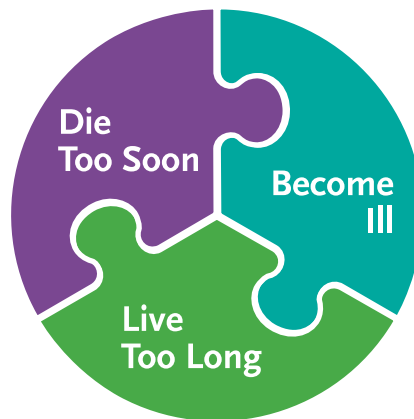


RapidProtect

INSTANT DECISION INDEXED
UNIVERSAL LIFE INSURANCE

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This product is not available in New York

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Quick Reference Guide

Lifelong protection in an instant.

RapidProtect is the next generation of indexed universal life from 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 value accumulation.

Product Focus:

- RapidProtect is indexed universal life insurance that provides lifetime protection with Accelerated Benefits Riders (depending on rate class and state availability).
- Ideal for value-conscious clients in their late 30s to early 50s with fast-paced, busy lives. The quick, streamlined electronic application, instant decision underwriting and policy issue process provides the convenience they are looking for — it's quick and easy.

Highlights

- **Accelerated Benefits Riders¹** - optional, no-additional cost riders that allow access the death benefit, on a discounted basis, to be accelerated during their lifetime if the insured experiences a qualifying terminal illness, chronic illness, critical illness, or critical injury — or a qualifying diagnosis of Alzheimer's disease or Lewy Body Dementia.

Note: Only terminal illness will be available for Express rate classes, depending on state availability.

- **Potential for cash value accumulation** based on a market index with the upside potential and downside protection.
- **Interest Bonus** — Will begin in policy year 6 and is guaranteed. The bonus may vary by loan type (if any loans are outstanding).

• Four Loan Types²

- Participating Declared Loan
- Participating Variable Loan
- Participating Fixed Loan
- Standard Loan

• Interest Crediting Options

- 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
- Fixed Interest Crediting Rate

- **Overloan Protection Rider³** — Offers protection against policy lapse, under certain circumstances, if there is a large outstanding loan.

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

¹ 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.

² Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. Surrender charges may reduce the policy's cash value in early years. 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. Policy loans will be taxed as ordinary income if the policy is allowed to lapse. It is possible that coverage will expire when either no premiums are paid following the initial premium, or subsequent premiums are insufficient to continue coverage.

³ Substantial limitations apply to exercising the Overloan Protection Rider, including the policy be in force 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.

Product Details

Issue Ages	0 to 60 (age nearest birthday)		
Face Amounts	\$50,000–\$500,000		
Death Benefit Options	Both Option A (Level) and B (Increasing) are available		
Policy Protection Period	15 years		
Minimum Premium	\$10.00		
Maximum Premium	GPT only, no CVAT.		
Rate Classification	Premium Class	Face Amount Availability	Available Ages
	Standard Non-tobacco	All	0–60
	Express Non-tobacco	All	0–60
	Standard Tobacco	All	18–60
	Express Tobacco	All	18–60
Substandard	Table ratings and flat extras are not available.		
Banding	Band 1: \$50,000 to \$99,999.99 Band 2: \$100,000.00 to \$500,000.00		
Minimum Interest Rate	2.0% Fixed Strategy		
Surrender Schedule	15 years		
Policy Loans	Available after the first policy year, Participating Declared, Participating Variable, Participating Fixed, and Standard Loans.		
Withdrawals	Available after the first policy year, \$500 min. \$25 fee.		
Expense Charges	Monthly Policy fee: \$6 Premium Load: 6% all years <i>Refer to Charges section of product guide.</i>		
Riders*	Accelerated Benefit Riders – Terminal Illness – Chronic Illness – Alzheimer’s Disease – Critical Illness – Critical Injury	Overloan Protection Rider	

* Riders are optional and may have an extra cost. Not all riders are available in all states. Log on to the Agent portal and check <https://www.nationallife.com/agent/products/life-insurance/riders> for state availability.

Prescreening for Non-Qualifying Conditions and Risks

RapidProtect is available to applicants:

- Up to age 60
- Applying for face amounts between \$50,000 and \$500,000

Rate Classes	Face Amount	Ages
Standard NT	\$50,000–\$500,000	0–60
Express Standard NT 1	\$50,000–\$500,000	0–60
Standard Tobacco	\$50,000–\$500,000	18–60
Express Standard Tobacco	\$50,000–\$500,000	18–60

Accelerated Benefits Riders (ABRs) are not available with Express Standard classes, except for Terminal Illness, depending on underwriting and state availability.


Not all clients will meet RapidProtect underwriting requirements. Below are some disqualifying impairments and risks (not intended to be all-inclusive). For other conditions that may factor into the decision, see the Underwriting Guide, where you can also find the Table of Height and Weight (to consult if you are concerned about your client's BMI impacting underwriting).

If clients are not a good fit, focus instead on EZ or full underwriting National Life IUL products, like FlexLife.

Compare RapidProtect to other IULs

<https://natl.life/fprew4c6>

RapidProtect
Instant Decision Indexed
Universal Life Insurance
<https://natl.life/mat4sxt7>



Disqualifying Medical Conditions

ALS (Lou Gehrig's disease)	Congestive heart failure	Organ Transplant
Alcoholism	Crohn's disease	Pacemaker/defibrillator
Alzheimer's disease or dementia	Diabetes, type 1	Paralysis
Autism	Dialysis	Parkinson's disease
Cancer (except basal cell carcinoma)	Diagnostic testing in the last 3 months except for colonoscopy, pap smear, or mammogram	Peripheral vascular disease
Cardiac arrhythmias	Down's syndrome	Polycystic kidney disease
Chronic kidney disease	HIV/AIDS	Stroke (CVA or TIA)
Chronic obstructive pulmonary disease (COPD)	Hospital admission in past 12 months (except childbirth)	Suicide attempt
Cirrhosis of the liver	Intellectual disability	Ulcerative Colitis

Disqualifying Non-Medical Conditions

Driver's license currently suspended or revoked	Single misdemeanor conviction with less than 1 year since the end of probation
Single DUI within the past year	Multiple misdemeanor convictions with the last conviction less than 7 years ago
Multiple DUIs within the past 5 years	Disability (receiving SSDI or DI due to mental/other medical issues)
Criminal charges pending	Violent criminal activity
Any felony conviction	

Get an Instant Underwriting Decision

You will get an instant answer on whether your client qualifies for death benefit coverage. There are three possible decisions:

- Your client is approved for RapidProtect death benefit coverage.
- Your client is not eligible for RapidProtect but can apply for fully underwritten products.
- Your client's application is declined. They don't qualify for life insurance coverage from National Life.

For approved clients, you will receive an email within one business day (for most cases) with information on the availability of Accelerated Benefits Riders (ABRs) and the rate class they qualified for.

ABRs are not available with Express Standard classes, except for Terminal Illness, depending on underwriting and state availability.

For all other applications, you will receive information by email on why they did not qualify for RapidProtect coverage, or why their application was declined.

Quick Tips

- Make sure your client brings their Social Security Number, bank account information, and a valid government-issued ID to the meeting.
- The client's estate is the default beneficiary. This can be updated once the policy has been added to the [Customer Portal](#). Encourage your customer to create an account at <http://nationallife.com/customer>.

You'll need a Wi-Fi or mobile connection to complete the application process in eApp.

Premium Payments

Premiums

Indexed Universal Life is a flexible premium product. Premiums can be paid in various amounts and frequencies by the policyholder subject to the following limitations:

- Minimum premium: \$10.
- Maximum premium: Limit imposed by the IRS for qualifying the policy as life insurance.

Although policyholders have premium flexibility with indexed universal life, it is important to educate them on how paying smaller or larger premiums can impact their policy's cash surrender value. If the policyholder's goal is to accumulate cash surrender value that can be used down the road, it is especially important to emphasize this and encourage them to fully fund their policy by paying premiums in excess of the minimum.

Insurance Premium Test

Under Section 7702 of the Internal Revenue Code, a policy is generally treated as life insurance for federal income tax purposes if, at all times, it meets the Guideline Premium Test (GPT) — otherwise referred to as the DEFRA Limit.

The GPT requires a set of corridor factors, which are used to define the minimum amount of death benefit above the contract's accumulated value that must be maintained.

The GPT also places limits on the amount of premium that can be paid into a given contract. These limitations can have an effect on the ability to pay premiums and/or make changes to the policy, such as taking a withdrawal or changing the death benefit option.

Death Benefit Options

Both Option A and Option B Death Benefits are available.

The policyholder may elect an Option A (level) or Option B (increasing) death benefit option.

Option A: The death benefit is equal to the greater of

- The face amount
- The accumulated value multiplied by the applicable corridor factor

Option B: The death benefit is equal to the greater of

- The face amount plus the accumulated value
- The accumulated value multiplied by the applicable corridor factor

For both options, the death benefit is reduced by any policy debt and any monthly deductions due.

The death benefit will be paid in a lump sum unless a settlement option or the benefit distribution option is elected. If the death benefit is paid in a lump sum, it will be increased with interest from the date of the insured's death (from the date of the second insured's death for survivorship policies) to the date of payment. The rate of interest will be declared periodically by the company, but will not be less than 2% per year or as mandated by law.

Comparison of Death Benefit Options A and B

Death Benefit Option A

The death benefit remains level and generally allows for the maximum potential growth in the accumulated value.

Death Benefit Option B

The death benefit equals the initial amount of coverage plus the accumulated value. The death benefit will vary based on the growth or decline in the accumulated value. This option is for clients who want additional life insurance protection. Also, Option B generally allows for larger premium payments for those clients wishing to maximally fund their policies.

Changing the Death Benefit Option

The policy's death benefit option can be changed from Option A to Option B, or B to A, once each policy year after the first policy anniversary. If a change would cause a policy to no longer qualify as life insurance for federal income tax purposes, the change will not be allowed.

Change from Option A (Level) to Option B (Increasing)

The face amount of the policy will be reduced by the accumulated value just prior to the effective date of the change.

Change from Option B (Increasing) to Option A (Level)

The face amount will increase by an amount equal to the accumulated value just prior to the effective date of the change.

In both cases, the death benefit is the same before and after the change.

Changing the Face Amounts

After the first policy anniversary, the policyholder may apply for an increase or decrease in coverage subject to the following terms:

Increase in Face Amount

- Satisfactory proof of insurability.
- The requested increase meets or exceeds the minimum increase amount of \$25,000 and does not result in the death benefit exceeding \$500,000.
- Each increase in face amount will have its own coverage segment that has its own Monthly Cost of Insurance charges, Monthly Expense Charges, and Surrender Charges, as well as new incontestability and suicide exclusion periods.

*The maximum age for a face amount increase is 60.

Decrease in Face Amount

- Decreases that would reduce the face amount of the policy below the minimum face amount will not be permitted.
- During the first nine policy years, the total face amount of the policy, plus any additional protection benefit riders, may be no less than 75% of the largest total face amount in force at any time in the 12 months prior to the request.
- Decreases do not affect the level of surrender charges or administrative charges.
- A decrease will not be permitted if it causes the policy to fail the definition of life insurance test as defined in the Internal Revenue Code.

Each change in coverage will cause the Commissionable Target Premium (CTP) and Minimum Monthly Premium (MMP) to be adjusted.

ABR for Terminal Illness

Accelerates the death benefit during lifetime for terminal illness. Refer to the Accelerated Benefits Riders agent guide for more details.

Overview

Accelerated Benefits Riders (ABRs) are supplemental benefits that can be added to a life insurance policy and are not suitable unless the client has a need for life insurance. ABR for Terminal Illness is a no-additional premium rider that allows for the death benefit, on a discounted basis, to be accelerated during lifetime for terminal illness.

Benefits do not have to be used to defray actual expenses associated with the terminal illness. They could be used for other expenses, including for such things as making structural changes to a home to accommodate the illness and compensating a non-licensed care provider.

Terminal Illness Definition

Terminal Illness advances payment, under certain circumstances and on a discounted basis, of all or part of the policy's death benefit prior to the death of the insured. The accelerated payment can be made if the Insured is suffering from a terminal illness that will result in death within 24 months (For NL: 12 months in CT, and PA) (For LSW: 12 months in CT, PA, and VT).

ABR Terminal Benefit

The amount of death benefit available for ABR payout is based on a discount factor of the death benefit amount. The amount accelerated reduces the death benefit, the cash surrender value, and the loan value. A summary of the projected discounted death benefit amount can be illustrated through the National Life Group Illustration system.

For Terminal Illness, National Life Group will accelerate, income-tax free, the discounted death benefit, not to exceed a lifetime maximum of \$1,500,000 per insured. There is no annual limit and the benefit can be received as a lump sum if desired. ABR Terminal does not have a waiting period.

Limits may vary by state, please refer to your policy form for details and limitations that may apply in your state.

Payment of Accelerated Benefits will reduce the Cash Value and Death Benefit otherwise payable under the policy. Receipt of Accelerated Benefits may be a taxable event and may affect eligibility for public assistance programs. Policyholders should consult their personal tax advisor to determine the tax status of any benefits paid under this rider and with social service agencies concerning how receipt of such a payment will affect eligibility for public assistance.

ABR for Chronic Illness

Accelerates the death benefit during lifetime for chronic illness. Refer to the Accelerated Benefits Riders agent guide for more details.

Overview

Accelerated Benefits Riders (ABRs) are supplemental benefits that can be added to a life insurance policy and are not suitable unless the client has a need for life insurance.

ABR for Chronic Illness is a *no-additional premium* rider that allows for the death benefit, on a discounted basis, to be accelerated during lifetime, for chronic illness.

Benefits do not have to be used to defray actual expenses associated with the chronic illness. They could be used for other expenses, including for such things as making structural changes to a home to accommodate the illness and compensating a non-licensed care provider. ABR proceeds in the state of MA can only be used to pay for expenses incurred for Qualified Long-Term Care Services.⁴

Note: Rider availability and waiting period can vary by state, so make sure to check your policy form.

Chronic Illness Definition

A chronically ill individual is one who has been certified, within the past 12 months, by a licensed health care practitioner as being unable to perform, without substantial assistance, at least 2 out of 6 activities of daily living — ADLs — for a period of at least 90 days due to a loss of functional capacity. The six activities are defined as:

- Eating
- Bathing
- Toileting
- Dressing
- Transferring
- Continenence

Being certified as requiring substantial supervision by another person to protect the insured from threats to health and safety due to their severe cognitive impairment also falls under the definition of chronic illness.

ABR Chronic Illness Rider Benefit

The amount of benefit available for ABR payout is based on a discount factor of the death benefit amount. The amount accelerated will reduce the death benefit, the cash surrender value, and the loan value. A summary of the projected discounted death benefit amount can be illustrated through the National Life Group illustration system.

NL — Generally, once the policy has been in force for 30 days, National Life Insurance Company will accelerate an annual benefit not to exceed the IRS per diem limit, or the total current lifetime maximum of \$1,500,000 per insured.

LSW — Generally, once the policy has been in force for 30 days, Life Insurance Company of the Southwest will accelerate 2% of the net death benefit each month or 24% annually, not to exceed the annual limit or current lifetime maximum of \$1,500,000 per insured.

⁴ Qualified Long-Term Care Services: The necessary diagnostic, preventative, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services that are required by a chronically ill individual and are provided pursuant to a plan of care prescribed by a licensed health care practitioner.

Limits vary by state, please refer to your policy form for details and limitations that may apply in your state.

ABR for Alzheimer’s Disease

Accelerates the death benefit during lifetime for a qualifying diagnosis of Alzheimer’s Disease or Lewy body dementia. Refer to the Accelerated Benefits Riders agent guide for more details.

At a glance

- Accelerated death benefit for Alzheimer’s disease or Lewy body dementia.
- No additional cost.
- ABR benefits are generally unrestricted — you can choose how to use your benefit.
- Annual benefit limit: None.
- Current lifetime benefit limit: \$1,500,000.
- **Issue ages:** 0–60.

Overview

Accelerated Benefits Riders (ABRs) are supplemental benefits that can be added to a life insurance policy and are not suitable unless the client has a need for life insurance. ABRs are optional and may not be available in all states. The use of one benefit may reduce or eliminate other policy and rider benefits.

This rider is a no-additional premium rider that allows for the death benefit, on a discounted basis, to be accelerated during lifetime, for Alzheimer’s disease or Lewy body dementia.

Benefits do not have to be used for expenses associated with Alzheimer’s Disease or Lewy body dementia. They could be used for other expenses, including for such things as making structural changes to a home to accommodate the illness and compensating a non-licensed care provider.

In California, the policy can only include the Alzheimer’s Disease rider if the insured has health insurance coverage.

Qualifying events

A qualifying diagnosis is needed of Alzheimer’s disease or Lewy body dementia, determined by a Specialist. In addition, a Specialist needs to provide certification of both:

- A score of less than 20 out of 30 on Mini-Mental State Exam (MMSE), or an equivalent of this score under a widely accepted test of cognitive function.
- Clinical impairment of at least two of the following:
 - Orientation to people, places, or time.
 - Registration (ability to learn and remember new information).
 - Attention and calculation (reasoning and handling of complex tasks).
 - Visuospatial abilities.
 - Language functions.

In determining whether an Insured has experienced a Qualifying Event, National Life Group may consider both the certification and the records of the Insured’s medical history, diagnosis, and treatments to ensure that the records support the certification. All other forms of dementia are not covered by this rider but may be covered by the chronic illness rider.

The rider will not be available if the client has a first-degree relative (mother, father, or siblings) with a history of Alzheimer’s disease.

Benefit

The actual payment received will be less than the portion of the death benefit accelerated because the benefits are paid prior to death. Values are based on a current interest rate and mortality rates. There is an initial administrative fee at the time the rider is exercised. The amount accelerated reduces the death benefit, the cash value, and the loan value. A summary of a discounted death benefit amount can be illustrated through the National Life Group illustration system.

The current lifetime benefit limit is \$1,500,000 per insured. There is no annual benefit limit.

ABR for Critical Illness and Critical Injury

Accelerates the death benefit during lifetime for critical illness and critical injury. Refer to the Accelerated Benefits Riders agent guide for more details.

Overview

Accelerated Benefits Riders (ABRs) are supplemental benefits that can be added to a life insurance policy and are not suitable unless the client has a need for life insurance. ABR for Critical Illness and Critical Injury is a no-additional premium rider that allows for the death benefit, under certain circumstances, and, on a discounted basis, to be accelerated during lifetime for critical illness or critical injury.

Benefits do not have to be used for actual expenses associated with the triggering illness or injury. They could be used for other expenses, including for such things as making structural changes to a home to accommodate the illness and compensating a non-licensed care provider.

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.

Critical Illness Definition

The death benefit can be accelerated when an insured is diagnosed with one of the following triggering illnesses:

- Diagnosis of ALS (Lou Gehrig’s disease)
- Heart Valve Replacement*
- Aplastic Anemia*
- Cystic Fibrosis
- Aorta Graft Surgery
- Major Organ Transplant
- Blindness*
- Heart Attack
- End Stage Renal Failure
- Motor Neuron Disease
- Cancer**
- Stroke
- Sudden Cardiac Arrest

*Not a qualifier in CT, IL, KS, MD, MA, MN, NJ, NY, OH, PA, UT, VA, WA.

**Invasive Cancer in CA only

Critical Injury Definitions

The death benefit can be accelerated when an insured is diagnosed with one of the following triggering injuries:

- Coma
- Paralysis
- Severe Burns
- Traumatic Brain Injury

In California, the policy can only include the Critical Illness, and Critical Injury riders if the insured has health insurance coverage. Critical Injury and Critical Illness rider availability is limited to issue ages 0–64.

ABR Critical Benefit

The benefit amount available for ABR payout is based on a discount factor of the death benefit amount. The amount accelerated will reduce the death benefit, the cash surrender value, and the loan value. A summary of the projected discounted death benefit amount can be illustrated through the NLGroup illustration system.

The critically ill or critically injured client can request a full acceleration or partial acceleration of the policy’s death benefit in the form of a lump sum not to exceed the lifetime benefit maximum of \$1,000,000 per insured. There is no annual limit. The level of discounting applied to the death benefit varies depending on the insured’s age and the severity of the critical illness or critical injury.

NL – Policy must have been in force for 90 days.

LSW – Policy must have been in force for 30 days.

Note: Waiting period and rider availability can vary by state. Make sure to check your policy form.

Overloan Protection Rider (OPR)

Protects the policy from lapsing when loan values threaten policy.

Overview

The Overloan Protection Rider (OPR) protects a policy from lapsing as a result of the loaned amount exceeding the accumulated cash surrender value. This feature can prevent a tax liability as a result of a policy lapse due to being over-loaned.

The policyholder will be notified of this rider option when all conditions have been met. When the rider is put into effect, the policy becomes “paid-up”. At this time, there are no future premiums or charges due. Loans and withdrawals are no longer available.

Availability

Issue ages: 0–60

This rider will automatically be added to all eligible policies at issue.

Conditions for Exercising the Rider

- Policy is in corridor.
- Loans at least equal to 95% of the policy's accumulated cash surrender value.
- Policy has been in force for at least 15 years.
- Insured has attained the age of 75.
- There is a charge when the rider is exercised.

Charges

Policy Protection Period

The policy protection period helps protect the policy against lapse for the first 15 policy years.

- During this period, cumulative premiums paid less withdrawals, less debt must be greater than or equal to cumulative Minimum Monthly Premiums.
- There is no interest adjustment in this calculation.
- If the premium test is met and the policy has positive Accumulated Value net of debt, the policy will not lapse even if the Cash Surrender Value is zero.
- An increase in coverage does not initiate a new policy protection period but it does increase the Minimum Monthly Premium.
- Premium payments just equal to the Minimum Monthly Premiums will ensure that a death benefit is payable under the policy, but this level of funding will not necessarily provide for the buildup of significant accumulated value in the policy.

Surrender Charges

Surrender charges generally apply during the first 15 years of the policy and are determined based on issue age, sex, rate class, policy face amount, and duration. Each increase in face amount (other than those resulting from changes in death benefit option, those resulting from the appropriate application of the death or benefit factors, has its own 15-year surrender charge schedule. Face amount decreases do not reduce surrender charges.

Percent of Premium Expense Charge

A 6% charge is applied to all premiums. Internal 1035 amounts are not subject to the percent of premium expense charge.

Monthly Deduction

The Monthly Deduction due on a Monthly Policy Date is the Monthly Cost of Insurance, plus the Monthly Expense Charge, plus the Monthly Policy Fee, plus the Monthly Percent of Accumulated Value Charge.

Monthly Expense Charge: This is a charge on the face amount and additional protection benefit sum insured. The charge varies based on issue age, sex, rate class, and duration. On a current basis, the Monthly Expense Charge periods are:

- Standard non-tobacco & Express standard non-tobacco 1 rate classes
 - 15 policy years for issue ages 0–17
 - 10 policy years for issue ages 18–60
- Standard tobacco & Express tobacco rate classes
 - 25 policy years for all ages
- On a guaranteed basis, the charge is for all policy years

Each increase in face amount, other than those resulting from changes in death benefit option, or those resulting from the appropriate application of death benefit factors, will have a monthly expense charge associated with it. Face amount decreases do not reduce the Monthly Expense Charge.

Monthly Policy fee: \$6.00 per month.

Monthly Percent of Accumulated Value Charge: 0.0075% of accumulated value per month for the first 25 years on a current basis, all years on a guaranteed basis.

Monthly Cost of Insurance

The Monthly Cost of Insurance for a given policy is equal to the applicable Monthly Cost of Insurance Rate multiplied by the Net Amount at Risk.

The current monthly cost of insurance rates varies based on the issue age, rate class, sex, and duration of the policy.

The net amount at risk is the death benefit plus any debt to the company minus the accumulated value.

How Interest Crediting Works

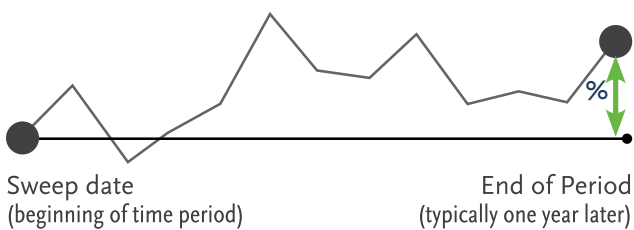
If the index goes up, you may earn interest, but if the index goes down, the values of your interest crediting options are protected from loss due to the market decline.⁵ Indexed interest accounts calculate interest using a participation rate or a cap.

Measuring a Point-to-Point Index Crediting Option

Point-to-Point

Compares the value of the index at the beginning and the ending date, typically one year later.

If the value is lower, the client is protected from losing any cash value with a 0% Floor or could gain 1% interest with the optional 1% Floor index crediting option.



Calculating Indexed Interest

Once the change in the index is known, the participation rate and cap will be applied to determine how much interest will be credited to account values.


For example, if the index growth is 9% and the participation rate is 100%, the full 9% may be used to determine interest credited. The cap is the maximum earnings percent that will be credited. For example, if the index growth is 9% and the participation rate is 100%, but the cap is set at 7%, 7% is credited.

Indexed credits are locked in annually. Once interest is credited, it can never be lost due to a future decline in the index. **Keep in mind that no earnings are credited for funds allocated for periods shorter than a full year.**


⁵ An Indexed Universal Life (IUL) insurance policy is usually a fixed universal life (UL) policy where interest is determined, at least in part, by the performance of a specified market index. Unlike traditional UL policies, the policy owner may receive zero interest for a single crediting period if the index performs poorly. However, with most designs, the premiums are protected and guaranteed to credit a minimum interest rate in the event the policy is surrendered. The owner of an IUL policy may experience better interest crediting than a traditional UL policy during periods when the market performs well. IUL policies do not directly participate in any stock or equity investments. An investment cannot be made directly into an index. The amount of interest credited is limited by a "cap". The 0% or 1% floor provided by an IUL policy ensures that during crediting periods where the index is negative, that no less than 0% or 1% interest is credited to the index strategy. However, monthly deductions continue to be taken from the account value, including a monthly policy fee, monthly expense charge, cost of insurance charge, and applicable rider charges, regardless of interest crediting.

How Your Cash Value Grows

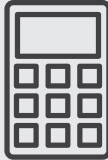
Take advantage of positive changes in the stock market (upside) without the risk of market volatility (downside) with a 0% floor. RapidProtect also offers a 1% Floor Option that guarantees your policy will always earn at least 1%, no matter how much the market declines.



STEP 1.
Pay your premium.



STEP 2.
Premium is allocated to the index crediting options of your choice.




STEP 3.
After 1 year, we calculate the change in your chosen interest crediting options.

- **If the change is positive**, your policy is credited interest after applying any caps and participation rates.
- **If the change is negative**, your policy is credited 0%, unless you elected the 1% Floor Index Crediting Option, in which case your policy would receive a 1% credit.

Positive Calculated Change in Chosen Index	
Index % Change =	9.00%
Interest Credited =	7.00%
Negative Calculated Change in Chosen Index	
Index % Change =	-2.50%
Interest Credited with 0% Floor Strategy =	0.00%
Interest Credited with 1% Floor Strategy =	1.00%

Assumes Participation Rate 100%, Cap 7%



STEP 4.
Any credited interest is added to your chosen interest crediting options based on the accumulated value at the end of the year.

- This means you have the potential to earn compound interest, further growing your cash value.
- Monthly policy expenses will be deducted from the accumulated value prior to the calculation of interest credits.

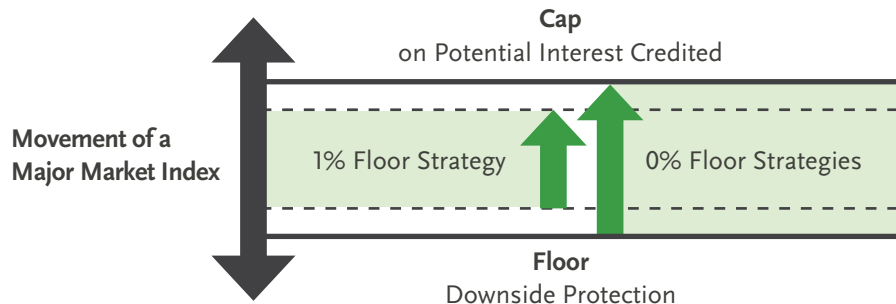
Premium Frequency

If you choose to pay your premiums annually, you only get one interest crediting point in the year based on when you pay your premium. Paying your premiums monthly allows you to capitalize on having 12 potential interest crediting dates and reduce the risk associated with one annual crediting date. Paying premiums monthly does not, however, guarantee an advantage over the annual crediting method.

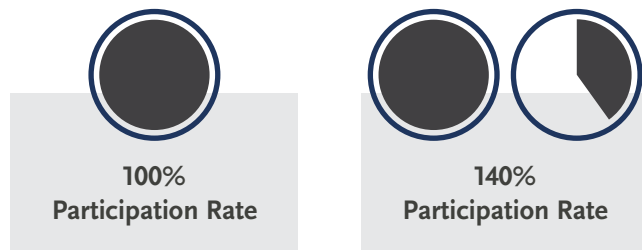
Caps and Participation Rates

Guarantees to protect from market loss (i.e., 0% and 1% Floors) are not without some *cost*. Our Caps and Participation Rates are part of that *cost*.

Caps are the upper limit of how much can be credited to the policy.



Participation Rates are how much you participate in the performance of the index and how much interest you gain.



Which index crediting option is best?

Many people assume that the index crediting option with the highest illustrated rate will perform the best because maximum illustrated rates are determined by historical index results. However, past performance is not an indicator of future performance.

There is no way to know which index crediting option will perform the best, either over the long term or the short term.

In addition to index crediting options, the Fixed Term index crediting option credits a declared interest rate. It is not reliant on any index. Any amount of policy value and premium payments can be allocated to the fixed account.

Allocations can also be divided among some or all of the index crediting options. There is no way to predict which index crediting option will perform the best, but by spreading the allocation across all of the index crediting options, you can potentially capture at least some of the best returns.

Interest Bonus

The Interest Bonus begins in policy year 6. The bonus may vary by index crediting option and loan type if there's an outstanding loan amount.

The Interest Bonus is credited on the policy anniversary. The total Interest Bonus is based on the average accumulated value in each index crediting option over the prior year. The interest bonus is extra interest calculated on this average value. The extra interest is placed in the Basic Strategy when credited. The Standard Loan Collateral Account does not receive the Interest Bonus.

How do the companies of National Life Group invest to provide indexed credits?

Our insurance companies do not invest directly in the S&P 500[®], to provide credited rates. We transact in options to provide indexed credits as part of investment strategy known as hedging. Hedging is an investment technique designed to reduce or eliminate financial risk.

To deliver indexed credits, we purchase one-year calls on the indices in sufficient quantity to cover the portion of account value eligible to receive indexed credits. If the index increases, we exercise our call options and receive amounts needed to cover our indexed credited obligations.

For index crediting options with cap rates, it is possible to offset the cost of purchasing the necessary call options by simultaneously selling call options. The calls we sell give the excess return of the index, above what is needed to cover our interest crediting expenses, to the purchaser of the call. The company does not profit from our hedging strategy. We only use the hedging to provide indexed-linked interest crediting.

How are the cap and participation rates determined?

Cap and participation rates are determined by several factors. The most obvious factor is the price of options. Generally, as option prices increase, cap and participation rates decrease. A number of financial factors cause option prices to increase. An important driver of option costs is index volatility. The more volatile the underlying index is, the higher the option costs are. The index price level, the risk-free interest rate, and the option “strike” price are also factors in determining option prices.

Because Indexed Universal Life is a fixed insurance product, it is backed by assets in our General Account. These assets earn investment income. But the amount of this investment income can vary as interest rates change. Generally, the more investment income the company earns, the more we have to purchase options and the higher our cap and participation rates will be. In times of depressed investment earnings, the less we have to spend on options to back our index crediting options and the lower our cap and participation rates will be.

How are maximum illustrated rates determined?

Our maximum illustrated rates for each index crediting option are determined by applying an industry regulation. This involves applying our current cap and participation rates to every hypothetical 25-year index return sequence for the past 65 years to determine an average return.

How often can you make changes to allocations?

Allocations can be changed at any time. But money already in a index crediting option will only be reallocated according to any changes at the end of the term.

What is the Basic Strategy?

The Basic Strategy is a fixed interest crediting account where any unallocated premium is held until it is moved into your chosen index crediting options on the 14th of every month.

Interest Crediting Options

Standard & Poor's Composite Index of 500 Stocks (S&P 500®)⁶

Cap Focus (Point-to-Point)

- Higher Cap Rate than our other index crediting options.
- Participation Rate will always be equal to or greater than 100%.
- Guaranteed Minimum Cap 3.1%.
- Guaranteed 0% Floor.

Participation Focus (Point-to-Point)

- Higher Participation Rate than other index crediting options.
- Participation Rate will be at least 110% or greater.
- Guaranteed Minimum Cap 3.0%.
- Guaranteed 0% Floor.

1% Floor (Point-to-Point)

- Guarantees a Floor of 1%.
- Participation Rate will always be equal or greater than 100%.
- Guaranteed Minimum Cap is 2.1%.

Fixed Account

Fixed Term

- Credited daily, a fixed interest rate declared by the company and guaranteed for one year.
- 2.0% Guaranteed

Historical Values*

Dec. 14th of Year	S&P 500® Index	1 Year Change
2015	2,021.94	0.98%
2016	2,253.28	11.44%
2017	2,652.01	17.70%
2018	2,599.95	-1.96%
2019	3,168.80	21.88%
2020	3,647.49	15.11%
2021	4,634.09	27.05%
2022	3,995.32	-13.78%
2023	4,719.55	18.13%
2024	6,051.09	28.21%

* Historical performance is not indicative of future results.

⁶ The "S&P 500" is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and S&P Opco, LLC and has been licensed for use by National Life Insurance Company (NLIC). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The trademarks have been licensed to SPDJI and have been sublicensed for use for certain purposes by NLIC. RapidProtect is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, "S&P Dow Jones Indices"). Neither S&P Dow Jones Indices nor S&P Opco, LLC make any representation or warranty, express or implied, to the owners of the RapidProtect product or any member of the public regarding the advisability of investing in securities generally or in RapidProtect particularly or the ability of the S&P 500 to track general market performance. S&P Dow Jones Indices and S&P Opco, LLC's only relationship to NLIC with respect to the S&P 500 is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The S&P 500 is determined, composed and calculated by S&P Dow Jones Indices or S&P Opco, LLC without regard to NLIC or the RapidProtect product. S&P Dow Jones Indices and S&P Opco, LLC have no obligation to take the needs of NLIC or the owners of the RapidProtect into consideration in determining, composing or calculating the S&P 500. Neither S&P Dow Jones Indices nor S&P Opco, LLC are responsible for and have not participated in the determination of the prices, and amount of RapidProtect or the timing of the issuance or sale of RapidProtect or in the determination or calculation of the equation by which RapidProtect is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices and S&P Opco, LLC have no obligation or liability in connection with the administration, marketing or trading of RapidProtect. There is no assurance that investment products based on the S&P 500 will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

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Interest Crediting Glossary of Terms

Basic Strategy

A fixed interest crediting account where any unallocated premium is held until it is moved into your chosen index crediting options on the 14th of every month.

Basic Strategy Sweep Date

The 14th of the month. This is the date that funds in the Basic Strategy will be allocated to the chosen interest crediting options.

Cap

The maximum annual effective interest rate than can be credited to an Index Segment. Not all index crediting options have a cap.

Ending Index Value

The value of the Index at the end of the day an Index Segment ends.

Fixed-Term Account

A rate of interest declared by the company will be credited to this account daily.

Guaranteed Interest Rate

This is the minimum rate that will be credited to funds in fixed term accounts. This rate is also used to calculate guaranteed accumulated and cash surrender values.

Index

RapidProtect by National Life and Life Insurance Company of the Southwest uses the performance of the S&P 500[®] as the index to calculate credited interest. The S&P 500 Index is a list of 500 of the largest public companies in the U.S. The index, which is weighted by market capitalization, is considered to be one of the best gauges of U.S. equities, the stock market, and the American economy.

Index Segment

Each time premiums are transferred from the Basic Strategy to an Indexed Strategy, a new Index Segment is created. Each indexed segment is 12 months long.

Indexed Interest

The interest credited to an Index Segment using the Point-to-Point index crediting option.

Participation Rate

The percentage applied to the Index Growth used in the formula to calculate the Indexed Interest for an Index Segment. All index crediting options have a participation rate.

Point-to-Point

Compares the Starting Value of an Index Segment to the Ending Value of that same Index Segment to determine the Index Growth.

Policy Segment Year

The 12-month period beginning when an Index Segment is created, used to determine the Indexed Interest earned on the value of the Index Segment.

Starting Index Value

The value of the Index at the end of the day an Index Segment begins.

Loans, Withdrawals, and 1035 Exchanges

Loans

A life insurance loan provides access to cash surrender value for clients, income tax-free⁷. In addition, benefits of a life insurance loan include:

- Guaranteed approval (if there's sufficient cash surrender value).
- Financial flexibility. Funds can be used for any purpose, for example to buy a new car, remodel a home, or fund educational expenses.
- Competitive loan interest rates.
- With a participating loan, loaned value may keep earning interest credits, because clients are borrowing against it, not withdrawing from their policy.
- Clients can repay the loan, in full or in part, on their own timeline.
- Clients don't have to pay the life insurance loan back if they don't want to. (They will need to pay sufficient premiums to keep the policy in force and benefits will be reduced by outstanding loans at death.)

Availability

Loans are available once the policy has been in force for one year. The policy serves as the collateral for the loan. Other than having sufficient cash surrender value, there are no conditions on being able to borrow money.

The amount available for a loan is the loan value of the policy minus the amount of any debt secured by the policy. The loan value is equal to the accumulated value on the valuation date, less the surrender charge on the valuation date, less three times the monthly deductions due on the last monthly policy date.

It can take many years to build up significant cash surrender value in a permanent life insurance policy. In the early years of the policy, there may be little value, if any, to borrow against. The more clients fund their policy, the earlier they can take a loan.

Loan interest is charged on the amount borrowed. This interest can be paid as it is due (on the policy anniversary) or it can be added to the amount borrowed, increasing the policy loan amount.

⁷ Requires the policy to stay in force. Taking a life insurance loan will reduce the accumulated value of your policy upon surrender, and reduces the death benefit upon death. Except in the case of a Modified Endowment Contract (MEC), 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. For MECs, contract loans and withdrawals are considered taxable income.

Types of Loans

Participating Declared Loan*

- Loaned values are charged a declared loan interest rate, set by National Life Group.
- Maximum loan interest rate: 8.00%.
- Collateral remains in the allocations and continues to earn indexed credits.
- The collateral accumulated value is eligible for a loan interest bonus specific to Participating Declared Loans.

Participating Variable Loan

- Loaned values are charged a variable loan interest rate based on Moody's Corporate Bond Yield Average — Monthly Corporates, subject to a minimum rate of 3%.
- Maximum loan interest rate: 3% above the Basic Strategy interest rate, which has no cap.
- Collateral remains in the allocations and continues to earn indexed credits.
- The accumulated value attributed to the Participating Variable Loan is eligible for the Interest Bonus.

Participating Fixed Loan

- Loaned values are charged a fixed rate: 5%. This rate is set at policy issue and won't change. (We reserve the right to adjust the fixed loan rate for new issues.)
- Collateral is placed in an Indexed Loan Account, where it earns indexed credits based on an S&P 500® Point-to-Point Cap Focus index crediting option. This account may have different caps and participation rates than the S&P 500® Point-to-Point Cap Focus index crediting option used for cash value that is not used as loan collateral.
- The accumulated value used for Participating Fixed Loans is eligible for the Interest Bonus on the Indexed Loan Account.

Standard Loan

- Loaned values are charged a variable loan interest rate based on Moody's Corporate Bond Yield Average — Monthly Corporates, subject to a minimum rate of 3%.
- The loaned amounts are transferred into a loan collateral account and will be credited with the Loan Interest Rate minus 0.50% in year 1 through 10, and the Loan Interest Rate in year 11+.
- The accumulated value used for the Standard Loan is not eligible for any Interest Bonus.

The impact of taking a life insurance loan

When indexed interest credits exceed policy loan interest rates, IUL policy owners earn more on collateral amounts than they are charged on the loan amount. The opposite condition, being “upside down,” can be very harmful to the insurance policy.

Loans should be managed carefully. An owner can switch the loan type once per policy year without paying off the existing loan. This can be a policy-saving difference if loans ever go upside down.

Over time, taking a life insurance loan has a significant impact on the policy.

Remember:

- A policy loan reduces the death benefit and the accumulated value of the policy.
- Insurance deductions continue. Clients need to make sure there's enough unloaned cash surrender value left in their policy to cover these costs. That might mean they must pay more premiums to keep their coverage. Failure to do so could lead to policy lapse, resulting in the loss of the policy and coverage. If that happens, there may be negative tax consequences for the loan amounts received.

Other important things to know about loans

- Loans can be repaid. Amounts meant for loan repayment should be clearly designated as such. Otherwise, they will be considered premium payments.
- Policy loans from RapidProtect are received income tax free. If the policy lapses with outstanding policy loans, there could be taxable income to the policyholder. In the event loan balances threaten the contract's ability to stay in force, and the terms of the rider are met, the Overloan Protection Rider will restructure the policy so it will not lapse. Substantial limitations apply to exercising the Overloan Protection Rider, including that the policy must have been in force at least 15 years and the insured has attained the age of 75. There is a cost when the rider is exercised. This rider is optional and may not be available in all states.

* We may discontinue Participating Declared Loans as an available loan option on both new policies and for existing policies at the end of a policy year with prior notice. Please refer to the policy forms for additional information.

Withdrawals

In contrast to a policy loan, withdrawals are an actual removal of cash surrender value from the policy. The portion of the cash surrender value that consists of premiums paid into the policy is known as “basis,” with any amounts above that considered gains. Cumulative withdrawals up to the basis amount are non-taxable, provided premiums were paid with after-tax money. Withdrawal amounts above basis are taxable as income. Once the basis is withdrawn from a policy, it is usually advisable to switch to loans to access any additional cash surrender value. This avoids any immediate tax consequence, but it is important to keep the policy in force, otherwise the loans become taxable on policy lapse.

At any time after the first policy year, a policyholder may withdraw funds from the contract’s cash surrender value subject to the following terms:

- The minimum withdrawal amount is \$500.
- There is currently no withdrawal fee assessed on withdrawals. (However, we may charge as much as \$25 per year.)
- The amount of withdrawal may not exceed the cash surrender value minus three monthly deductions due on the last monthly policy anniversary.
- A withdrawal is not permitted if it will reduce the face amount below the minimum face amount for the policy or if it would cause the policy to no longer qualify as life insurance for federal income tax purposes.
- The accumulated value is reduced by the amount of the withdrawal plus any surrender charges and withdrawal fees.

If death benefit Option A is in effect, the face amount of the policy is reduced by an amount equal to the amount of the withdrawal and withdrawal fees. Withdrawals reduce the policy’s cash surrender value and death benefit and may be a taxable event. Surrender charges may reduce the policy’s cash surrender value in the early years.

1035 Exchanges

RapidProtect accepts 1035 Exchanges, after policy issue, including 1035 Exchanges with loans up to 50% of the gross exchange amount. The policyholder can choose one of the four loan options at application.