the Dividend Protection Provision;
- b) On the Policy Anniversary upon which, in accordance with a proper election, any dividend is not applied under the Dividend Protection Provision;
- c) Upon the surrender of any Dividend Additions;
- d) Upon any exchange of the policy for a new policy.

Once terminated the Dividend Protection Provision may not be later re-elected, except with our approval and subject to such conditions as we may determine.

REINSTATEMENT

REINSTATEMENT

If this policy has lapsed and as of the Date of Default it:

1. had no Net Cash Value; or
2. remained in force as Paid Up Life Insurance; or
3. remained in force as Extended Term Insurance;

then upon request it may be reinstated within five years of the Date of Default. We will require proof to our satisfaction that each Insured who was living on the Date of Default is living and insurable. No such proof shall be required if at the time of request Extended Term Insurance is in force and extends at least five years beyond the date of the request. Any debt to us on this policy on the Date of Default must be paid or reinstated. Compound interest on such debt for the period from the Date of Default to the date of Reinstatement must be paid or reinstated. Interest shall be at the Loan Interest Rates which would have been applicable during such period in the absence of default. All unpaid premiums and compound interest on them at the rate of 6% per year must be paid.

We may contest any Reinstatement until such Reinstatement has been in force during the life of each Insured who was living at the time of Reinstatement for two years from its effective date.

PAYMENT OPTIONS

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

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

OPTION EFFECTIVE
DATE

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

GENERAL PAYMENT
OPTION TERMS

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

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

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

CHOICE OF
OPTION

Choice of an option may be made:

1. by the Owner if one or both of the Insureds are living; or
2. by the Beneficiary if neither Insured is living and no option is in effect.

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

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

CHANGE OF
PAYMENT OPTION

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

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

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

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

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

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

OPTION 1
-PAYMENT OF
INTEREST ONLY

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

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

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

OPTION 2
-PAYMENTS FOR A
STATED TIME

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

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

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

OPTION 3
 -PAYMENTS FOR
 LIFE

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

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

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

Guaranteed Period

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

+ Higher ages the same

OPTION 4
-PAYMENTS OF A
STATED AMOUNT

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

OPTION 5 - LIFE
ANNUITY

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

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

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

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

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

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

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

+ Higher ages the same

OPTION 7 - 50%
SURVIVOR
ANNUITY

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

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

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

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

+ Higher ages the same

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

Survivorship Whole Life Insurance with Dividends, Unisex Version. Premiums to be paid for years shown in Data Section or until prior death of both Insureds. The Death Benefit is payable upon the death of the second of the Insureds to die. This policy is non-participating.

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

NATIONAL LIFE INSURANCE COMPANY

HOME OFFICE: ONE NATIONAL LIFE DRIVE
MONTPELIER, VERMONT 05604 TELEPHONE: 800-732-8939
WWW.NATIONALLIFEGROUP.COM

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RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE

In addition to the Death Benefit of the policy, we, National Life Insurance Company (the Company), will pay the amount of any one year term insurance provided under this rider and in force at the date of death of the second Insured to die, subject to the terms of this rider. Payment shall be made within 30 days after we receive at our Home Office due proof that both Insureds died while such insurance was in force. Any insurance provided under this rider shall be payable to the Beneficiary as part of the proceeds of the policy.

The date of issue of this rider is the policy Date of Issue unless otherwise stated below.

While the Term Purchase Provision of this rider is in force, all dividends credited on the policy and on any Dividend Additions made a part of the policy shall be used under the provisions of this rider rather than under any of the other options offered in the Dividends section of the policy. Thereafter, the Owner may elect one of the options offered in the Dividends section of the policy. For purposes of this rider, Dividend Additions shall include all paid up life insurance bought under an Additional Paid Up Life Insurance Rider to the policy.

RIDER SUM INSURED

The amount of the Rider Sum Insured is shown in the Data Section.

RIDER PREMIUMS

Annual premiums for this rider are stated in the Data Section. Premiums payable more frequently than annually are called periodic. If premiums for the policy to which this rider is attached are periodic, then premiums for this rider shall be due on each date premiums for the policy are due. Such periodic premiums are also stated in the Data Section. They are payable in lieu of the annual premiums due for this rider.

The Term Purchase Provision of this rider will operate upon the date of receipt of the first periodic premium due in a policy year as if the annual premium shown in the Data Section for this rider was received by us on that date. However, such operation shall be subject to the following conditions:

1. The Death Benefit and Cash Value otherwise payable under the policy shall be reduced by the amount of any unpaid premiums for this rider which would have become due prior to the next policy anniversary; and
2. If during the first ten years following the date of issue of this rider any premium for this rider is not paid within 31 days of its due date, this rider shall terminate.

*National Life Insurance Company
One National Life Drive * Montpelier, Vermont 05604 * (800) 732-8939*

TERM PURCHASE
PROVISION

Upon the date of issue of this rider, the first annual premium for this rider will be applied to purchase one year term insurance equal to the Rider Sum Insured less any outstanding Dividend Additions. On each policy anniversary following the date of issue of this rider, while this Term Purchase Provision remains in effect, the net premium for this rider plus any annual dividends credited shall be applied to purchase a combination of Dividend Additions and one year term insurance:

1. If the sum of the net premium plus any dividends credited is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that they, in combination with any outstanding Dividend Additions, shall equal the Rider Sum Insured.
2. If the sum of the net premium plus any dividends credited would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions would equal or exceed the Rider Sum Insured, such sum shall be applied solely to purchase Dividend Additions.
3. If the sum of the net premium plus any dividends credited is not sufficient to purchase one year term insurance equal to the amount by which the Rider Sum Insured exceeds any outstanding Dividend Additions, then, to the extent necessary, such outstanding Dividend Additions not otherwise pledged as collateral for policy loans will be surrendered. Their value will be added to the sum to purchase one year term insurance in the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions.
4. If the sum of the net premium plus any dividends credited, when supplemented with the surrender value of all outstanding Dividend Additions not otherwise pledged as collateral for policy loans, is not sufficient to purchase one year term insurance in the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions, this supplemented sum will be used to purchase one year term insurance. An insufficiency will exist. Said insufficiency is the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions plus the amount of one year term insurance purchased with the supplemented sum.

The net premium for this rider is the premium shown in the Data Section, lessened by an expense charge. A schedule of applicable expense charges is included in the Data Section. The net single premium basis of Dividend Additions purchased under this rider shall be the same as the basis of Dividend Additions in the policy to which this rider is attached.

ADDITIONAL TERM
INSURANCE

On any policy anniversary following the date of issue of this rider, if the sum is not sufficient as described under paragraph 4 of the Term Purchase Provision of this rider, the Owner may purchase additional one year term insurance equal to such insufficiency. The premium for such additional term insurance shall be an Additional Term Insurance Premium. It must be paid to us at our Home Office. It is due on the policy anniversary that the sum is not sufficient.

The right to pay an Additional Term Insurance Premium to purchase one year term insurance equal to any insufficiency on future policy anniversaries shall terminate if on any policy anniversary an Additional Term Insurance Premium is not paid when due.

ADDITIONAL TERM
INSURANCE
PREMIUM

The purchase price of any additional one year term insurance purchased under this rider to satisfy an insufficiency as described under paragraph 4 of the Term Purchase Provision of this rider shall be at the rate which would be charged to provide one year term insurance under the Term Purchase Provision if paid for by a dividend. The Additional Term Insurance Premium shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insured's issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (Male/Female) Non-Smoker/Smoker, Ultimate (2001 Commissioners Standard Ordinary (50) if this policy is issued on a unisex basis), Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

The Additional Term Insurance Premium may not be paid periodically.

GRACE PERIOD

If any Additional Term Insurance Premium is not paid on or before the day it is due, that Additional Term Insurance Premium shall be in default. A grace period beginning on the due date of the Additional Term Insurance Premium in default shall be allowed for payment of this premium. The insurance will remain in force during the grace period. We will mail notice of the Additional Term Insurance Premium due to the Owner at the Owner's last address known to us. The grace period shall end thirty-one days from the later of the premium's due date or the date we mail notice of the Additional Term Insurance Premium due.

RIGHT OF EXCHANGE

Upon written request received at our Home Office, all or a portion of any one year term insurance in force under this rider may be exchanged for a whole life or a limited payment life policy. This exchange may take place without proof that the Insureds are insurable. Such exchange must occur:

1. prior to the date the Insureds reach Attained Equal Equivalent Age 70;
and
2. during the first ten years following the date of issue of this rider.

The new policy shall:

1. be on a form in use by us on the date of exchange; and
2. be at the premium rate in effect for the ages of the Insureds under the new policy on the date of exchange. If this rider is in an extra premium class on the date of exchange, the new policy shall be issued in the same extra premium class.

All exchanges are subject to our minimum issue and face amount restrictions.

Upon an exchange, the pro rata portion of the purchase price of the one year term insurance for the balance of the policy year corresponding to the amount of one year term insurance exchanged will be applied toward the premium for the new policy.

If all of the existing one year term insurance in force under this rider is exchanged, this rider will terminate. If only a portion of the existing one year term insurance in force under this rider is exchanged, the Rider Sum Insured of this rider will be reduced by the amount of one year term insurance exchanged. The premium for this rider will be adjusted accordingly.

A rider for extra benefits may be added to the new policy only with our consent and proof to our satisfaction that the Insureds are insurable.

The Incontestability and Suicide Limitation provisions attributable to the coverage exchanged will start from the effective date of the original coverage.

EFFECT ON POLICY

If the policy lapses after the date of issue of this rider, we will add to the Cash Value of the policy the part of the purchase price of any one year term insurance for the balance of the policy year. The part added shall be a pro rata portion of the purchase price for the then current policy year corresponding to any unexpired portion of that policy year. Otherwise, except as described in the Rider Premiums provision of this rider, this rider and its premiums shall not affect the amount of any Default Benefits of this policy. Any insurance continued upon default in payment of any premium due shall not include benefits provided by this rider.

NONFORFEITURE
VALUES

This rider does not provide any additional Cash Value or Policy Loan values.

REINSTATEMENT

This rider may be reinstated upon policy reinstatement. We will require evidence of insurability for both Insureds. All unpaid rider premiums and compound interest on them at the rate of 6% per year and must be paid.

INCONTESTABILITY

After this rider has been in force during the lives of both Insureds for two years from its date of issue, we will not contest it except for failure to pay premiums, except for reinstatement. We can contest this rider for misrepresentations made in the application for reinstatement until it has been in effect for two years during the lifetime of both Insureds whose coverage is reinstated.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

SUICIDE
LIMITATION

If the death of both Insureds or the second of the Insureds to die occurs within two years from the date of issue of this rider as the result of suicide, while sane or insane, we will pay under this rider only a sum equal to the rider premiums collected for this rider.

If this policy is reinstated, a similar two-year period shall start from the Effective Date of Reinstatement.

CONSIDERATION

This rider is issued in consideration of the application for the rider and payment of rider premiums as shown in the Data Section. The rider and a copy of the application for the rider are attached to and made a part of the policy.

TERMINATION

This rider shall terminate on the first of the following to occur:

1. Upon receipt by us of a written request for termination; or
2. The end of the grace period for any unpaid premium due for this rider during the first ten years following the date of issue of this rider; or
3. On the policy anniversary upon which, in accordance with a proper election, any dividend is not applied under the Term Purchase Provision of this rider; or
4. Upon the surrender of Dividend Additions, except:
 - a) when such surrender is called for under the Term Purchase Provision of this rider; or
 - b) when Dividend Additions are surrendered for the sole purpose of paying a premium due on this policy as stated in the Data Section. A projection of current values must show that the dividend scale in effect on the date of surrender of Dividend Additions would be sufficient to provide for future purchases of one year term insurance equal in each year to the amount by which the Rider Sum Insured exceeds anticipated outstanding Dividend Additions. The schedule of term insurance premiums in effect on that date will be used in this projection; or
5. Upon exchange, pursuant to the Right of Exchange provision of this rider, of the full amount of any one year term insurance in force under this rider; or
6. When the amount of Dividend Additions equals the Rider Sum Insured; or
7. Upon lapse of the policy to which this rider is attached or the date a Default Benefit takes effect; or
8. Upon termination of the policy to which this rider is attached; or
9. Upon surrender of any value from the base policy.

When this rider terminates:

1. all rights under this rider shall cease; and
2. there shall be no further premiums due for this rider; and
3. the policy shall be considered separate and complete without this rider; and
4. the dividend option of the policy will automatically become Dividend Additions, unless the Owner chooses another of the dividend options available under the policy.

If during the first ten years following the date of issue of this rider, or the premium payment period, if shorter, this rider terminates, any one year term insurance in force under this policy shall remain in force until the next policy anniversary or until the policy lapses, whichever occurs first.

Once terminated, this rider may not be later re-elected except with our approval. We will require proof to our satisfaction that the Insureds are insurable.

Signed for National Life Insurance Company at [Montpelier, Vermont,] as of the date of issue of this rider, by

[
Mehran Assadi
President & Chief Executive Officer
]

Date of Issue of this rider:

(If later than the policy Date of Issue)

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RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND LEVEL ONE YEAR TERM INSURANCE

In addition to the Death Benefit of the policy, we, National Life Insurance Company (the Company), will pay the amount of any one year term insurance provided under this rider and in force at the date of death of the second Insured to die, subject to the terms of this rider. Payment shall be made within 30 days after we receive at our Home Office due proof that both Insureds died while such insurance was in force. Any insurance provided under this rider shall be payable to the Beneficiary as part of the proceeds of the policy.

The date of issue of this rider is the policy Date of Issue unless otherwise stated below.

While the Term Purchase Provision of this rider is in force, all dividends credited on the policy and on any Dividend Additions made a part of the policy shall be used under the provisions of this rider rather than under any of the other options offered in the Dividends section of the policy. Thereafter, the Owner may elect one of the options offered in the Dividends section of the policy. For purposes of this rider, Dividend Additions shall include all paid up life insurance bought under an Additional Paid Up Life Insurance Rider to the policy.

RIDER SUM INSURED

Prior to the policy anniversary on which the Attained Equal Equivalent Age of the Insureds is 81, the Rider Sum Insured is in the amount shown in the Data Section. Thereafter, the Rider Sum Insured shall equal the sum of:

1. the Rider Sum Insured shown in the Data Section; plus
2. any outstanding Dividend Additions in force immediately prior to such policy anniversary.

RIDER PREMIUMS

Annual premiums for this rider are stated in its Data Section. Premiums payable more frequently than annually are called periodic. If premiums for the policy to which this rider is attached are periodic, then premiums for this rider shall be due on each date premiums for the policy are due. Such periodic premiums are also stated in the Data Section. They are payable in lieu of the annual premiums due for this rider.

The Term Purchase Provision of this rider will operate upon the date of receipt of the first periodic premium due in a policy year as if the annual premium shown in the Data Section for this rider was received by us on that date. However, such operation shall be subject to the following conditions:

1. The Death Benefit and Cash Value otherwise payable under the policy shall be reduced by the amount of any unpaid premiums for this rider which would have become due prior to the next policy anniversary; and
2. If during the first ten years following the date of issue of this rider any premium for this rider is not paid within 31 days of its due date, this rider shall terminate.

TERM PURCHASE PROVISION

Upon the date of issue of this rider, the first annual premium for this rider will be applied to purchase one year term insurance equal to the Rider Sum Insured. On each policy anniversary following the date of issue of this rider, while this Term Purchase Provision remains in effect, the net premium for this rider plus any annual dividends credited shall be applied to purchase a combination of Dividend Additions and one year term insurance.

On each policy anniversary on which the Attained Equal Equivalent Age of the Insureds is less than 81 years:

1. If the sum of the net premium plus any dividends credited is sufficient, the amount of one year term insurance purchased in a year shall be the Rider Sum Insured. Any part of the sum not necessary to purchase such term insurance shall be applied to purchase Dividend Additions.
2. If the sum of the net premium plus any dividends credited is not sufficient to purchase one year term insurance equal to the Rider Sum Insured, then, to the extent necessary, outstanding Dividend Additions not otherwise pledged as collateral for policy loans will be surrendered and their value added to the sum to purchase one year term insurance in the amount of the Rider Sum Insured.
3. If the sum of the net premium plus any dividends credited, when supplemented with the surrender value of all outstanding Dividend Additions not otherwise pledged as collateral for policy loans, is not sufficient to purchase one year term insurance in the amount of the Rider Sum Insured, this supplemented sum will be used to purchase one year term insurance. An insufficiency will exist. Said insufficiency is the amount by which the Rider Sum Insured exceeds the amount of one year term insurance purchased with the supplemented sum.

On each policy anniversary on which the Attained Equal Equivalent Age of the Insureds is 81 years or greater:

1. If the sum of the net premium plus any dividends credited is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that they, in combination with any outstanding Dividend Additions, shall equal the Rider Sum Insured.
2. If the sum of the net premium plus any dividends credited would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions would equal or exceed the Rider Sum Insured, such sum shall be applied solely to purchase Dividend Additions.
3. If the sum of the net premium plus any dividends credited is not sufficient to purchase one year term insurance equal to the amount by which the Rider Sum Insured exceeds any outstanding Dividend Additions, then, to the extent necessary, such outstanding Dividend Additions not otherwise pledged as collateral for policy loans will be surrendered. Their value will be added to the sum to purchase one year term insurance in the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions.
4. If the sum of the net premium plus any dividends credited, when supplemented with the surrender value of all outstanding Dividend Additions not otherwise pledged as collateral for policy loans, is not sufficient to purchase one year term insurance in the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions, this supplemented sum will be used to purchase one year term insurance. An insufficiency will exist. Said insufficiency is the amount by which the Rider Sum Insured exceeds any remaining outstanding Dividend Additions plus the amount of one year term insurance purchased with the supplemented sum.

The net premium for this rider is the premium shown in the Data Section, lessened by an expense charge. A schedule of applicable expense charges is included in the Data Section. The net single premium basis of Dividend Additions purchased under this rider shall be the same as the basis of Dividend Additions in the policy to which this rider is attached.

ADDITIONAL TERM INSURANCE

On any policy anniversary following the date of issue of this rider, if the sum is not sufficient as described in the Term Purchase Provision of this rider, the Owner may purchase additional one year term insurance equal to such insufficiency. The premium for such additional term insurance shall be an Additional Term Insurance Premium. It must be paid to us at our Home Office. It is due on the policy anniversary that the sum is not sufficient.

The right to pay an Additional Term Insurance Premium to purchase one year term insurance equal to any insufficiency on future policy anniversaries shall terminate if on any policy anniversary an Additional Term Insurance Premium is not paid when due.

ADDITIONAL TERM INSURANCE PREMIUM

The purchase price of any additional one year term insurance purchased under this rider to satisfy an insufficiency as described in the Term Purchase Provision of this rider shall be at the rate which would be charged to provide one year term insurance under the Term Purchase Provision if paid for by a dividend. The Additional Term Insurance Premium shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insured's issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (Male/Female) Non-Smoker/Smoker, Ultimate (2001 Commissioners Standard Ordinary (50) if this policy is issued on a unisex basis), Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

The Additional Term Insurance Premium may not be paid periodically.

GRACE PERIOD

If any Additional Term Insurance Premium is not paid on or before the day it is due, that Additional Term Insurance Premium shall be in default. A grace period beginning on the due date of the Additional Term Insurance Premium in default shall be allowed for payment of this premium. The insurance will remain in force during the grace period. We will mail notice of the Additional Term Insurance Premium due to the Owner at the Owner's last address known to us. The grace period shall end thirty-one days from the later of the premium's due date or the date we mail notice of the Additional Term Insurance Premium due.

RIGHT OF EXCHANGE

Upon written request received at our Home Office, all or a portion of any one year term insurance in force under this rider may be exchanged for a whole life or a limited payment life policy. This exchange may take place without proof that the Insureds are insurable. Such exchange must occur:

1. prior to the date the Insureds reach Attained Equal Equivalent Age 70;
and
2. during the first ten years following the date of issue of this rider.

The new policy shall:

1. be on a form in use by us on the date of exchange; and
2. be at the premium rate in effect for the ages of the Insureds under the new policy on the date of exchange. If this rider is in an extra premium class on the date of exchange, the new policy shall be issued in the same extra premium class.

All exchanges are subject to our minimum issue and face amount restrictions.

Upon an exchange, the pro rata portion of the purchase price of the one year term insurance for the balance of the policy year corresponding to the amount of one year term insurance exchanged will be applied toward the premium for the new policy.

If all of the existing one year term insurance in force under this rider is exchanged, this rider will terminate. If only a portion of the existing one year term insurance in force under this rider is exchanged, the Rider Sum Insured of this rider will be reduced by the amount of one year term insurance exchanged. The premium for this rider will be adjusted accordingly.

A rider for extra benefits may be added to the new policy only with our consent and proof to our satisfaction that the Insureds are insurable.

The Incontestability and Suicide Limitation provisions attributable to the coverage exchanged will start from the effective date of the original coverage.

EFFECT ON POLICY

If the policy lapses after the date of issue of this rider, we will add to the Cash Value of the policy the part of the purchase price of any one year term insurance for the balance of the policy year. The part added shall be a pro rata portion of the purchase price for the then current policy year corresponding to any unexpired portion of that policy year. Otherwise, except as described in the Rider Premiums provision of this rider, this rider and its premiums shall not affect the amount of any Default Benefits of this policy. Any insurance continued upon default in payment of any premium due shall not include benefits provided by this rider.

NONFORFEITURE VALUES

This rider does not provide any additional Cash Value or Policy Loan values.

REINSTATEMENT

This rider may be reinstated upon policy reinstatement. We will require evidence of insurability for both Insureds. All unpaid rider premiums and compound interest on them at the rate of 6% per year must be paid.

INCONTESTABILITY

After this rider has been in force during the lives of both Insureds for two years from its date of issue, we will not contest it except for failure to pay premiums, except for reinstatement. We can contest this rider for misrepresentations made in the application for reinstatement until it has been in effect for two years during the lifetime of both Insureds whose coverage is reinstated.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

SUICIDE LIMITATION

If the death of both Insureds or the second of the Insureds to die occurs within two years from the date of issue of this rider as the result of suicide, while sane or insane, we will pay under this rider only a sum equal to the rider premiums collected for this rider.

If this policy is reinstated, a similar two-year period shall start from the Effective Date of Reinstatement.

CONSIDERATION

This rider is issued in consideration of the application for the rider and payment of rider premiums as shown in the Data Section. The rider and a copy of the application for the rider are attached to and made a part of the policy.

TERMINATION

This rider shall terminate on the first of the following to occur:

1. Upon receipt by us of a written request for termination; or
2. The end of the grace period for any unpaid premium due for this rider during the first ten years following the date of issue of this rider; or
3. On the policy anniversary upon which, in accordance with a proper election, any dividend is not applied under the Term Purchase Provision of this rider; or
4. Upon the surrender of Dividend Additions, except:
 - a) when such surrender is called for under the Term Purchase Provision of this rider; or
 - b) when Dividend Additions are surrendered for the sole purpose of paying a premium due on this policy as stated in the Data Section; or
5. Upon exchange, pursuant to the Right of Exchange provision of this rider, of the full amount of any one year term insurance in force under this rider; or
6. Upon lapse of the policy to which this rider is attached or the date a Default Benefit takes effect; or
7. If the Insureds are an Attained Equal Equivalent Age greater than 80 years and the sum of all Dividend Additions equals or exceeds the Rider Sum Insured; or
8. Upon termination of the policy to which this rider is attached; or
9. Upon surrender of any value from the base policy.

When this rider terminates:

1. all rights under this rider shall cease; and
2. there shall be no further premiums due for this rider; and
3. the policy shall be considered separate and complete without this rider; and
4. The dividend option of the policy will automatically become Dividend Additions, unless the Owner chooses another of the dividend options available under the policy.

If during the first ten years following the date of issue of this rider, or the premium payment period, if shorter, this rider terminates, any one year term insurance in force under this policy shall remain in force until the next policy anniversary or until the policy lapses, whichever occurs first.

Once terminated, this rider may not be later re-elected except with our approval. We will require proof to our satisfaction that the Insureds are insurable.

Signed for National Life Insurance Company at [Montpelier, Vermont.] as of the date of issue of this rider, by

[
Mehran Assadi
President & Chief Executive Officer
]

Date of Issue of this rider:

(If later than the policy Date of Issue)



NATIONAL LIFE

National Life Insurance Company
Montpelier, Vermont 05604
Tel: 802-229-3333

Should You Need to Call

Your agent is, and should continue to be, the primary contact for information about your National Life coverage. However, there may be times when it is necessary to contact our Home Office for assistance.

If you need to contact our Home Office directly, please dial 1-800-732-8939. Contract information is also available at www.nationallife.com, where you can self-register to access policy information in a secure setting.

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 your 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*). On the next page 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 contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation (*FPBC*) (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

Limits on Amount of Coverage

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or 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.



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

Survivorship Whole Life Insurance with Dividends. Premiums to be paid for years shown in Data Section or until prior death of both Insureds. The Death Benefit is payable upon the death of the second of the Insureds to die. This policy is nonparticipating.

Right to Review Policy. This policy, at any time within ten days after its receipt by the Owner, may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, the policy will be deemed void as of its Date of Issue. We will then refund any premium paid.

Effective Date:	08/15/2012
Policy Number:	1234567
Face Amount:	\$100,000
First Insured:	Ethan Allen
Issue Age:	35
Second Insured:	Edna Allen
Issue Age:	35
Owner:	As stated in the application unless later changed
Beneficiary:	As stated in the application unless later changed

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

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

Signed for National Life Insurance Company at [Montpelier, Vermont] as of the Date of Issue, by

Mehran Assadi
President & Chief Executive Officer

James F. McQuinn
Secretary

One National Life Drive, Montpelier, Vermont 05604, Tel: 800-732-8939
National Life Group® is a trade name of National Life Insurance Company and its affiliates.

DATA SECTION

[++REFER TO THE ADDITIONAL PAID UP LIFE INSURANCE RIDER VALUES SECTION FOR DETAILS ON FACE AMOUNTS FOR THE ADDITIONAL PAID UP LIFE INSURANCE.]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

[**REFER TO RIDER APPLYING DIVIDENDS TOWARD PAID UP ADDITIONS AND DECREASING ONE YEAR TERM INSURANCE.]

[IF MODAL PREMIUMS ON THIS POLICY ARE PAID BY SURRENDERING DIVIDEND ADDITIONS OR BY TAKING LOANS AGAINST THE POLICY, THE RIDER SUM INSURED MAY NOT BE SUPPORTED FOR THE DURATION OF THE POLICY YEAR.]

[EXPENSE CHARGES FOR FLEX TERM PREMIUM AS A PERCENTAGE OF PREMIUM PAID.

YEARS 2-10: 10%

YEARS 11+: 3%]

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

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

THIS POLICY IS IN PREMIUM CLASS [02].

[THE EXTENDED TERM INSURANCE DEFAULT BENEFIT IS AVAILABLE AND IS THE AUTOMATIC DEFAULT BENEFIT IF NO OTHER DEFAULT BENEFIT IS CHOSEN PRIOR TO THE SIXTIETH DAY AFTER THE DATE OF DEFAULT.]

THE LOAN INTEREST RATE IS VARIABLE. THE LOAN INTEREST RATE AT THE DATE OF ISSUE IS [5.00%].

DATA SECTION

ANNUAL PREMIUMS PAYABLE*

<u>AS OF</u> <u>[AUG 15]</u> <u>YEAR</u>	<u>TOTAL</u>
[2012	\$1413.70
2013-2036	\$913.70
2037-2076	\$813.70]

[*INCLUDES \$75.00 PER YEAR POLICY FEE.]

DATA SECTION

[PREMIUM PAYMENT OPTIONS AND ADDITIONAL COSTS ASSOCIATED WITH PAYING PREMIUMS MORE FREQUENTLY THAN ANNUALLY: YOU MAY PAY PREMIUMS ONCE A YEAR (ANNUALLY), TWICE A YEAR (SEMI-ANNUALLY), OR FOUR TIMES A YEAR (QUARTERLY). YOU MAY ALSO PAY PREMIUMS TWELVE TIMES A YEAR (MONTHLY) BY PRE-AUTHORIZED ELECTRONIC TRANSFER.]

YOUR YEARLY COST WILL BE HIGHER IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY. FOR EXAMPLE, THE ADDITIONAL AMOUNT YOU WILL PAY IN THE FIRST YEAR IS AS FOLLOWS:

<u>PREMIUM FREQUENCY</u>	<u>NUMBER OF PAYMENTS PER YEAR</u>	<u>AMOUNT OF EACH PREMIUM PAYMENT</u>	<u>TOTAL PREMIUM PER YEAR</u>	<u>AMOUNT YOU WILL PAY EACH YEAR IN ADDITION TO THE ANNUAL PREMIUM</u>
ANNUAL	1	[\$913.70	\$913.70	\$ 0.00
SEMI-ANNUAL	2	\$465.99	\$931.98	\$18.28
QUARTERLY	4	\$237.56	\$950.24	\$36.54
MONTHLY (EFT/LIST BILL)	12	\$80.41	\$964.92	\$51.22]

THIS TABLE ILLUSTRATES THE ADDITIONAL AMOUNTS THAT ARE REQUIRED IN THE FIRST YEAR. ADDITIONAL AMOUNTS WILL BE DUE IN FUTURE YEARS IF PREMIUMS ARE PAID MORE FREQUENTLY THAN ANNUALLY AND MAY VARY FROM THE ABOVE EXAMPLE. CONTACT YOUR AGENT OR THE COMPANY TO DETERMINE THE ADDITIONAL AMOUNT DUE IN ANY GIVEN YEAR IF YOU CHOOSE TO PAY PREMIUMS MORE FREQUENTLY THAN ANNUALLY.

DATA SECTION

ON POLICY ANNIVERSARY <u>IN YEAR</u>	CASH VALUE*	PAID UP LIFE INSURANCE*	PERIOD OF EXTENDED TERM INSURANCE*	
			<u>YEARS</u>	<u>DAYS</u>
[2013	\$0.00	\$0	0	0
2014	\$623.00	\$4159	27	122
2015	\$1277.00	\$8196	31	40
2016	\$1961.00	\$12103	33	43
2017	\$2679.00	\$15900	34	113
2018	\$3431.00	\$19582	35	22
2019	\$4218.00	\$23150	35	184
2020	\$5043.00	\$26618	35	277
2021	\$5905.00	\$29975	35	312
2022	\$6808.00	\$33236	35	306
2023	\$7751.00	\$36393	35	262
2024	\$8737.00	\$39457	35	190
2025	\$9768.00	\$42433	35	98
2026	\$10844.00	\$45314	34	354
2027	\$11967.00	\$48107	34	228
2028	\$13139.00	\$50816	34	90
2029	\$14360.00	\$53437	33	307
2030	\$15632.00	\$55977	33	151
2031	\$16956.00	\$58433	32	353
2032	\$18331.00	\$60805	32	180
2042	\$35112.00	\$80538	27	125
2047	\$45347.00	\$87742	24	300]

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, OR DEBT TO US ON THIS POLICY. ANY DIVIDEND ADDITIONS AND DIVIDENDS HELD WILL INCREASE, AND ANY DEBT WILL DECREASE, THE NET CASH VALUE AND THE AMOUNTS OF PAID UP LIFE INSURANCE AND EXTENDED TERM INSURANCE.

THESE VALUES APPLY ONLY IF PREMIUMS ARE PAID TO THE STATED ANNIVERSARIES.

THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THEY WILL BE QUOTED UPON REQUEST.

DIVIDENDS PAID ON THIS POLICY ARE NOT GUARANTEED.

DATA SECTION

<u>ON POLICY ANNIVERSARY IN YEAR</u>	<u>CASH VALUE*</u>	<u>ADDITIONAL PAID UP LIFE INSURANCE*</u>
[2013	\$584.48	\$4057
2014	\$708.73	\$4731
2015	\$837.95	\$5378
2016	\$972.27	\$6001
2017	\$1111.97	\$6600
2018	\$1257.19	\$7175
2019	\$1408.21	\$7729
2020	\$1565.19	\$8261
2021	\$1728.34	\$8773
2022	\$1897.98	\$9266
2023	\$2074.26	\$9739
2024	\$2257.41	\$10195
2025	\$2447.65	\$10633
2026	\$2645.36	\$11054
2027	\$2850.65	\$11459
2028	\$3063.77	\$11849
2029	\$3285.09	\$12225
2030	\$3514.62	\$12585
2031	\$3752.85	\$12933
2032	\$3999.63	\$13267
2042	\$6435.29	\$14761
2047	\$7628.70	\$14761]

THE ADDITIONAL PAID UP LIFE INSURANCE PERIODIC PREMIUM IS [\$100.00] FOR A [12-MONTH] INTERVAL.

THE ADDITIONAL PAID UP LIFE INSURANCE SINGLE PREMIUM IS [\$500.00].

*IF THERE ARE NO DIVIDEND ADDITIONS, DIVIDENDS HELD, DEBT TO US ON THIS POLICY, OR ANY UNCOLLECTED PERIODIC PREMIUMS.

THESE VALUES APPLY ONLY IF PREMIUMS FOR THIS RIDER ARE PAID ON THE STATED POLICY ANNIVERSARY DATES. ANY ADDITIONAL PAID UP LIFE INSURANCE PURCHASED UNDER THIS RIDER MAY BE SURRENDERED FOR ITS CASH VALUE AT THAT TIME. THE VALUES AT OTHER TIMES WILL DEPEND UPON THE LENGTH OF THE TIME THE POLICY HAS BEEN IN FORCE AND HOW MANY PREMIUMS HAVE BEEN PAID. THE VALUES ON THIS PAGE REPRESENT THE GUARANTEED PURCHASE BASIS STATED IN YOUR POLICY.

THE PERCENTAGE OF THE ANNUAL PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [97.0%].

THE PERCENTAGE OF THE SINGLE PREMIUM USED TO PURCHASE ADDITIONAL PAID UP LIFE INSURANCE IS [93.0%].

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Any riders and Endorsements and a copy of
the application, follow page 24

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

GENERAL TERMS OF THIS POLICY

CONSIDERATION

This policy is issued in consideration of the application and payment of premiums as shown in the Data Section. We will incur no liability if no premium is paid.

ENTIRE CONTRACT

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

POLICY DATE

The Policy Date is the Date of Issue, as stated in the Data Section.

POLICY MONTHS, YEARS AND ANNIVERSARIES

Policy Months, Years and Anniversaries shall be measured from the Policy Date.

Each policy month shall begin on the same day of the month as the Policy Date or on the last day of any month having no such day.

PAYMENT OF BENEFITS

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

NOTICES

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

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

MISSTATEMENT OF AGE OR SEX

The ages of the Insureds on their respective birthdays nearest to the Policy Date are shown in the Data Section. They are based on the dates of birth shown in the application. If the age or sex of either Insured has been misstated, any benefits under this policy shall be such as the premiums paid would have bought using the correct ages and sexes.

EQUAL EQUIVALENT AGE

The Equal Equivalent Age of the Insureds on any date is based upon the Insureds' respective birthdays nearest to the Policy Date. The Equal Equivalent Age of the Insureds on the Policy Date is shown in the Data Section.

ATTAINED EQUAL EQUIVALENT AGE

The Attained Equal Equivalent Age of the Insureds on any date is the Equal Equivalent Age shown in the Data Section plus the number of Policy Years and Months which have passed since the Policy Date. The Attained Equal Equivalent Age of the Insureds is not affected by the death of one of the Insureds.

CHANGE OF PLAN

If we agree, the policy may be changed to another plan of insurance.

BASIS OF VALUES

The Cash Values and paid up default benefits are not less than the minimum values and benefits required by the law of the state in which this policy is delivered. A detailed statement of the method used to compute Cash Values and paid up default benefits has been filed in that state.

The Values are based on the Commissioners 2001 Standard Ordinary (Male/Female) Composite, Ultimate, Age Nearest Birthday, mortality table. They use continuous functions and compound interest at the rate of 4.0% per year.

The Basis of Values will not change as long as this policy is in force. An Additional Paid Up Life Insurance Rider may be added to this policy after issue subject to our limits in place for such rider at the time it is added and subject to underwriting. The Basis of Values of any Additional Paid Up Life Insurance Rider attached to this policy will be the same as this policy.

PREMIUMS

PAYMENT OF PREMIUMS

The first premium and its interval are shown in the Data Section. It is due on the Policy Date. Each later premium is due at the end of the interval of time for which the preceding premium was paid.

Premiums may be paid for 12-, 6-, or 3-month intervals at the rates in effect on the Date of Issue or in any manner agreed to by us. The Owner may make a change from one interval to another by filing a written request at our Home Office.

The first premium may be paid to us either at our Home Office or through our duly authorized agent in exchange for a receipt signed by that agent. All later premiums must be paid to us at our Home Office.

We will incur no liability if no premium is paid.

Premiums will be payable to the Insureds Attained Equal Equivalent Age 100.

GRACE PERIOD

If any premium is not paid on or before the day it is due, the premium shall be in default. However, a Grace Period, during which the insurance shall stay in force, shall be allowed for the payment of every premium except the first. A Grace Period shall begin on the due date of the premium in default and end thirty-one days from such due date.

AUTOMATIC
PAYMENT OF
PREMIUM - FROM
DIVIDENDS HELD
OR BY LOAN

Any premium still unpaid at the end of the Grace Period less any dividend being applied toward payment of such premium shall be paid by a loan against this policy subject to the following terms.

1. The Owner must file at our Home Office a written request for Automatic Payment of Premium. No premium due prior to our receipt of the request shall be paid under this section. No premium due after the request is withdrawn shall be paid under this section.
2. Any Dividends Held must be applied to pay the premium before a Policy Loan will be made.
3. The Loan Value must fully secure such loan and all other debt on this policy.
4. This policy need not be assigned to us for this type of loan. All other terms of the Policy Loans section shall apply.
5. The modal premium that will be loaned automatically will be the same modal premium that was elected prior to the request for Automatic Payment of Premium.
6. If the Loan Value is not sufficient to pay the full modal premium, the outstanding portion of the modal premium will need to be paid or the policy will enter a Grace Period, after which the policy will lapse.

PREMIUM DEFAULT

Upon default in payment of any premium due, this policy shall lapse as of the due date of the premium in default. That date shall be called the Date of Default. Except as stated under the Default Benefits and Grace Period sections, all our liability shall then cease.

DEATH BENEFIT

DEATH BENEFIT

The Death Benefit shall be:

1. the Sum Insured shown in the Data Section; plus
2. any Dividend Additions in force; plus
3. any remaining Dividends Held; plus
4. any dividend credited at the death of the second Insured to die; plus
5. the part of any premium paid for any period after the second Insured to die; less
6. any debt to us on this policy; less
7. the part of any premium in default for any period prior to the death of the second Insured to die.

At the Insureds Attained Equal Equivalent Age 100, if the policy is still in force, the total Face Amount of this policy will be set equal to the Cash Value. After that point, the Death Benefit will increase with interest at a rate determined by the Company.

We will pay the Death Benefit to the Beneficiary when we receive at our Home Office due proof that both Insureds died while this policy was in force. We will pay the Death Benefit in one sum unless a Payment Option is chosen. If the Grace Period for any premium in default has passed, the Death Benefit is not payable. In such event any amount payable is set forth in the Default Benefits section. If the Death Benefit is paid in one sum, it shall be increased by interest from the date of death of the second Insured to die to the date of payment. We will set the rate of interest at not less than the rate applicable for the funds left on deposit. If the Death Benefit is not paid within 30 days after we receive at our Home Office due proof that the Insured died while this policy was in force, the rate of interest shall be 8% per year.

SUICIDE LIMITATION

If the death of both Insureds or the second of the Insureds to die occurs within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay to the Owner only a sum equal to the premiums paid less any dividends taken in cash or applied toward payment of premiums less any surrenders of paid up insurance, including dividend additions, and less any debt to us on this policy.

If this policy is reinstated, a similar two-year period shall start from the effective date of Reinstatement. During such period, if the death of both Insureds or the second of the Insureds to die occurs within two years from the Date of Issue as the result of suicide, while sane or insane, we will pay only a sum equal to:

1. the premiums paid since the effective date of Reinstatement; less
2. any surrenders made since the effective date of Reinstatement; less
3. any debt to us on this policy; less
4. dividends taken in cash or applied toward payment of premiums.

NOTICE OF DEATH AND CLAIMS

The Owner must notify us within 180 days after the date of death of each Insured. We may require proof whether both Insureds are living two years from the Date of Issue. Within 180 days after the date of death of the first Insured to die, we will require the Owner to provide us with evidence of death and proof of age and, if the death is within two years from the Date of Issue, the cause of death.

REPRESENTATIONS AND INCONTESTABILITY

REPRESENTATIONS

All statements made by or for either or both of the Insureds shall be deemed representations and not warranties. No such statement shall be used to make this policy void or be used in defense of a claim upon it unless such statement is in the application.

INCONTESTABILITY

After this policy has been in force during the life of each Insured for two years from the policy Date of Issue, we will not contest it with respect to representations made by that Insured. After this policy has been in force during the life of both Insureds for two years from the policy Date of Issue, we will not contest it except for failure to pay premiums.

The statement on which the contest will be made shall be material to the risk accepted or hazard assumed by the Company.

Notwithstanding the above, we may contest your policy at any time if it was procured by fraud, as permitted by law of the state in which your policy was delivered.

BENEFICIARY

GENERAL BENEFICIARY TERMS

The Owner has the right to change the Beneficiary which shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by the Company prior to receipt of this notice. If the Owner expressly waives this right, no change can be made. Unless later changed, the Beneficiary shall be as stated in the application. The interest of any Beneficiary dying before the death of the second of the Insureds to die shall vest in the Owner unless otherwise stated.

Where two or more Beneficiaries are designated to take in the alternative based on the order of the Insureds' deaths and there is not sufficient evidence that the Insureds died other than simultaneously: one half of the Death Benefit shall be paid as if the first Insured had survived the second Insured; and one half shall be paid as if the second Insured had survived the first Insured. This shall not apply if the application or the Owner has provided for a different payment.

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

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

CHANGE OF BENEFICIARY

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

POLICY OWNERSHIP

GENERAL OWNERSHIP TERMS

The Owner may:

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

These actions may be taken without the consent and against the interest of any Beneficiary and any contingent owner. If the Owner has waived the right to change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while one or both of the Insureds are alive.

Changes to Owner designation, unless otherwise specified by the Owner, shall take effect on the date the notice of change is signed by the Owner, subject to any payments made or action taken by us prior to receipt of this notice.

ASSIGNMENTS

We are not responsible for the validity or effect of any assignment of this policy. We will not recognize any assignment until it has been filed at our Home Office. When notice is received at our Home Office, the change shall take effect on the date the notice is signed by the Owner whether or not either Insured is living at the time of receipt, subject to any payments made or actions taken by the Company prior to receipt of this notice. The interest of any Beneficiary whom the assignor can change and of any contingent owner shall be transferred to the assignee by the terms of any assignment. If the assignee acquires a right to proceeds, they shall be paid in one sum even though a Payment Option may be in effect at the time the assignment was signed.

SPENDTHRIFT PROVISION

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

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

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

DIVIDENDS

DIVIDENDS

We will credit this policy with shares, called dividends, from our divisible surplus, until Attained Equal Equivalent Age 100. The dividends, if any, credited to this policy shall be set by us. Any first dividend shall be credited on the first Policy Anniversary or when premiums for two full Policy Years have been paid, whichever occurs later. Any later dividends shall be credited on the second and all later Policy Anniversaries. Dividends will be affected by loans. No dividends shall be credited if Extended Term Insurance is in force.

The dividends may be used under one of the following options:

1. **Cash.** Dividends may be taken in cash.
2. **Applied.** Dividends may be applied toward payment of a premium due. If the balance of such premium is not paid, or if this policy is paid up, the dividend shall be used to buy Dividend Additions.
3. **Dividend Additions.** Dividends may be used to buy Paid Up Life Insurance, called Dividend Additions. The rate used shall be the net single premium per \$1,000 of insurance as of the date the dividend is credited. Any Dividend Additions in force may be surrendered at any time for their value at that time. Their value shall not be less than the total of the dividends used to buy them.
4. **Dividends Held.** Dividends may be left with us. Such dividends and interest added to them are called Dividends Held. We will add interest each year on Dividends Held which have remained with us for a full Policy Year. The rate of interest will be set by us each year at not less than 4% per year. Any Dividends Held may be withdrawn at any time by the Owner alone.
5. **Rider Applying Dividends Toward Paid Up Additions and Decreasing One Year Term Insurance.** This option applies dividends to purchase a blend of decreasing term insurance and paid-up additions. This option may be subject to underwriting. This option is made available through a rider to the policy.

Once chosen, a dividend option shall remain in effect until changed by the Owner. If a dividend option is not chosen, we will use the dividend to buy Dividend Additions.

NET CASH VALUE

NET CASH VALUE

The Net Cash Value is:

1. the Cash Value; plus
2. the value of any Dividend Additions in force; plus
3. the amount of any unearned net premium; plus
4. any remaining Dividends Held; plus
5. any dividends payable on the policy; less
6. any debt to us on this policy.

If premiums are payable, the Cash Value shall be determined as of the date to which premiums are paid. At the Insureds Attained Equal Equivalent Age 100, the Cash Value will increase with interest at a rate determined by the Company. The Cash Value of any Paid Up Life Insurance or Extended Term Insurance shall be its net single premium. The Cash Value of any premium-paying life insurance and the value of any Paid Up Life Insurance and Extended Term Insurance within thirty days after any Policy Anniversary shall not be less than its Cash Value as of such anniversary.

POLICY LOANS

LOAN VALUE

If this policy is in force and premiums are payable, the Loan Value is the amount which, with interest at the Loan Interest Rate to the date to which premiums are paid, equals the Cash Value on such date plus the value on such date of any Dividend Additions.

If this policy is in force as Paid Up Life Insurance, the Loan Value is the amount which, with interest at the Loan Interest Rate to the next Policy Anniversary, equals the value on such date of the Paid Up Life Insurance and of any Dividend Additions.

LOAN INTEREST
RATE

The Loan Interest Rate on the Date of Issue is shown in the Data Section. It shall apply to any debt to us on this policy until the rate is changed by us. The Loan Interest Rate may change from Policy Year to Policy Year. The Loan Interest Rate we set shall not exceed the Maximum Rate allowed. The Maximum Rate allowed is the lesser of:

1. the Published Monthly Average for the calendar month ending two months before the calendar month in which the Policy Anniversary occurs; or
2. the limit on the Published Monthly Average, if any, set by the Owner as shown in the Data Section or as received in writing at the Home Office;

but not less than 5%.

The Published Monthly Average shall be the Moody's Corporate Bond Yield Average - Monthly Average Corporates, as published by Moody's Investors Service, Inc., or any successor to it. However, if at any time that Published Monthly Average is no longer published, a substantially similar average, established under the law of the state where this policy was delivered, shall be used.

On any Policy Anniversary after the Date of Issue of this policy, the Owner may set a limit on the Published Monthly Average. If the Owner elects to set or change a limit, he or she must notify us at least 45 days in advance of the Policy Anniversary.

On each Policy Anniversary we may change the Loan Interest Rate on this policy. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year less than the Loan Interest Rate in effect for this policy during the prior Policy Year, we will decrease the Loan Interest Rate for this policy. It will be decreased to a rate equal to or less than the Maximum Rate then allowed. If on any Policy Anniversary the Maximum Rate then allowed is at least 0.50% per year more than the Loan Interest Rate in effect on this policy during the prior Policy Year, we may increase such Loan Interest Rate. If increased, it shall be increased to a rate not greater than the Maximum Rate then allowed.

We will give to the Owner:

1. notice of the Loan Interest Rate in effect for this policy:
 - a) at the time a cash loan is made; and
 - b) as soon as reasonably practical after an initial premium loan is made; and
2. reasonable advance notice of any increase in the Loan Interest Rate, if there is any debt to us on this policy.

In no event shall the Loan Interest Rate exceed the highest loan interest rate allowed by the law of the state in which this policy is delivered.

If there is a Policy Loan, the policy dividends may be adjusted. Such dividends may be altered based on the interest return the Company realized on any Policy Loan on this policy when compared to its return on other assets.

POLICY LOAN

We will loan, upon the sole security of the policy, an amount which, with outstanding debt on the policy and its accrued interest, does not exceed the Loan Value. Loans are subject to the following terms.

1. This policy must be in its second or later Policy Year.
2. This policy must be in force.
3. Unless the policy is in force as Paid Up Life Insurance, no premium may be in default.
4. Extended Term Insurance must not be in force.
5. This policy must be duly assigned to us.

GENERAL LOAN TERMS

Any loan shall bear interest at the Loan Interest Rate from the date the loan is made. If a loan is for the sole purpose of paying a premium on this policy, it shall be deemed to have been made on the due date of the premium being paid.

If the policy is not assigned except to us, a premium loan agreement and assignment may be made by the Owner without the consent and against the interest of any Beneficiary and any contingent owner.

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

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

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

1. the death of the second of the Insureds to die; and
2. surrender of the policy while in force as Paid Up Life Insurance; and
3. default in payment of any premium. Debt may be paid after default in payment of a premium while the policy is in force as Paid Up Life Insurance.

When any of these events occur, all debt shall become due at once. It shall then be paid from the policy values.

Whenever the debt equals or exceeds the Loan Value, this policy shall become null and void. It shall not become null and void until thirty-one days after we mail notice to the last known addresses of the Owner and the assignee under any assignment duly filed with us.

We may defer any Policy Loan, other than one to pay premiums on our policies, for not more than six months.

DEFAULT BENEFITS

DEFAULT BENEFITS

At the end of the Grace Period for any premium in default, a Default Benefit shall take effect as of the Date of Default.

In the event of non-payment of premiums due at any time other than a policy anniversary, the Net Cash Value and any paid-up nonforfeiture benefit, shall be calculated with allowance for the period of default and the payment of partial premiums from the last preceding policy anniversary.

These nonforfeiture provisions do not reflect a change in status or cash value upon the first death, because they are based on the Frasier methodology.

SURRENDER BENEFITS

We will pay the Net Cash Value as of the Date of Default if:

- a) request is made prior to the sixtieth day after the Date of Default;
and
- b) this policy is legally surrendered within sixty days after the Date of Default.

If this policy is in force as Paid Up Life Insurance, it may be surrendered at any time for its Net Cash Value. Any Extended Term Insurance in force may be surrendered within thirty days after any Policy Anniversary for its value as of such date or at any other time for its value. The value of any Extended Term Insurance shall be its net single premium.

We may defer the payment of any surrender value for not more than six months. If we defer payment for more than thirty days, the surrender value shall bear interest at 4% per year from the date of surrender to the date of payment.

PAID UP LIFE
INSURANCE

This policy shall remain in force as Paid Up Life Insurance from the Date of Default if:

- a) the Data Section so states and no other default benefit is chosen prior to the sixtieth day after the Date of Default; or
- b) request is made prior to the sixtieth day after the Date of Default.

The amount of Paid Up Life Insurance shall be the level amount which can be bought by the Net Cash Value on the Date of Default on the net single premium basis at the then attained age of the Insureds.

EXTENDED TERM
INSURANCE

This benefit is not available if the Data Section so states. Otherwise, the policy shall remain in force as Extended Term Insurance from the Date of Default if no other default benefit is chosen prior to the sixtieth day after the Date of Default.

The amount of term insurance shall be:

- a) the Sum Insured; plus
- b) any Dividend Additions in force and any remaining Dividends Held; less
- c) any debt to us on the policy.

Such term insurance shall start on the Date of Default. It shall extend for such term as the Net Cash Value provides when applied as a net single premium at the then attained age of the Insureds.

If the Net Cash Value provides Paid Up Life Insurance equal to or in excess of the amount of Extended Term Insurance, it shall instead be used to buy Paid Up Life Insurance.

ENHANCED PAID
UP LIFE INSURANCE

Unless the Data Section states that Enhanced Paid Up Life Insurance is not available, if the Owner elects Paid Up Life Insurance under Default Benefit 2 of this section, the Owner may elect a Death Benefit called the "Optional Benefit Amount" .

OPTIONAL BENEFIT
AMOUNT

The Optional Benefit Amount may be any amount up to the lesser of the Death Benefit of this policy on the Date of Default and a maximum. The maximum is the maximum amount which the Dividend Protection Provision, under the dividend scale in effect as of the Date of Default, could keep in force until the death of the second of the Insureds to die without requiring that the Owner pay a Term Insurance Premium under paragraph b. of the Dividend Protection Provision.

DIVIDEND
PROTECTION
PROVISION

If the Enhanced Paid Up Life Insurance Benefit is elected, dividends will be applied under this Dividend Protection Provision. On each Policy Anniversary any annual dividend credited shall be applied to purchase a combination of Dividend Additions and one year term insurance.

- a) If the dividend is sufficient, the amounts of one year term insurance and Dividend Additions purchased in a year shall be such that their sum plus any outstanding Dividend Additions, plus the amount of Paid Up Life Insurance, shall equal the Optional Benefit Amount.
- b) If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance, and the Owner shall pay a premium which will purchase one year term insurance equal to such insufficiency. This premium, referred to herein as the Term Insurance Premium, shall be at the rate currently being charged to provide one year term insurance under this Dividend Protection Provision.
- c) If the dividend applied would purchase an amount of Dividend Additions which together with any outstanding Dividend Additions and the amount of Paid Up Life Insurance would equal or exceed the Optional Benefit Amount, such dividend and all subsequent dividends shall be applied solely to purchase Dividend Additions.

Any insurance purchased under this Dividend Protection Provision shall be payable to the Beneficiary as part of the proceeds of the policy.

CONDITIONS

The purchase price of any one year term insurance purchased under this provision shall not be greater than the net premium for the amount of one year term insurance purchased at the then Attained Equal Equivalent Age of the Insureds plus 0.05, times the amount of one year term insurance purchased divided by 1,000. The net premium shall be computed based on the Equal Equivalent Age of the Insureds and the duration, assuming each Insured's issue age is the same as the Equal Equivalent Age, and the 2001 Commissioners Standard Ordinary (Male/Female) Non-Smoker/Smoker, Ultimate, Age Nearest Birthday, mortality tables and use continuous functions and compound interest at the rate of 4% per year.

If this provision terminates at any time, the Cash Value of the policy shall be increased by a pro rata part, corresponding to any unexpired portion of the policy year then current, of the purchase price of any one year term insurance then in force under the policy.

At the end of the Grace Period for the payment of any required Term Insurance Premium which is not paid, the Dividend Protection Provision shall remain in effect under its terms, except that paragraph b. of the Dividend Protection Provision shall be deleted, and the following added in its place:

“b. If the dividend is not sufficient to purchase one year term insurance to equal the difference between the Optional Benefit Amount and the sum of any outstanding Dividend Additions and the amount of the Paid Up Life Insurance, the entire dividend shall be used to purchase one year term insurance.”

TERMINATION

The Optional Benefit Amount and this Dividend Protection Provision and any one year term insurance in force under this policy shall terminate on the first of the following to occur:

- a) Upon receipt by us of a written request for termination of the Optional Benefit Amount or the Dividend Protection Provision;
- b) On the Policy Anniversary upon which, in accordance with a proper election, any dividend is not applied under the Dividend Protection Provision;
- c) Upon the surrender of any Dividend Additions;
- d) Upon any exchange of the policy for a new policy.

Once terminated the Dividend Protection Provision may not be later re-elected, except with our approval and subject to such conditions as we may determine.

REINSTATEMENT

REINSTATEMENT

If this policy has lapsed and as of the Date of Default it:

1. had no Net Cash Value; or
2. remained in force as Paid Up Life Insurance; or
3. remained in force as Extended Term Insurance;

then upon request it may be reinstated within five years of the Date of Default. We will require proof to our satisfaction that each Insured who was living on the Date of Default is living and insurable. No such proof shall be required if at the time of request Extended Term Insurance is in force and extends at least five years beyond the date of the request. Any debt to us on this policy on the Date of Default must be paid or reinstated. Compound interest on such debt for the period from the Date of Default to the date of Reinstatement must be paid or reinstated. Interest shall be at the Loan Interest Rates which would have been applicable during such period in the absence of default. All unpaid premiums and compound interest on them at the rate of 6% per year must be paid.

We may contest any Reinstatement until such Reinstatement has been in force during the life of each Insured who was living at the time of Reinstatement for two years from its effective date.

PAYMENT OPTIONS

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

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

OPTION EFFECTIVE
DATE

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

GENERAL PAYMENT
OPTION TERMS

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

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

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

CHOICE OF
OPTION

Choice of an option may be made:

1. by the Owner if one or both of the Insureds are living; or
2. by the Beneficiary if neither Insured is living and no option is in effect.

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

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

CHANGE OF
PAYMENT OPTION

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

LUMP SUM
REMOVAL OF
PROCEEDS APPLIED
UNDER A PAYMENT
OPTION

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

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

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

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

OPTION 1
-PAYMENT OF
INTEREST ONLY

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

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

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

OPTION 2
-PAYMENTS FOR A
STATED TIME

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

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

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

OPTION 3
 -PAYMENTS FOR
 LIFE

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

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

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

Guaranteed Period

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

+ Higher ages the same

OPTION 4
-PAYMENTS OF A
STATED AMOUNT

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

OPTION 5 - LIFE
ANNUITY

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

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

OPTION 6 - JOINT
AND TWO-THIRDS
ANNUITY

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

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

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

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

+ Higher ages the same

OPTION 7 - 50%
SURVIVOR
ANNUITY

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

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

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

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

+ Higher ages the same

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

Survivorship Whole Life Insurance with Dividends. Premiums to be paid for years shown in Data Section or until the prior death of both Insureds. The Death Benefit is payable upon the death of the second of the Insureds to die. This policy is non-participating.

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

NATIONAL LIFE INSURANCE COMPANY

[HOME OFFICE: ONE NATIONAL LIFE DRIVE
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