



National Life  
Group®

## Life Insurance Company of the Southwest®

We, Life Insurance Company of the Southwest ("Company", "we", "us" or "our"), agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Administrative Office due proof that the Insured died while this policy was in force.

Individual Term Life Insurance. Premiums to be paid for years shown in the Data Section or until prior death of the Insured. The Death Benefit is payable upon the death of the Insured. This policy is convertible, renewable and nonparticipating. The Conversion Period is **10** years.

Right to Review Policy. This policy may be returned to us at any time prior to the end of the tenth day, or within thirty days if a replacement policy, following its receipt by the Owner. The policy may be returned in person or by mail to us or to the agent through whom it was bought. Upon such return, we will refund any premiums paid, including any fees or charges, and the policy will be deemed void as of its Date of Issue.

Date of Issue: 01/15/2018

Policy Number: LS1234567

Face Amount: \$100,000

Insured: ETHAN ALLEN

Issue Age: 35

Owner: As stated in the application unless later changed.

Beneficiary: As stated in the application unless later changed.

NM State Insurance Department (505) 827-4601

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 Life Insurance Company of the Southwest. PLEASE READ YOUR POLICY CAREFULLY.

Signed for Life Insurance Company of the Southwest at Addison, Texas, as of the Effective Date, by



Chairman, CEO & President



Secretary

National Life Group® is a trade name representing various affiliates which offer a variety of financial service products.

Centralized Mailing Address: One National Life Drive, Montpelier, Vermont 05604, Home Office: Addison, Texas  
800-732-8939 [www.NationalLife.com](http://www.NationalLife.com)

ICC18-20522(0518)

## Data Section

<b>Insured:</b>	ETHAN ALLEN	<b>Policy Number:</b>	LS1234567
<b>Issue Age and Sex:</b>	35 Male	<b>Face Amount:</b>	\$100,000
<b>Date of Issue:</b>	January 15, 2018	<b>Expiry Date:</b>	January 15, 2078
<b>Final Conversion Date:</b>	January 15, 2028	<b>Monthly Policy Date:</b>	15 <sup>TH</sup>
<b>Rate Class:</b>	Standard Non-Tobacco	<b>Payment Mode:</b>	Annual
This is a Sex Distinct Policy		<b>Premium Payment:</b>	\$156.00

### Individual Term Life Insurance to Age 95 Level Premium Period: 10 Year

Benefit	Amount	Initial Annual Premium*	Years Payable**
Level Term Insurance	\$100,000	\$156.00	10
ABR – Terminal Illness	See Rider	None	N/A
ABR – Chronic Illness	See Rider	None	N/A
ABR – Critical Illness	See Rider	None	N/A
ABR – Critical Injury	See Rider	None	N/A
<b>Total</b>		<b>\$156.00</b>	

### Initial Premium by Payment Mode

Annual	Semi-Annual	Quarterly	Monthly (EFT)	Bi-Weekly
\$156.00	\$79.56	\$40.56	\$13.73	\$6.87

#### Extra Premium Class Statement

The Minimum Face Amount required for this policy after conversion is \$50,000

\*Includes a \$75.00 per year policy fee.

\*\*See following pages for premiums for all policy years.

# Data Section

## Schedule of Guaranteed Annual Premiums Payable

As of Jan 15 Year	Renewable Term Insurance	All Other Benefits	Total
2018	\$ 156.00	.00	\$ 156.00
2019	\$ 156.00	.00	\$ 156.00
2020	\$ 156.00	.00	\$ 156.00
2021	\$ 156.00	.00	\$ 156.00
2022	\$ 156.00	.00	\$ 156.00
2023	\$ 156.00	.00	\$ 156.00
2024	\$ 156.00	.00	\$ 156.00
2025	\$ 156.00	.00	\$ 156.00
2026	\$ 156.00	.00	\$ 156.00
2027	\$ 156.00	.00	\$ 156.00
2028	\$ 404.00	.00	\$ 404.00
2029	\$ 419.00	.00	\$ 419.00
2030	\$ 430.00	.00	\$ 430.00
2031	\$ 444.00	.00	\$ 444.00
2032	\$ 460.00	.00	\$ 460.00
2033	\$ 480.00	.00	\$ 480.00
2034	\$ 511.00	.00	\$ 511.00
2035	\$ 548.00	.00	\$ 548.00
2036	\$ 593.00	.00	\$ 593.00
2037	\$ 640.00	.00	\$ 640.00
2038	\$ 687.00	.00	\$ 687.00
2039	\$ 730.00	.00	\$ 730.00
2040	\$ 772.00	.00	\$ 772.00
2041	\$ 815.00	.00	\$ 815.00
2042	\$ 865.00	.00	\$ 865.00
2043	\$ 928.00	.00	\$ 928.00
2044	\$ 1,013.00	.00	\$ 1,013.00
2045	\$ 1,117.00	.00	\$ 1,117.00
2046	\$ 1,234.00	.00	\$ 1,234.00
2047	\$ 1,366.00	.00	\$ 1,366.00
2048	\$ 1,508.00	.00	\$ 1,508.00
2049	\$ 1,661.00	.00	\$ 1,661.00
2050	\$ 1,825.00	.00	\$ 1,825.00
2051	\$ 2,006.00	.00	\$ 2,006.00
2052	\$ 2,212.00	.00	\$ 2,212.00
2053	\$ 2,453.00	.00	\$ 2,453.00
2054	\$ 2,739.00	.00	\$ 2,739.00
2055	\$ 3,081.00	.00	\$ 3,081.00
2056	\$ 3,479.00	.00	\$ 3,479.00
2057	\$ 3,932.00	.00	\$ 3,932.00
2058	\$ 4,438.00	.00	\$ 4,438.00
2059	\$ 4,993.00	.00	\$ 4,993.00

Data Section

Schedule of Guaranteed  
Annual Premiums Payable

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As of Jan 15 Year	Renewable Term Insurance	All Other Benefits	Total
2060	\$ 5,603.00	.00	\$ 5,603.00
2061	\$ 6,278.00	.00	\$ 6,278.00
2062	\$ 7,048.00	.00	\$ 7,048.00
2063	\$ 7,937.00	.00	\$ 7,937.00
2064	\$ 8,978.00	.00	\$ 8,978.00
2065	\$ 10,142.00	.00	\$ 10,142.00
2066	\$ 11,498.00	.00	\$ 11,498.00
2067	\$ 13,069.00	.00	\$ 13,069.00
2068	\$ 14,896.00	.00	\$ 14,896.00
2069	\$ 17,011.00	.00	\$ 17,011.00
2070	\$ 19,445.00	.00	\$ 19,445.00
2071	\$ 22,197.00	.00	\$ 22,197.00
2072	\$ 25,183.00	.00	\$ 25,183.00
2073	\$ 28,367.00	.00	\$ 28,367.00
2074	\$ 31,638.00	.00	\$ 31,638.00
2075	\$ 34,909.00	.00	\$ 34,909.00
2076	\$ 38,143.00	.00	\$ 38,143.00
2077	\$ 41,180.00	.00	\$ 41,180.00

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We, Life Insurance Company of the Southwest ("Company", "we", "us" or "our"), agree to pay the Death Benefit to the Beneficiary, subject to the terms of this policy, when we receive at our Administrative Office due proof that the Insured died while this policy was in force.

## General Terms of this Policy

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### Consideration

This policy is issued in consideration of the application and the payment of the first premium. We will incur no liability if no premium is paid.

### Entire Contract

On the Date of Issue, the entire contract between the parties consists of this policy, the attached copy of the application, and any attached riders, amendments, and endorsements. Any riders or endorsements attached after issue will become part of the entire contract on the effective date of such attachment. Any change to this contract must be written and may be made only by one of our authorized officers. We will send the Owner ("you", "your") a copy of any application for a change which we approve. That application and any additional Data Section shall become part of this contract on the effective date of such change.

### Effective Date

The Face Amount shall become effective on the Date of Issue shown in the Data Section.

### Policy Months, Years and Anniversaries

Policy months, years and anniversaries shall be measured from the Date of Issue. The Monthly Policy Date shown in the Data Section occurs on the same day each month or on the last day of any month having no such date. The Date of Issue is the first Monthly Policy Date.

### Payment of Benefits

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

### 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 Administrative Office.

### Misstatement of Age or Gender

The Issue Age shown in the Data Section is the age of the Insured on his or her birthday nearest to the Date of Issue. It is based on the date of birth shown in the application.

If the: (1) age or gender of the Insured (if this policy was issued on a Sex Distinct basis); or (2) age of the Insured (if this policy was issued on a Unisex basis) has been misstated, we will adjust the Death Benefit to be such as the most recent premium paid would have purchased at the correct age or the correct age and gender. The adjustment shall take effect on the Monthly Policy Date on or next following the date we receive proof to our satisfaction of such misstatement. If the Insured has died while this policy is in force, we will adjust the Death Benefit as of the last Monthly Policy Date prior to the Insured's death.

## Attained Age

The Attained Age of the Insured on any date is the Issue Age shown in the Data Section plus the number of policy years that have passed since the Date of Issue.

## Nonparticipating

This policy is nonparticipating and is, therefore, not entitled to share in any profits or surplus of the Company.

## Termination

This policy will terminate, and all of our liability under it will cease, at the earliest of the following:

1. receipt at our Administrative Office of a written request for termination;
2. the date of conversion;
3. the end of a Grace Period if the past due premium remains unpaid;
4. the date the Insured dies; or
5. the Expiry Date, as shown in the Data Section.

## Representations and Incontestability

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### Representations

Any statement made by or for the Insured in the absence of fraud, shall be deemed a representation and not a warranty. Unless such statement is in the attached application or in any subsequent application, it shall not be used to:

1. make this policy void; or
2. make any Reinstatement void; or
3. defend any claim.

### Incontestability

After this policy has been in force during the life of the Insured for two years from the policy Date of Issue, we will not contest it; however, we may contest any Reinstatement until such Reinstatement has been in force during the life of the Insured for two years from its effective date. In the event that Reinstatement is contested, the contestable period is based only on statements in the Reinstatement application, unless the original contestable period has not yet expired.

The statement on which the contest will be based 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.

## Premiums

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The premiums due for your policy are level for the Level Premium Period; thereafter they change every year. The renewal premiums due after the Level Premium Period are shown in the Data Section.

### Payment of Premiums

The first premium is due on or before the Date of Issue. The amount and Payment Mode of the initial premium are shown in the Data Section. The first premium may be paid to us either through our duly authorized agent in exchange for a receipt signed by that agent or at our Administrative Office. All other premiums must be paid to us at our Administrative Office. Each later premium is due on the Monthly Policy Date to which the preceding premium had been paid.

The Payment Mode may be changed by the Owner with our consent upon written request.

## Renewal

After the Level Premium Period, this policy expires on each policy anniversary. Upon each expiration, if all premiums for the expired term have been paid, the policy shall be renewed for a one year term upon payment of the renewal premium within 31 days of expiration.

No renewal shall occur on or after the Expiry Date shown in the Data Section.

## Grace Period

If any premium due is not paid on or before the day it is due, the policy enters a Grace Period. During this Grace Period, the policy will remain in force for 31 days from the premium due date. If the premium remains unpaid at the end of the Grace Period the policy will terminate and all our liability under the policy will cease. Any premium sent by U.S. mail shall be postmarked within the Grace Period.

## Reinstatement

If this policy terminates after the end of a Grace Period, upon request it may be reinstated. However, it may not be reinstated after the Expiry Date. It must be reinstated within five years from the start of such Grace Period.

For Reinstatement during the Level Premium Period we will require:

1. an application for Reinstatement; and
2. proof to our satisfaction that the Insured is insurable; and
3. payment of
  - a) the premium for the period from the date of Reinstatement to the next premium due date; plus
  - b) the lesser of
    - i. half of all premiums for the period from the date of lapse to the date of Reinstatement; or
    - ii. the premiums for the one year period prior to the date of Reinstatement.

For Reinstatement after the Level Premium Period we will require:

1. an application for Reinstatement; and
2. proof to our satisfaction that the Insured is insurable; and
3. payment of one month's premium.

We will send the Owner notice of the required payment upon request.

## Conversion

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### General Conversion Terms

Upon written request received at our Administrative Office, we agree to convert all or part of this policy to a whole life or flexible premium adjustable life policy on the life of the Insured. We will issue a new policy with a Face Amount equal to or less than this policy's Face Amount, without proof that the Insured is insurable if:

1. this policy is in force; and
2. the conversion is made prior to the Final Conversion Date set forth in the Data Section; and
3. the first premium is paid at the time of conversion to the new policy.

If less than the full face amount is converted, the unconverted Face Amount may continue under this policy if it is at least as much as the Minimum Face Amount shown in the Data Section. The premiums for this policy thereafter would be the same as the premiums that would be payable if it had been originally issued for the unconverted Face Amount.



The new policy shall:

1. be on a form in use by us designated to accept conversions on the date of conversion; and
2. be at the premium rate in effect for the Insured's Attained Age on the date of conversion; and
3. be at the same Rate Class as this policy.

If the plan and amount selected are not available in that Rate Class at the Insured's Attained Age, the Rate Class will be the Rate Class which we determine to be the most nearly comparable.

The new policy may contain additional rider benefits. Supplemental benefits that were part of this policy may be included with the converted policy as long as those benefits are available for sale with the new policy and only with our consent.

The Incontestability and Suicide provisions that apply to the converted Face Amount will begin from the date of this policy. If the converted policy includes additional coverage for which evidence of insurability was required, new Incontestability and Suicide provisions will apply to that coverage. The two year contestable period for the additional coverage will begin on the effective date of that coverage.

We may require that this policy be returned to us.

### Continuation of Waiver of Premiums

If, on the date of conversion, the Insured is totally disabled as defined in any waiver of premiums rider contained in this policy and either has been so disabled for at least two years or to the date the Insured reaches Attained Age 60, and

1. if a conversion to a whole life policy is made:
  - a. a waiver of premium rider shall be added to the new policy, and
  - b. payment of premiums on the new policy shall be waived as long as the terms of the new waiver of premium rider are met; or
2. if a conversion to a flexible premium adjustable life policy is made:
  - a. a rider for waiver of monthly deductions shall be added to the new policy, and
  - b. covered monthly deductions on the new policy shall be waived as long as the terms of the new rider for waiver of monthly deductions are met.

If, on the date of conversion, the Insured is not totally disabled as defined in any waiver of premiums rider contained in this policy, a waiver rider may be added to the new policy.

All waiver rider conversions shall be subject to the following terms:

1. This policy must contain a waiver of premiums rider.
2. The conversion must be made only prior to the date the Insured reaches Attained Age 60.
3. The waiver rider on the new policy shall be on a form in use by us on the date of conversion.
4. The waiver rider on the new policy shall be at the premium rate in effect for the Insured's Attained Age on the date of conversion.

If the premium for any waiver of premium rider contained in this policy has a substandard rating which is a multiple of the regular premium, the premium for any waiver rider added to any new policy shall be rated the same multiple.

### Death Benefit

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#### Death Benefit

We will pay the Death Benefit to the Beneficiary when we receive at our Administrative Office due proof that the Insured died while this policy was in force. Due proof of the death of the Insured will consist of a certified copy of the death certificate,

including cause and manner of death of the Insured, or other lawful evidence providing equivalent information, and proof of the claimant's interest in the proceeds. We will pay the Death Benefit in one lump sum unless we make a Settlement Option available and it is properly elected. The Death Benefit shall be increased by interest from the date of death of the Insured to the date of payment if paid in one lump sum or to the option effective date if a Payment Option is chosen. We will set the rate of interest at not less than the rate applicable for the funds left on deposit.

Interest shall accrue at the effective annual rate determined above, plus additional interest at a rate of 10% annually beginning with the date that is 31 calendar days from the latest of items (i), (ii), and (iii) to the date the claim is paid, where:

- i. is the date that due proof of death is received by the Company; and
- ii. is the date the Company receives sufficient information to determine its liability, the extent of the liability, and the appropriate payee legally entitled to the proceeds; and
- iii. is the date that legal impediments to payment of proceeds that depend on the action of parties other than the Company are resolved and sufficient evidence of the same is provided to the Company. Legal impediments to payment include, but are not limited to, (a) the establishment of guardianships and conservatorships; (b) the appointment and qualification of trustees, executors and administrators; and (c) the submission of information required to satisfy state and federal reporting requirements.

The Death Benefit shall be:

1. the Face Amount shown in the Data Section; plus
2. the part of any premium paid for any period after the Insured's death; less
3. the part of any premium not paid for any period prior to the Insured's death.

### Suicide Limitation

If the Insured dies within two years from the Date of Issue, or within two years from the date of Reinstatement, and the death results from suicide, while sane or insane, we will pay only a sum equal to the premiums paid.

Payment will be made to the Beneficiary.

## Policy Ownership

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### 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 such change; 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 cannot change the Beneficiary, these actions may be taken only by the Owner and the Beneficiary jointly. These actions may be taken only while the Insured is 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 the 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 Administrative Office. When notice is received at our Administrative Office, unless otherwise specified by the Owner, the change shall take effect on the date the notice is signed by the Owner whether or not the 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.

## Conformity with Interstate Insurance Product Regulation Commission Standards

This policy was approved under the authority of the Interstate Insurance Product Regulation Commission and issued under the Commission standards. Any provision of this policy on the provision's effective date that is in conflict with the Interstate Insurance Product Regulation Commission standards for this product type in effect as of the provision's effective date of Commission policy approval is hereby amended to conform to the applicable Interstate Insurance Product Regulation Commission standards in effect as of the provision's effective date of Commission policy approval.

## Beneficiary

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### General Beneficiary Terms

The Owner has the right to change the Beneficiary. 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 who dies before the Insured shall vest in the Owner unless otherwise stated.

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.

Unless otherwise specified in the application or on an attached amendment, payment will be shared equally by all Primary Beneficiaries who survive the Insured; if none, by all Contingent Beneficiaries who survive; if none, payment shall be made to the Owner or to the Owner's estate.

### Trust Beneficiary

Unless an authorized officer of the Company explicitly agrees in writing, the following provision shall apply when a trust is named as Beneficiary of this policy (a "Trust Beneficiary").

In no event is the Company responsible for the application or disposition of any proceeds it pays to a Trust Beneficiary. Payment to a Trust Beneficiary is a full discharge of the liability of the Company. If a designated trust provides for successor trustees, the designation in this policy includes successor trustees. Likewise, if the trust allows amendments, the trust, if so amended, remains as a designated Beneficiary.

A Trust Beneficiary is considered to be a Beneficiary who did not survive the Insured if:

1. the trust has been terminated; or
2. the specified testamentary trust does not qualify as such; or
3. for any other reason a Trust Beneficiary is not entitled to any proceeds.

### Change of Beneficiary

If the Owner has the right, a new Beneficiary may be named from time to time during the life of the Insured by filing at our Administrative Office written notice in such form as we may require. When notice is received at our Administrative Office, unless otherwise specified by the Owner, the change shall take effect on the date the notice is signed by the Owner whether or not the 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 notice must be submitted to us by the Owner. We will not be liable for any payment we make before receipt of the written notice at our Administrative Office.

## Payment Options

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### Lump Sum Payment

We will pay proceeds of this policy in a Lump Sum, unless a Settlement Option is available and chosen.

### Settlement Options

The proceeds of this policy will be paid in a lump sum unless an available settlement option has been properly elected, subject to our minimum amount requirements on the date of election. We may make other settlement options available from time to time. Settlement options are used to distribute the Death Benefit over a period of time rather than paying it in a lump sum. The amount applied to purchase a settlement option will not be less than would be provided by immediate annuity purchase rates offered by the Company at the time the settlement option payments are to begin. Settlement options can be selected prior to or after the Insured's death. If prior to the Insured's death, the Owner may request from us the forms required to properly elect an available settlement option. After the Insured's death, a Beneficiary may elect to receive such Beneficiary's share of the Death Benefit under an available settlement option unless the Owner has previously elected a particular settlement option and has properly elected not to permit the Beneficiary to change it. We will then provide the Beneficiary the forms required to properly elect an available settlement option.

Specimen

Specimen

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National Life Group® is a trade name representing various affiliates which offer a variety of financial service products.

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