

NWL Protector One[®] Annuity



Consumer Information Disclosure Brochure

A Flexible Premium Deferred Annuity
Policy Form 01-1129-11 and State Variations
Not for use in Florida

National Western Life Insurance Company[®]
10801 N Mopac Expy Bldg 3, Austin, TX 78759-5415

About National Western Life Insurance Company®

National Western Life Insurance Company is a Colorado corporation with executive offices in Austin, Texas. The Company offers a full line of life insurance and annuity products in 49 states and the District of Columbia. Visit our website www.nationalwesternlife.com for all current financial information.

Since its start in 1956, National Western has emphasized financial strength for the protection of its policyholders.

As a legal reserve insurance company, National Western must set aside a portion of its assets equal to reserves required by law. Annually, a financial statement is filed with each state's insurance department. These departments have authority to verify that the appropriate reserves are maintained.

NWL Protector One®

The NWL Protector One® Annuity is a flexible premium deferred annuity. It is a long-term contract intended as a secure planning vehicle for retirement accumulation and income with a terminal illness benefit. The NWL Protector One® Annuity provides the important benefits of many tax deferred annuities: interest accumulation, safety, tax-deferral, and liquidity. The NWL Protector One® Annuity is an excellent combination of performance and flexibility.

Like any annuity issuer, National Western incurs expenses to sell and issue its annuity policies, including compensation to its agents, bonus amounts and/or additional interest (if applicable), and various other expenses, and these expenses are taken into consideration when interest rates are established and reset. You will receive all benefits as set forth in the contract.

To help you fully understand what the NWL Protector One® annuity has to offer, National Western requires that your agent review this disclosure brochure with you so that you may ask any questions that you may have. **You may also call National Western's Client Services Department at 1-800-922-9422 if you have any questions.** National Western Life offers a wide variety of annuity products with different benefits, features, and limitations. Please ask your agent for more information.

Premium Payment and Issue Ages

A minimum initial premium payment of \$5,000 is required. Additional premium payments of at least \$100 can be made. Premium payments in excess of \$500,000 may require prior Company approval. 100% of the premium deposits earn interest from the date funds are received at the Company. If applicable, Federal, State, and Municipal taxes, and any fees or assessments related to the policy, payment of which is required or authorized by law, will be deducted from the benefits under the policy as required or authorized by law. National Western Life will not issue this annuity if the age of the Annuitant or owner exceeds the maximum issue age, which is published from time to time. If the Owner is not the Annuitant, the maximum Owner age at issue is 85.

NWL Protector One® Highlights

Product Type	Flexible Premium Deferred Annuity	
Contract Term	10 Years	
Issue Ages	Annuitant	0-85: Non-Qualified 0-75: Qualified
	Owner (If Different from Annuitant)	0-85: Non-Qualified/Qualified
Initial Premium	\$5,000 Minimum	
Additional First Year Interest	1.00%	
Minimum Guaranteed Interest Rate	The Minimum Guaranteed Interest Rate is never less than 1.00% and never more than 3.00%.	
Market Value Adjustment (MVA)	On any withdrawal other than: (1) Systematic Withdrawal of Interest, (2) Free Withdrawals, (3) Terminal Illness Benefit, (4) Settlement Options, (5) any Death Benefit, and (6) after 10 years from date of issue.	
Free Withdrawals	10% of Account Value once annually INCLUDING the 1st policy year.	
Systematic Interest	Systematic Withdrawal of Interest available in lieu of the Free Withdrawal option above. Each payment must be at least \$100.00. See Policy for details.	
Death Benefit	Prior to the Annuity Date, the greater of either, <ul style="list-style-type: none"> • the Accumulation Account payable as a single sum with no Market Value Adjustment applied, or • the Minimum Guaranteed Contract Value. Other options may be available. See policy for details.	
Terminal Illness Benefit	Withdrawal charges and MVA will be waived for Terminal Illness of the Annuitant as outlined in the Policy. This benefit may not be available in all states.	
Policy Loan	Available on non-qualified contracts only, 30 days after issue, on up to 60% of the Contract Value. Loan Rate is 7.4% in advance.	

Interest Rate and Additional Interest

Premium payments into the NWL Protector One® Annuity earn the first-year base interest rate, which is increased by first-year only additional interest of 1%. The first-year base rate and first-year additional interest are guaranteed for the first twelve months and are shown on page three of the Policy. Including this additional interest, the total rate of interest credited in the first year will be higher than the thirteenth month and after. After the first Policy Year, renewal rates will be declared from time to time and are subject to change, but are guaranteed to never be less than the Minimum Guaranteed Interest Rate during the deferred period.

Contract Values

The **Accumulation Account** is equal to 100% of premiums, less partial withdrawals and applicable withdrawal charges, plus or minus any Market Value Adjustments on such partial withdrawals, accumulated with interest. The **Cash Surrender Value** is the Accumulation Account multiplied by the Market Value Adjustment Factor, less a withdrawal charge, if any, or the Minimum Guaranteed Contract Value, whichever is greater. The **Minimum Guaranteed Contract Value** will never be less than 87.5% of premiums received, less withdrawals, accumulated at the Minimum Guaranteed Interest Rate. The Accumulation Account multiplied by the Market Value Adjustment Factor will never be less than the premiums paid less any partial withdrawals, accumulated at the Minimum Guaranteed Interest Rate. National Western Life reserves the right to credit a different interest rate, not less than the Minimum Guaranteed Interest Rate, to the Accumulation Account while the Accumulation Account is less than \$10,000.

The **Minimum Guaranteed Interest Rate** is set for new policies each calendar quarter. It is never less than 1.00%, has a maximum of 3.00%, and is guaranteed for the Contract Term. At the end of the Contract Term, the Minimum Guaranteed Interest Rate will be re-determined. It is the average of the 5 Year Constant Maturity Treasury Rate minus 1.25% for the 6 month period ending 1 month prior to the beginning of the current calendar quarter.

Early Withdrawal Charges

This is a long-term accumulation annuity. Any early withdrawal charge will apply during the first ten Policy Years on withdrawn amounts exceeding any penalty-free withdrawal amounts. Any partial withdrawal taken without an early withdrawal charge within the 12 months prior to the date of a full surrender will be subject to the full early withdrawal charge on that amount at the time of full surrender. Withdrawal charges are calculated by multiplying the Accumulation Account, plus any Free Withdrawal amounts taken in the 12 months prior to the full surrender of the Cash Surrender Value, by the Withdrawal Charge Rate shown on the schedule below. National Western Life reserves the right to defer payment for up to 6 months after we receive your withdrawal request.

Policy Year	1	2	3	4	5	6	7	8	9	10	11+
%	10.00	10.00	9.00	9.00	7.00	5.00	5.00	5.00	5.00	5.00	0.00

Market Value Adjustment

If withdrawals are made during the first 10 Policy Years, National Western Life makes a Market Value Adjustment to the Accumulation Account. The Cash Surrender Value is reduced if the Market Value Interest Rate at the time of withdrawal plus 0.50% is greater than the Market Value Interest Rate at issue. The Cash Surrender Value is increased if the Market Value Interest Rate at the time of withdrawal plus 0.5% is less than the Market Value Interest Rate at issue. This adjustment reflects changes in the interest rate environment since the policy was issued.

The Market Value Interest Rate shown on the policy is compared to the Market Value Interest Rate on a similar policy being issued at the time of withdrawal. The amount payable for a partial withdrawal or a full withdrawal of the Cash Surrender Value may be adjusted up or down based on the difference between the two rates and also the time remaining in the 10 year Market Value Adjustment Period. While the Market Value Adjustment is made to the Accumulation Account, it is calculated only on the amount of the withdrawal. The Market Value Adjustment Factor multiplied by the Accumulation Account will never be less than premiums paid less partial withdrawals, accumulated at the Minimum Guaranteed Interest Rate.

The Market Value Adjustment does not apply to any penalty-free withdrawals including any of the following:

- Systematic withdrawal of interest earnings,
- Income payments made under a Settlement Option,
- Terminal Illness Benefit
- Death Benefit, or
- After 10 years from the date of issue.

Free Withdrawals or Systematic Interest Earnings

Each Policy Year, including the first, one withdrawal of up to 10% of the Accumulation Account may be withdrawn without a withdrawal charge. This 10% feature is cumulative up to 50% for years in which no withdrawal is made. Any unused Free Withdrawals of less than 10% may not be accumulated each year.

Alternatively, systematic withdrawal of interest earnings can be made without a withdrawal charge as long as each payment is at least \$100 and does not invade the principal. The systematic payments may be paid monthly, quarterly, semi-annually, or annually.

No portion of a full surrender during the surrender charge period can be free of a withdrawal charge. Any Free Withdrawal taken within the prior 12 months from the date of a full surrender will be subject to the full withdrawal charge on that amount at the time of surrender.

All withdrawals are subject to federal income tax. Withdrawals prior to age 59 1/2 may be subject to an additional 10% federal income tax penalty, and if a trust is named as the owner, such withdrawals may be subject to this additional 10% federal income tax penalty regardless of age.

Terminal Illness Benefit

Upon receiving satisfactory documentation, withdrawal charges and any Market Value Adjustment will be waived for full surrender or partial withdrawal if the Annuitant is first diagnosed after the Policy Date with an illness from which he or she is not expected to recover and is expected to die within twelve (12) months. National Western Life reserves the right to obtain a second medical opinion at the Company's expense. This benefit may not be available in all states. See Policy for complete details and requirements.

Settlement Options

Settlement Options are based on the Accumulation Account and are available on the Annuity Date. The Annuity Date is 24 years after the Policy Date and cannot be changed. See Policy for details. The Settlement Options that may be elected by the Owner include:

1. Income for Life
2. Life Income with a Guaranteed Period
3. Life Income with Installment Refund
4. Survivorship Annuity
5. Monthly Income for a fixed period not less than 5 years, nor more than 30 years.
6. Annual Income for a fixed period not less than 5 years, nor more than 30 years.
7. Proceeds Held at Interest Only for a period not less than 5 Years

A guaranteed interest rate of 1.5% is used in calculating payments. National Western Life may, at its option, use an interest rate that is higher than the guaranteed rate. Consult the Policy for complete details of these options.

Death Benefits

At the death of the Annuitant before the Annuity Date, the Beneficiary will receive either the Accumulation Account with no Market Value Adjustment applied or the Minimum Guaranteed Contract Value, whichever is greater; the Beneficiary may choose to receive this benefit as a single sum or applied under one of the Settlement Options. At the death of the Annuitant after the Annuity Date, the Beneficiary will receive any unpaid guaranteed amounts under the Settlement Option in force on the date of death. No other death benefits will be paid.

Spousal Continuation Benefit: If the surviving spouse is the named Beneficiary and the Owner dies, the surviving spouse may become the Owner and continue the annuity and the income tax-deferral.

"Free Look" Period

Your satisfaction is important to us! If you change your mind about whether this annuity fits your needs after you receive your Policy, or if you are dissatisfied for any reason, you have at least twenty days after receipt of the Policy during which you can return it without incurring charges (referred to as a "free look" period). This time period may be longer; please see your Policy for details.

Account Statement

Each calendar year the Owner will receive a detailed statement of the Cash Surrender Value and Accumulation Account.

Required Minimum Distribution Disclosure

For IRAs and other qualified funds where an RMD needs to be taken, a withdrawal charge for distributions in excess of the annual 10% Free Withdrawal amount will apply. If this is a concern, taking a distribution from other sources of qualified funds may be the solution.

Legal and Tax Advice

National Western Life does not authorize its agents or employees to give legal or tax advice. Representations made in this brochure are based on the Company's understanding of current tax law. For an explanation of how those laws apply to you, consult with an attorney, accountant, or other tax advisor. All withdrawals from the NWL Protector One® are subject to federal income tax and withdrawals made before age 59 1/2 may be subject to a 10% income tax penalty. Some or all of a non-qualified withdrawal will be reported as taxable income depending on the withdrawal amount and the amount of accrued interest earned in the policy. This is so because interest on non-qualified annuities is assumed withdrawn first. The NWL Protector One® is underwritten by National Western Life Insurance Company®, 10801 N Mopac Expy Bldg 3, Austin, TX 78759-5415. Policy Form 01-1129-11 and state variations thereof. Not approved in all states.

NWL Protector One® Annuity

National Western Life Insurance Company® Consumer Disclosure Signature

Thank you for choosing to purchase the NWL Protector One® Annuity. If you have any questions after you receive your annuity Policy, please contact your agent or call National Western's Client Services Department at 1-800-922-9422. We want to be sure that you read all 6 pages of this disclosure brochure and are aware of the benefits and features explained within it. Please initial and sign where indicated with an asterisk (*), acknowledging that you understand the following:

- This is a deferred annuity, and it is a long-term savings vehicle.
- This annuity has a "free look" period, during which you can surrender the annuity Policy after receiving it without incurring withdrawal charges (described more fully in your annuity Policy).
- Any results shown, other than guaranteed minimum values, are not guarantees, promises, or warranties.
- Withdrawal charges and/or a Market Value Adjustment may be deducted from your Accumulation Account.
- For any Policy issued as a tax-qualified plan, you may have to make withdrawals to meet minimum distribution requirements, and those withdrawals may incur withdrawal charges.

_____ The above-stated features have been fully explained to me.
(*Initial)

I have received a copy of this disclosure brochure, and I have reviewed it with my agent. I fully understand the disclosure brochure and the specific points outlined above. The disclosure brochure is not a part of the annuity Policy and does not modify it in any way. The annuity Policy itself contains all terms, benefits, guarantees, limitations, restrictions, and exclusions.

Applicant Name (Printed)

*Applicant's Signature

Date

I certify that I reviewed this disclosure brochure with the applicant.

Agent's Signature

Agent No.

Date

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