

IUL



FlexLife

Indexed Universal Life



Experience Life®

Products issued by
National Life Insurance Company®
Life Insurance Company of the Southwest™

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FlexLife is an innovative Indexed Universal Life (IUL) product designed to meet your lifetime protection and accumulation needs.

This flexible IUL policy provides valuable protection for your family through the death benefit. However, FlexLife does not stop there, it can also help you accomplish lifetime financial goals, including meeting retirement objectives.



Experience FlexLife IUL

What is Indexed Universal Life?

Experience Flexibility

Indexed universal life is a form of universal life insurance and is considered to be one of the most flexible types of life insurance. This flexibility allows you to adjust the amount of your policy coverage¹, (also called the face) amount, and the premiums you pay. You also have the potential to build cash value in your policy and if enough value accumulates, you may even be able to stop² paying premiums. Or, you can continue to pay additional premiums to accumulate even more cash value that you can access through policy loans and withdrawals later in life.³

Experience Upside Potential with Downside Protection

Indexed products credit interest based on the changes in value of a major market index. However, your policy can never lose value because there is a 0% floor built in which allows you to take advantage of the upside potential of the index while also having downside protection in the event the index drops below 0%.

1 Additional coverage may require additional underwriting.

2 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 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.



What Makes FlexLife Different?

- Cash value accumulation is based on the S&P 500[®] Index with five interest crediting strategies to choose from.
- Competitive income distribution options with improved access to policy cash value through loans and withdrawals¹. Potential to guarantee⁴ yourself a stream of income for life – money you can't outlive through the Lifetime Income Benefit Rider if certain criteria is met.²
- Accelerated Benefit Riders at no-additional cost.³
- Option to elect the Systematic Allocation Rider for annual lump sum premium distribution into your chosen index strategies.
- Option to earn a guaranteed⁴ fixed interest rate.
- 0.35% Account Value Enhancement credited to your accumulated cash value starting at the beginning of policy year 11.
- By purchasing the Death Benefit Protection Rider⁵, as long as a certain level of premium is maintained, your death benefit will not lapse, even in times of tight cash flow.

1 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.

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 age 60 and 85, and that the policy has been in-force at least 15 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 cash value and death benefit and may terminate other riders or reduce their benefits.

3 Receipt of accelerated benefits will reduce the cash value and death benefit and may result in a taxable event.

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

5 Monthly premium test must be met. Premium payments just equal to the Monthly Guarantee Premiums will not necessarily provide for the build-up of significant accumulated policy value.



3 Accelerated Benefit Rider, Death benefits, cash values and loan values (for contracts with such values) will be reduced if an accelerated benefit is paid. The accelerated benefits offered under this rider are intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. Whether such benefits qualify depends on factors such as your life expectancy at the time benefits are accelerated or whether you use the benefits to pay for necessary long-term care expenses, such as nursing home care. If the acceleration-of-life-insurance benefits qualify for favorable tax treatment, the benefits will be excludable from your income and not subject to federal taxation. Tax laws relating to acceleration-of-life-insurance benefits are complex. You are advised to consult with a qualified tax advisor about circumstances under which you could receive acceleration-of-life-insurance benefits excludable from income under federal law. Receipt of acceleration-of-life-insurance benefits may affect your, your spouse or your family's eligibility for public assistance programs such as medical supplementary social security income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such a payment will affect your, your spouse's and your family's eligibility for public assistance. Riders are optional and may not be available in all states. We currently limit the amount of death benefit that may be accelerated under all accelerated benefit riders applying to the same insured to \$1,000,000. We reserve the right to change this limit in the future, however the limit will never be less than \$500,000.

Comprehensive Death Benefit Protection

Experience Security

Your loved ones depend on you for their present needs and their future financial security. First and foremost, you need to protect the income(s) on which everything you have, everything you're doing and everything you're planning are based – especially if you have family members depending on you for financial support.

As with all life insurance policies, the primary purpose of FlexLife is to provide a benefit to your family at your death. Each premium payment you make into your policy goes towards this death benefit. In the event of your death, your family will receive this death benefit, income tax-free.¹ They can then use these funds to pay taxes and other final expenses, maintain their lifestyle and protect their future financial security or to even pay education expenses for your children.

¹ Internal Revenue Code § 101(a)(1). There are some exceptions to this rule. Please consult a qualified tax professional for advice concerning your individual situation.



Guaranteed Income for Life

with the Lifetime Income Benefit Rider

The fear of outliving retirement income has become a very realistic concern to many who are facing retirement, and for good reason.

Growing old isn't what it used to be, and in many ways, that's a good thing. People are not only living longer, they have better educations – resulting in better health, higher income, and a higher standard of living in retirement.

But, as Americans continue to live longer, a new challenge presents itself: “How do I make sure my retirement income lasts?” Fortunately, there may be a simple solution. The Lifetime Income Benefit Rider (LIBR) is automatically added to your policy, offering you a valuable option later in life. Once qualifications are met and the rider is exercised, LIBR guarantees you a steady stream of income for the rest of your life – money you can't outlive.

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 age 60 and 85, and that the policy has been in-force at least 15 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 cash value and death benefit and may terminate other riders or reduce their benefits. Guarantees are dependent upon the claims-paying ability of the issuing company. Exercising the rider and receiving an income benefit will reduce the policy's cash value and death benefit and may terminate other riders or reduce their benefits. There is an annual charge from the accumulated value during the income payment period.

Living Benefits

with Accelerated Benefit Riders

Medical conditions and illnesses, although not always fatal, can have a devastating impact on your lifestyle, your independence and your ability to earn an income. They can even deplete your savings in no time at all. Our no-additional cost Accelerated Benefit Riders can help provide a cost effective way to protect your financial security in the event you are diagnosed with a terminal, chronic or critical illness.

If you qualify, you can access your policy's death benefit while you are living to help cover some of the expenses associated with your illness. These benefits are not restricted and can be used for anything. In the state of MA, however, benefits for chronic illness must be used to pay for qualified expenses¹.

Help Balance Market Fluctuations

with the Systematic Allocation Rider

The Systematic Allocation Rider, available at no additional charge, allows you to use your lump sum and spread the money out over a 12 month period. During this 12 month period, a portion of your premium will be allocated from a fixed interest account to the different interest crediting strategies according to your wishes.

Systematic allocation allows you to spread out your lump sum over the year to capitalize on gains and losses during market fluctuations. It also gives you an efficient way to allocate a lump sum by allowing you to create one allocation schedule for the year without the monthly maintenance.

¹ 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.

Policy Protection

with the Death Benefit Protection Rider¹

We don't always know what life has in store for us and we all could certainly benefit from a little more security in our lives. By adding the optional Death Benefit Protection Rider to your policy, and maintaining premiums to meet the monthly premium test, you will help ensure that your policy will not lapse during the death benefit protection period, even in times of tight cash flow. The death benefit protection period will vary up to 30 years based on the insured's age when the policy is issued.

Death Benefit Protection Period

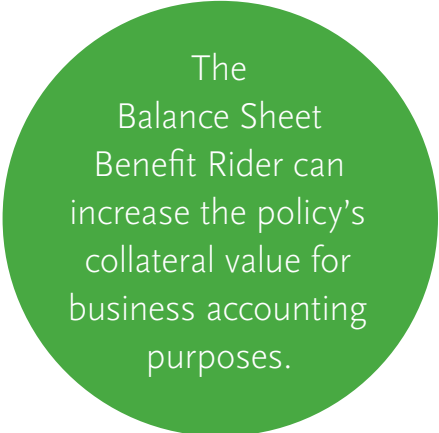
Issue Age	DBP Period
Zero to 29	30
30 to 39	25
40 to 54	20
55 to 64	15

¹ The Death Benefit Protection (DBP) Rider, ensures that during the DBP Period, the policy will not lapse even if the cash surrender value is less than or equal to zero as long as the monthly premium test is met. Withdrawals and policy loans taken against the policy will impact the Monthly Premium Test. If a withdrawal or transfer made or a policy loan taken against this policy results in the net accumulated premiums falling below the accumulated Monthly Guarantee Premiums on any Monthly Policy Date, a notice of pending termination of the rider will be sent. An additional premium would then be required to keep the rider in force. If the DBP Rider lapses while the cash surrender value of the policy is zero, the policy may enter a grace period and an additional premium may be required to keep the policy in force. Premium payments just equal to the Monthly Guarantee Premiums will ensure that a death benefit is payable under the policy, according to the guarantees provided by the Death Benefit Protection Rider, but this level of funding will not necessarily provide for the build-up of significant accumulated value in the policy.

Meeting Business Owner Needs

In addition to meeting lifelong personal goals, FlexLife IUL may also be a flexible solution for business owners. If you are a business owner, you can benefit from a FlexLife policy in a variety of different ways.

- The income-tax free¹ death benefit can provide the funds to keep your business running in the event you prematurely die. It can also protect against the unexpected loss of a co-owner or key employee.
- Use a FlexLife policy to attract, reward and retain top talent in your organization.
- By adopting a Buy-Sell agreement funded with FlexLife, you can ensure the transition of your business happens according to your wishes.
- FlexLife can also provide a way to equalize your estate, which may be of particular interest if you have some family members who already have business interest.



The
Balance Sheet
Benefit Rider can
increase the policy's
collateral value for
business accounting
purposes.

¹ Internal Revenue Code § 101(a)(1). There are some exceptions to this rule. Please consult a qualified tax professional for advice concerning your individual situation.



The Participation Rate is the maximum percentage of the annual increase in the index that will be credited. For example: The one year increase in the index is 10%. If the Participation Rate is 90%, then 9% would be used to calculate the interest credit [10% x 90%=9%]. The Cap is the maximum earnings percent that will be credited. For example: The Participation Rate is 100% and there is a Cap of 12%. If the one year increase in the Index is 14%, the earnings will be capped at 12%. Participation Rates and Caps are subject to change annually for a given index segment.

In the event the market declines, FlexLife policies have a built-in 0% interest crediting floor. The floor is the minimum earnings percent that will be credited. The minimum annual rate of interest credited to funds in the fixed-interest strategy is 2.5% and the minimum interest credited in the indexed strategies is 2.5% which will be applied in case of death or full surrender only if the policy return is less than the 2.5% guarantee. FlexLife has a 10 year declining surrender charge. Surrender charges may reduce the policy's cash value in early years. The policy's cash surrender value is the accumulated value less the surrender charges.

Failure to maintain the policy to maturity will result in no participation in the equity index. Each crediting period is one year in length. Index earnings are credited to each indexed segment at the end of the crediting period. Each indexed segment will have a participation rate and an index earnings cap, which are determined in advance for each crediting period. On each segment anniversary of an indexed segment, the index growth for that segment will be calculated, as a function of the index performance over the previous crediting period. Excess Interest Formula - Index earnings for each indexed segment are calculated at the end of the crediting period as follows: index growth is multiplied by the segment's participation rate, adjusted so that this rate is no greater than the segment's index earnings cap, and no less than 0%; multiplied by the value in the indexed segment value. Index earnings are not direct participation in any stock or equity investment. Upon death of the insured, a death benefit equivalent to the death benefit at the time of the insured's death less any policy debt and less other amounts owed to the insurance company will be paid to the beneficiary.

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NL FlexLife Indexed Universal Life Insurance, form series 8971/8972/ICC11-8971(0911)/ICC11-8972(0911), Lifetime Income Benefit Rider, form series 8865(0910), Death Benefit Protection Rider, form series 8984/ICC11-8984(0911), Systematic Allocation Rider, form series 8985/ICC11-8985(0911), and Accelerated Benefit Riders, form series 7490/7493/9744/8591NY(0108)/ICC10-8843(0310) are underwritten National Life Insurance Company. LSW FlexLife Indexed Universal Life Insurance, form series 8973/8974/ICC11-8973(0911)/ICC11-8974(0911), Lifetime Income Benefit Rider, form series 8866(0910), Death Benefit Protection Rider, form series 8991/ICC11-8991(0911), Systematic Allocation Rider, form series 8992/ICC11-8992(0911), and Accelerated Benefit Riders, form series 8052/8095/8165/ICC10-8844(0310) are underwritten by Life Insurance Company of the Southwest (LSW). LSW policies are not available in New York. Riders are optional, require an additional premium unless otherwise noted, and may not be available in all states.

The Lifetime Income Benefit Rider is available at policy issue. Benefit payments are funded via withdrawals and policy loans, which will reduce the policy's cash value and death benefit. The policyholder cannot make additional premium payments or request additional withdrawals or policy loans during the benefit payment period or the rider will terminate. Terminating the rider may result in a lapsed policy and substantial tax consequences.

The ABR Chronic II Accelerated Benefit Rider for Covered Chronic Illness (form 8591NY(0108) is optional and only available in New York. Death Benefits and cash values will be reduced if an Accelerated Benefit is paid. There is no restriction placed on the use of the benefit received. The maximum amount, over the entire lifetime of the Insured, that will be accelerated or converted to reduced paid-up insurance under all contracts made on the life of the Insured is \$2,000,000 when benefits paid are due to a chronic illness in NY. For terminal and critical accelerated benefit riders, the maximum \$1,000,000 lifetime benefit applies. Receipt of Accelerated Benefits may be taxable and may affect eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children, and Supplemental Security Income. Prior to applying for Accelerated Benefits, policy owners should seek assistance from a qualified tax advisor and consult with the appropriate social services agency concerning how receipt will affect the eligibility of the recipient and/or the recipient's spouse or dependents.

This product is a life insurance policy with a rider that accelerates the death benefit on account of chronic illness and is not a health insurance policy providing long-term care insurance subject to the minimum requirements of New York Law, does not qualify for the New York State Long-Term Care Partnership program and is not a Medicare supplement policy.



National Life Group® is a trade name of National Life Insurance Company, Montpelier, VT, Life Insurance Company of the Southwest (LSW), Addison, TX and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations.

Centralized Mailing Address: One National Life Drive, Montpelier, VT 05604
1-800-732-8939 | www.NationalLifeGroup.com