National Life Group®

FlexLife

QUICK REFERENCE GUIDE

Providing lifetime protection, flexibility and income distribution performance.

FlexLife IUL is the next generation of indexed universal life from the companies of National Life Insurance Company and Life Insurance Company of the Southwest. This flexible policy provides valuable lifetime protection through the death benefit, living benefits and the opportunity for cash surrender value accumulation with strong income distribution performance.

Product Focus:

- Flexible IUL providing lifetime protection, living benefits, cash surrender value accumulation and strong income distribution with powerful distribution options such as LIBR.
- Ideal for emerging affluent individuals in their late 30's to early 50's with discretionary income to maximally fund their policy and who plan to use their policy for income needs later in life.
- Maximally fund IUL to take advantage of the Tax-Free Retirement Strategy.[1]

Highlights:

- **Income Distribution Performance** – Upside Potential, Downside Protection with competitive income distribution
- **Lifetime Income Benefit Rider**[2] – With the Lifetime Income Benefit Rider, your clients have the potential to receive a stream of income for life – guaranteed!
- **Benefit Distribution Option Rider** – Allows death benefit to be spread over a duration of 10-30 years
- **Charitable Matching Gift Death Benefit Rider** – National Life Group will match a portion of benefits paid to a charity
- **Death Benefit Protection Rider** – Guaranteed death benefit protection for a limited period – up to 30 years
- **Overloan Protection Rider**[3] – Offers protection against policy lapse
- **Systematic Allocation Rider** – Available for large annual premiums to balance interest rate fluctuations
- **Interest Bonus**[4] – Will begin in policy year 6.
- **Participating Fixed Loan**
  - Loan collateral is charged to a fixed rate
  - Loan collateral will be placed in an Indexed Loan Account
- **Accelerated Benefits Riders**[5] – At no additional cost
- **Interest Crediting Strategies**
  - Fixed Interest Crediting Rate
  - Point-to-Point, Cap Focus, based on the S&P 500® Index
  - Point-to-Point, Participation Rate Focus, based on the S&P 500® Index
  - Point-to-Point, Cap Focus, based on the S&P 500® Index 1% Floor Option
  - Point-to-Point, No Cap, based on the Credit Suisse Balanced Trend Index (not available in NY)

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

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EZ Underwriting Program

National Life Group is introducing a new underwriting program for our FlexLife product. The EZ Underwriting Program!

Every applicant between ages 18-50 up to $3,000,000, between ages 51-60 up to $1,000,000 and everyone between ages 61-65 up to $250,000 has the opportunity to have their case issued without having to submit an exam or blood and urine. Underwriting will review the case when submitted and if the applicant meets certain parameters we can issue the case immediately without the need for exams or fluids.

All cases still undergo underwriting but with the use of new underwriting tools we will often be able to make decisions without invasive underwriting requirements such as exams or drawing blood.

Underwriting reserves the right to request any underwriting requirements deemed necessary to assess the risk, this would include paramedical exams, blood and urine, ECG's, and APS reports.

Underwriting Parameters and Requirements

- Age 18-50: up to $3,000,000
- Age 61-65: up to $250,000 Ages 51-60: up to $1,000,000
- Application
- MIB
- Rx
- Risk Classifier
- Instant ID

Product Details

Issue Ages	0 to 85 (age nearest birthday)
Minimum Face Amount	Initial Coverage: $50,000 Base or APB Increase: $25,000
Pension Minimum Face Amount	Elite & Preferred: Initial: $25,000; Subsequent: $2,000 Standard: Initial: $5,000, $25,000 in WA; Subsequent: $2,000
Death Benefit Options	Both Level and Increasing are available
Policy Protection Period	10 years
Minimum Premium	$25.00
Maximum Premium	Both GPT or CVAT Tests allowed

Rate Classifications

Premium Class	Face Amount Availability	Available Ages
Elite Non-tobacco	All	18 - 75
Preferred Non-tobacco	All	18 - 85
Select Non-tobacco	All	18 - 85
Standard Non-Tobacco	All	0 - 85
Express Standard Non-Tobacco 1	Total Face ≤ $2M	0 - 85
Express Standard Non-Tobacco 2	Total Face ≤ $2M	18 - 85
Preferred Tobacco	All	18 - 85
Standard Tobacco	All	18 - 85
Express Standard Tobacco	Total Face ≤ $2M	18 - 85

Most classes are available on all face amounts. The ones that are NOT are: Express Non-tobacco 1, Express Non-tobacco 2, and Express smoker are only available on face amounts $2,000,000 and less.

For Face Amounts of $2,000,000 or less:

- Permanent flat extras are available with all rate classifications. Temporary flat extras are available with Standard and Express classes. Table ratings outside of the ranges specified below may be available.
- An insured with a substandard table rating up to and including 200% will be placed in the Express Standard Non-Tobacco 1 rate classification.
- An insured with a substandard table rating between 225% and 300% (inclusive) will be placed in the Express Standard Non-Tobacco 2 rate classification.
- An insured with a substandard table rating up to and including 200% will be placed in the Express Standard Tobacco rate classification.

For Face Amounts Greater than $2,000,000:

- For pension cases, this product will be available under the same underwriting rules as non-pension cases, plus automatic issue, simplified issue and guaranteed issue.

Product Details (continued)

Substandard	Table ratings and flat extras available with Standard rate classes. Temporary flat extras available with Standard and Express classes.
Banding	Band 1: Minimum Face Amount - $250,000 Band 2: $250,000.01 - $999,999.99 Band 3: $1,000,000.00 - $1,999,999.99 Band 4 : $2,000,000 and up
Min. Interest Rate	2% Fixed Strategy
Surrender Schedule	10 years
Policy Loans	Available after the first policy year, Participating Variable, Participating Fixed and Standard Loans – 1035 money available in year 1
Withdrawals	Available after the first policy year, $500 min.
Expense Charges	Monthly Policy fee: $6 Premium Load: 6% *Refer to charges section of product guide.*
Riders	Accelerated Benefits Riders – terminal, chronic, critical illness, critical injury Guaranteed Insurability Option Rider Additional Protection Benefit Rider Lifetime Income Benefit Rider Balance Sheet Benefit Rider Other Insured Rider Benefit Distribution Option Rider Overloan Protection Rider Charitable Matching Gift Death Benefit Rider Systematic Allocation Rider Children's Term Rider Qualified Plan Exchange Privilege Rider Death Benefit Protection Rider Waiver of Monthly Deductions Rider Waiver of Specified Premium Rider

Riders are optional may be available at an additional cost and may not be available in all states.

1. The use of cash surrender value life insurance to provide a tax-free resource for retirement assumes that there is first a need for the death benefit protection. Policy loans and withdrawals reduce the policy's cash surrender value and death benefit and may result in a taxable event. Withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. Surrender charges may reduce the policy's cash surrender value in early years.
2. The Lifetime Income Benefit Rider provides a benefit for the life of the insured if certain conditions are met, including but not limited to the insured's attained age being between 60 and 85 and that the policy has been inforce for at least 10 years. Insufficient policy values, outstanding policy loans and other considerations may also restrict exercising the rider. Receipt of income benefits will reduce the policy's death benefit and cash surrender value and may terminate other riders or reduce their benefits. There is a charge for the rider during the income payment period.
3. Substantial limitations apply to exercising the Overloan Protection Rider, including the policy be inforce for at least 15 years and the insured having attained the age of 75. Exercising the rider results in a paid-up policy. There is no cost for this optional rider, however there is a fee charged when the rider is exercised.
4. The interest bonus is referred to as the Annual Accumulated Value Enhancement (AAVE) rider in the contract.
5. Receipt of accelerated benefits will reduce the policy's cash surrender value and death, may be a taxable event and may affect a family's eligibility for public assistance programs. Any claim for critical illness or critical injury benefits for a given Qualifying Event must be filed within 365 days following the occurrence of such Qualifying Event.

Additional information about our indexes can be found here.

No bank or credit union guarantee | Not a deposit | Not FDIC/NCUA insured | May lose value | Not insured by any federal or state government agency

Guarantees are dependent upon the claims-paying ability of the issuing company.