



National Life  
Group®

# FlexLife

## INDEXED UNIVERSAL LIFE – BUYER'S GUIDE

**This marketing piece is not approved for use in CA or NY.**

Products issued by

**National Life Insurance Company®**

National Life Group® is a trade name of National Life Insurance Company, Montpelier, Vermont and its affiliates.

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.

# FlexLife

## Indexed Universal Life (IUL)

Flexibility for Life, Protection for Peace of Mind

FlexLife offers you:



Permanent death benefit protection for your loved ones



Flexible coverage and premiums<sup>1</sup>



Living benefits to provide resources in the event of a qualifying terminal illness, chronic illness, critical illness, or critical injury — or a qualifying diagnosis of Alzheimer's disease or Lewy Body Dementia<sup>2</sup>



Optional rider provides the potential for guaranteed income for life<sup>3</sup>



Multiple index crediting strategies offer diversified choices for cash values



Cash value accumulation potential



Protection from market losses<sup>4</sup>



TCL30153 (1222) 3

# Protect What Matters Most

FlexLife provides an income tax-free benefit<sup>5</sup> to your beneficiaries plus access to cash value during your lifetime.

## Flexible Coverage

Compared to other permanent life insurance products, indexed universal life is perhaps the most flexible. That's because it lets you adjust the amount of insurance you own<sup>6</sup> – and the level of premiums you pay – to best suit your changing needs.

There is also the potential to build cash value in your policy on a tax-deferred basis, which you can use during your lifetime. For example, you have the potential to take policy loans and withdrawals<sup>7</sup> for sudden emergencies or for retirement income.

And because FlexLife is an Indexed Universal Life product, your policy values can be credited interest based in part on crediting strategies tied to major market indexes, such as the S&P 500<sup>®</sup>.

## Flexible Death Benefits

FlexLife offers two death benefit options:

- Level Death Benefit, where the death benefit stays constant.
- Increasing Death Benefit, where the protection increases as your policy's cash value grows.

Should your needs change after you've selected a death benefit option, you may switch options.<sup>8</sup> For example, as your family grows you may feel the need for additional protection. By switching to an increasing death benefit amount your death benefit increase will occur as your cash value increases, which is much more convenient than buying additional insurance policies. Or, if your protection needs diminish and you want to focus on growing cash value only, you can choose to lower your death benefit so that more of your premiums are directed to building cash value.



## FLEXIBILITY

to embrace the changes in your life



# Helping Meet Lifetime Needs

## Access to Cash Value<sup>9</sup>

Your FlexLife policy's cash value has the potential to grow, tax-deferred, over time. Cash value is different than your death benefit. If sufficiently funded, cash value can be accessed through policy loans and withdrawals to help meet a wide range of financial needs, including:

- Financial emergencies and opportunities
- Reducing premiums
- Retirement income

## Income for Life

Retirement is about more than what you save. It's also important to make your income last a lifetime. FlexLife, with the Lifetime Income Benefit Rider,<sup>10</sup> can help you turn your policy's cash value into retirement income that you can never outlive.

The Lifetime Income Benefit Rider is automatically added to your policy at issue. Once conditions are met to exercise the rider, your income is guaranteed for life. Income payments will lower the death benefit and cash value of your policy, but a portion of both are retained for your lifetime.

## Illness or Injury

Accelerated Benefits Riders<sup>11</sup> are optional, no-additional cost riders that can allow you to access all or part of the death benefit while you are living in the event of a qualifying terminal illness, chronic illness, critical illness, or critical injury — or a qualifying diagnosis of Alzheimer's disease or Lewy Body Dementia.

You can choose how to use your benefit, including for:

Household Expenses



Home Modifications



Nursing Home/  
Adult Day Care



Regular Bills



# Accelerated Benefits Riders

Accelerated Benefits Riders (ABRs) are optional, no additional cost features that allow you to access all or part of your death benefit in the event of a qualifying terminal illness, chronic illness, critical illness, or critical injury — or a qualifying diagnosis of Alzheimer's disease or Lewy Body Dementia.

Depending on where you live, you can use the benefit for any expenses, including but not limited to nursing home care, household bills, living expenses, and home modifications. There are no restrictions on benefit usages with the exception that in the state of Massachusetts, ABR benefits for chronic illness can only be used to pay for expenses incurred for Qualified Long-Term Care services, which are defined as 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.

Accelerated Benefit Riders are optional, may be subject to underwriting, exclusions and/or limitations, and may not be available in all states. Receipt of accelerated benefits reduces the death benefit and cash value (if any) otherwise payable under the policy, may be a taxable event and may affect your eligibility for public assistance programs, such as medical assistance (Medicaid), Aid to Families with Dependent Children, and Supplemental Security Income.

Please consult your 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 you, your spouse and your family's eligibility for public assistance. This rider is intended for favorable tax treatment under Section 101(g) of the Internal Revenue Code. Whether such benefits qualify depends on factors such as your life expectancy at the time benefits are accelerated or how benefits are used.

The actual payment you receive 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.

We currently limit the amount of death benefit that may be accelerated under all contracts made over the entire lifetime of the insured to:

- Terminal illness, chronic illness, Alzheimer's disease, or Lewy Body Dementia: \$1,500,000.
- Critical illness or critical injury: \$1,000,000.

We reserve the right to change these limits in the future; however this limit will never be less than \$500,000. Please refer to your policy for specific details about the riders.

## Terminal Illness

Our Terminal Illness rider allows for the payment of a portion of an insured's death benefit, on a discounted basis, if the insured has an illness or chronic condition that can reasonably be expected to result in death in 24 months<sup>12</sup> or less. There is no additional premium for this rider.

## Chronic Illness

Our Chronic Illness and Covered Chronic Illness riders allow for the payment of a portion of an insured's death benefit, on a discounted basis, if the insured is Chronically Ill. A chronic illness is defined as one that leaves you unable to perform, without substantial assistance, two of the six normal activities of daily living for a period of at least 90 days due to a loss of functional capacity, or an illness that requires substantial supervision to protect oneself from threats to health and safety due to severe cognitive impairment. The six activities of daily living include bathing, continence, dressing, eating, toileting, and transferring. There is no additional premium for this rider.

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.

## Alzheimer's Disease and Lewy Body Dementia

This rider allows for payment of a portion of an insured's death benefit, on a discounted basis, if the insured has a qualifying diagnosis of Alzheimer's disease or Lewy Body Dementia.

## Critical Illness and Critical Injury

Our Critical Illness and Critical Injury Riders allow for the payment of a portion of an insured's death benefit, on a discounted basis, if the insured is Critically Ill or Critically Injured.

Covered critical illnesses:

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

Covered Critical Injuries:

- Coma
- Paralysis
- Severe Burns
- Traumatic Brain Injury

In California, Critical Injury rider availability is limited to issue ages 0-64.

Covered critical illnesses and covered critical injuries may vary by state. Please refer to your policy for specific details about these riders. There is no additional premium for this rider.



\*Not qualified in NY or CA.

## Accelerated Benefits Riders (ABRs) vs. Long-Term Care (LTC) Insurance

**Accelerated Benefits Riders** are supplemental benefits that can be added to a life insurance policy and are not suitable unless you also have a need for life insurance. Receipt of benefits may reduce or eliminate the availability of other policy riders and benefits. Benefits available are calculated at time of claim based on the age of the policy and our expectation of your future mortality. The amount of Accelerated Benefit available will depend on your life policy's death benefit value when ABR benefits are claimed. For policies in good standing, if ABR benefits are not used, policy death benefits and other rider benefits are still available. California requires advertising for ABRs to provide a comparison to the benefits provided by Long-Term Care Insurance. However, Accelerated Benefits provided by the ABR riders are not Long-Term Care Insurance, and are not intended to be the same as, or an alternative to, Long-Term Care Insurance.

**Long-Term Care (LTC) Insurance** is not life insurance, and as such, has no death benefit or cash value. Long-Term Care Insurance benefits are specified at the time of the contract. LTC benefits are paid as a form of expense reimbursement for qualified Long-Term Care expenses. By comparison, for ABR benefits there is no restriction placed on the use of the accelerated benefits, they are paid once qualifications are met, and do not require you to provide receipt of specific expenses to qualify for the benefit. LTC premiums vary based on the level and length of benefit chosen by the policyholder. Premiums are paid on a recurring basis, and failure to pay premiums will generally lapse the policy. If LTC benefits are not claimed, they are typically forfeited. Long-Term Care Insurance policies may offer non-forfeiture benefits for additional premium.

**This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the policy. This policy or certificate does not provide Long-Term Care Insurance subject to California Long-Term Care Insurance law. This policy or certificate is not a California Partnership for Long-Term Care Program policy. This policy or certificate is not a Medicare supplement (policy or certificate).**

# Life Insurance with Upside Potential and Downside Protection

## Important Terms to Know

### Accumulated Value

A portion of your premium payments that can grow tax-deferred over time and may be used throughout your lifetime.

### Basic Strategy

A fixed interest crediting account that acts like a holding tank for 12 months of policy expenses and any unallocated premium until it is moved into your chosen index crediting strategies on the 14th of every month.

### Cap

The maximum interest or upper limit that may be credited. A Cap of 10% means that 10% is the most the chosen index crediting strategy will be credited.

### Cash Value

The part of your Accumulated Value that can be accessed for policy loans and withdrawals.

### Credit Suisse Balanced Trend Index

A volatility-controlled index crediting strategy with returns based on an index of a global multi-asset investment universe comprised of equities, bonds, real estate, commodities, and cash. The Index is rebalanced daily to limit up or down volatility.

### Death Benefit

Money beneficiaries receive upon the death of the insured.

### Floor

The minimum interest or bottom limit that may be credited. Most crediting options provide a 0% floor. A 1% Floor Strategy is also available (*see page 11*).

### Fixed-Term Strategy

Earns a specific rate of interest declared by the company that is credited on a daily basis and guaranteed for one year.





### Interest Bonus\*\*

An interest bonus of at least 0.35% will be credited beginning in year 6.

### Interest Crediting Strategy

Strategies you choose for the excess premium.

### Indexed Strategies

Interest crediting may be tied to performance of a market index.

### Participation Rate

The maximum percentage that an index account shares in the positive changes of the chosen index.

### Policy Expenses

The cost of insurance and administering the policy, taken out of the policy's Accumulated Value every month.

### Premiums

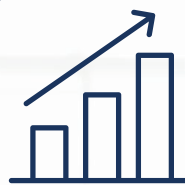
The regular payments you make on your policy.

### S&P 500® Index

The S&P 500® is widely regarded as the best single gauge of the U.S. equities market. This world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500® focuses on the large-cap segment of the market, it is also an ideal proxy for the total market.

### US Pacesetter Index

The US Pacesetter Index provided by Societe Generale is a U.S.-focused volatility targeted index. It seeks to provide less volatility than the highs and lows of the general market through a mix of different asset classes that cover exposure to U.S. equities, U.S. government debt, and commodities within the agriculture, metals, and energy sectors.



### Upside Potential

Based on the positive growth of a market index.



### Downside Protection

Guaranteed 0% or 1% interest crediting floors in the event of a decline in the index.

## What is a market index?

While an investment cannot be made directly into a market index, it is used to track the performance of a group of stocks or other investments over time to give an indication of the overall performance of the market.

An investment cannot be made directly into an index.

\*\*The interest bonus is referred to as the Annual Accumulated Value Enhancement (AAVE) rider in your contract.

# 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 strategies are protected from loss due to the market decline.<sup>13</sup> Indexed interest accounts calculate interest using a Participation Rate or a Cap.

## 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. FlexLife also offers a 1%, Floor Option that guarantees your policy will always earn at least 1%, no matter how much the market declines.

### Let's keep it simple.

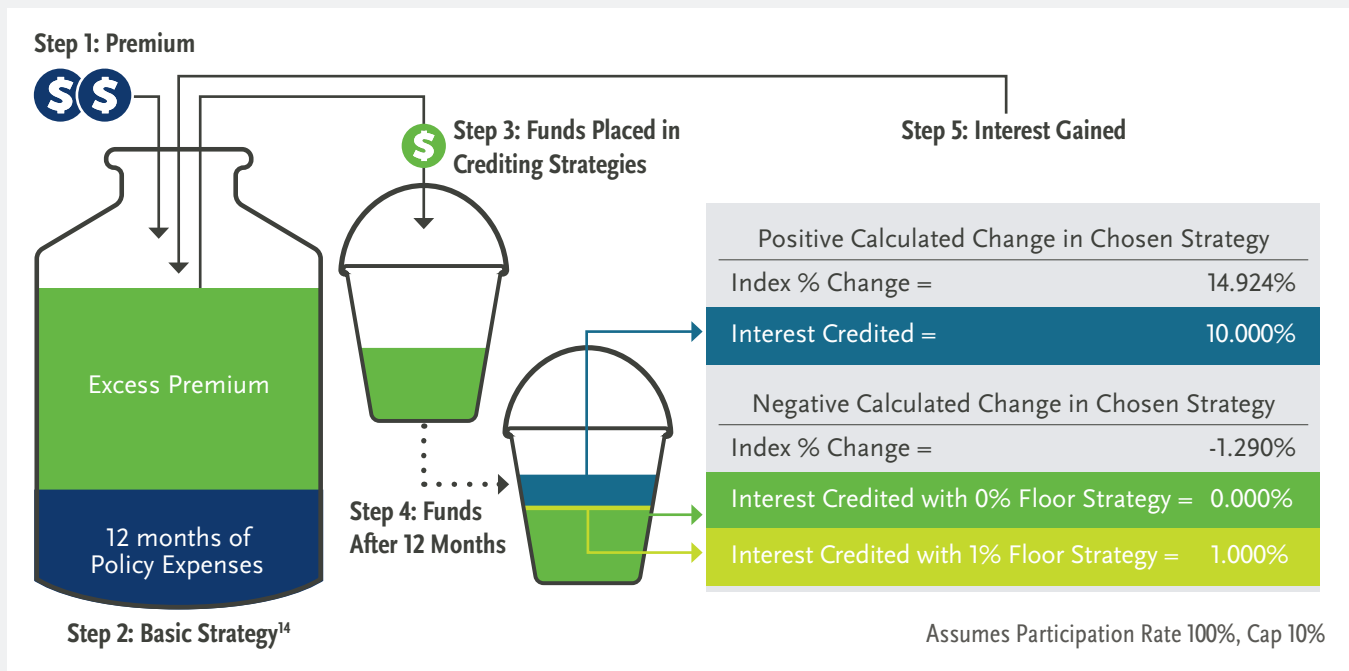
**Step 1:** You pay a premium to the insurance company.

**Step 2:** Your premiums are put into an account called the Basic Strategy and stay there until there is enough to cover the policy expenses for the coming year.

**Step 3:** Premium dollars paid in excess of the coming year's policy expenses go into the interest crediting strategies of your choice. You have multiple interest crediting strategies to choose from — including a fixed interest strategy.

**Step 4:** After one year, we calculate the change in your chosen strategies.

**Step 5:** 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 Strategy, in which case your policy would receive a 1% credit.



## 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.

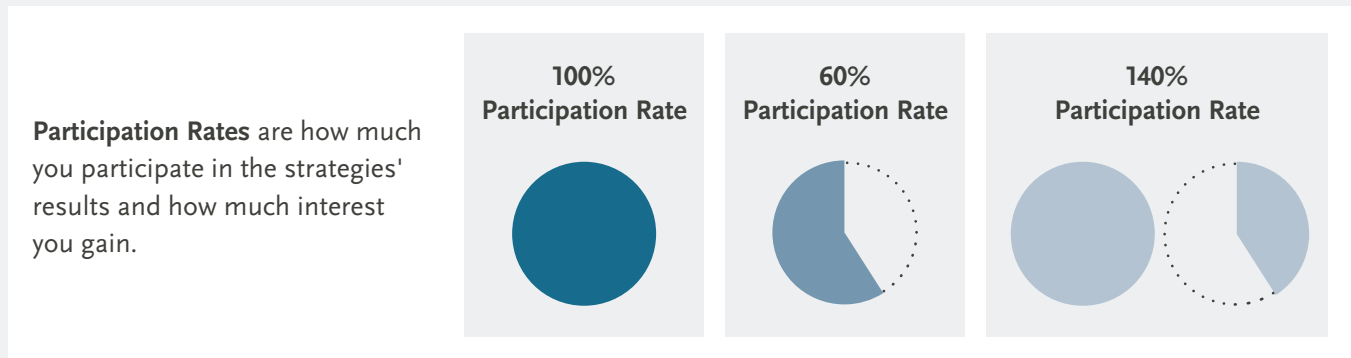
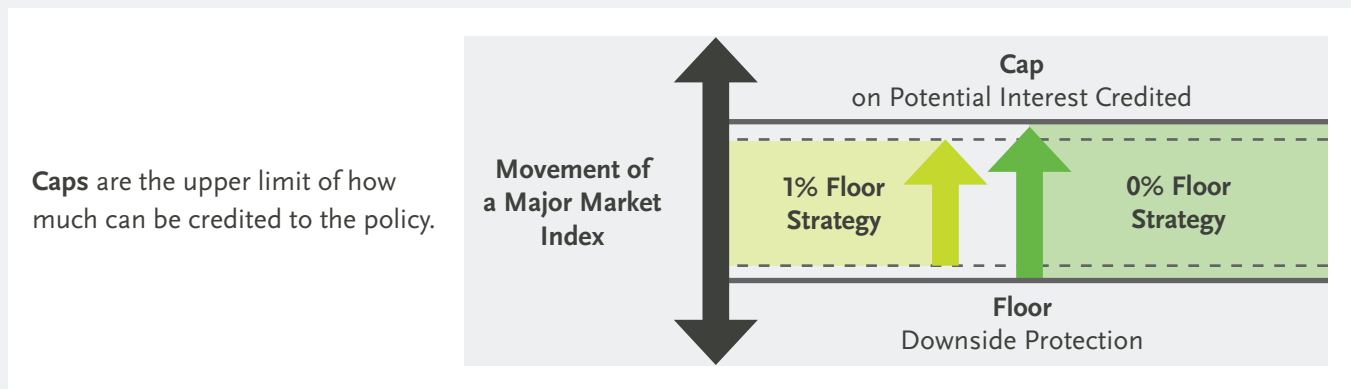
For example, if the Index Growth is 10% and the Participation Rate is 100%, the full 10% may be used to determine interest credited. But, if the Participation Rate is 80%, 8% is used in the calculation of interest credited ( $10\% \times 80\% = 8\%$ ).

The Cap is the maximum earnings percent that will be credited. For example, if the Index Growth is 10% and the Participation Rate is 100%, but the Cap is set at 6%, 6% is credited.

The index strategy 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, no index strategy earnings are credited for funds allocated to the index strategies for periods shorter than a full year.**

## 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*.



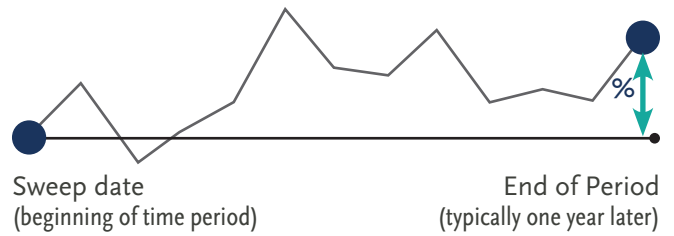
# Understanding Indexing

## Measuring a Point-to-Point Index Strategy

### 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 strategy is protected from losing any cash value with a 0% Floor Strategy or could gain 1% interest with the optional 1% Floor Strategy.



### Strategy Performance 2012–2022<sup>15</sup>

Interest credited represents a 100% participation rate and the cap that was in effect at the time.

Beginning Date	End Date	S&P 500® Index Growth Rate	Interest Credited
5/21/12	5/21/13	26.837%	13.000%
5/21/13	5/21/14	13.113%	13.000%
5/21/14	5/21/15	12.859%	12.859%
5/21/15	5/21/16	-3.684%	0.000%
5/21/16	5/21/17	16.051%	12.000%
5/21/17	5/21/18	14.749%	12.500%
5/21/18	5/21/19	4.806%	4.806%
5/21/19	5/21/20	2.938%	2.938%
5/21/20	5/21/21	40.948%	9.750%
5/21/21	5/21/22	-6.124%	0.000%



# Account Strategies

## US Pacesetter Index

### Participation Focus Strategy (Point-to-Point)

- Participation Rate will always be equal to or greater than 50%.
- We guarantee no Cap on this strategy.<sup>16</sup>

## Balanced Trend Index

### Participation Focus Strategy (Point-to-Point)

- Participation Rate will always be equal to or greater than 50%.
- We guarantee no Cap on this strategy.<sup>16</sup>
- Guaranteed 0% Floor.

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

### Cap Focus Strategy (Point-to-Point)

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

### Participation Focus Strategy (Point-to-Point)

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

### 1% Floor Strategy (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 Accounts

### Fixed Term Strategy

- 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	Balanced Trend Index	1 Year Change	US Pacesetter	1 Year Change
2015	2,021.94	0.98%	213.65	-0.42%	245.80	1.92%
2016	2,253.28	11.44%	221.09	3.48%	251.42	2.29%
2017	2,652.01	17.70%	242.93	9.88%	287.44	14.33%
2018	2,599.95	-1.96%	236.67	-2.58%	282.31	-1.78%
2019	3,168.80	21.88%	261.47	10.48%	319.95	13.33%
2020	3,647.49	15.11%	264.35	1.10%	365.31	14.18%
2021	4,634.09	27.05%	279.95	5.90%	380.39	4.13%

\* Historical performance is not indicative of future results.

The total return on stocks comprising the indices has two components:

- Price changes on the underlying stocks, and
- Dividends paid on the underlying stocks.

Changes in the indices reflect only the price changes on the underlying stocks and do not reflect dividends paid on those underlying stocks. Interest credit that your policy receives is based on changes in the indices, and does not reflect any dividends paid.

# Which Index Strategy Is Best?

This is up to you!

No one can predict how the market will perform and just because a strategy performed a certain way in the past does not mean it will perform that way in the future.

Interest is credited to your policy based on how the strategy performed over the previous year. By knowing how the strategies work you can better decide which to choose.

## You can change strategies.

Don't worry — you're not locked in. New premiums can be redirected before they go into an index account and premiums that are already in a strategy can be changed on the strategy anniversary. Remember, the strategy anniversary is the date the funds were put into the index strategy buckets.

## You can pick more than one strategy.

Choose one or a combination – it's up to you.

### If you want a growth-oriented strategy and believe the growth of the S&P 500® will be:

- At or near the Caps – Consider the S&P 500® Cap Focus Indexed Strategy.
- Below the Caps – Consider the S&P 500® Participation Focus Strategy.

### If you want to add a measure of volatility control

- Using a tactical, multi-asset approach – Consider the Balanced Trend Index Strategy or the US Pacesetter Index Strategy.

*Diversification does not assure any gains.*

## Here's Our History

As you consider ways to diversify your policy's crediting strategy, it's important to know how your options have performed in the past.

	5 Year Average 11/21/2016 – 12/21/2021	Lifetime Average 5/21/2008 – 12/21/2021
<b>Fixed Account</b>		
	3.056%	4.378%
<b>S&amp;P 500® Index</b>		
Point-to-Point Cap Focus	9.044%	8.208%
Point-to-Point Participation Focus	7.759%	7.580%

Past performance is not indicative of future index performance nor past or hypothetical performance of our indexed universal life products. There are administrative, cost of insurance, and other charges associated with these IUL policies. The hypothetical crediting rates based on changes in the S&P 500® shown in this exhibit do not reflect these charges. The Hypothetical Participation Rates shown are not guaranteed and subject to change.

FlexLife Indexed Universal Life insurance is designed to be held for a long period of time. Holding the product for a short period of time is not in your best interest, or in the best interest of the company.

Options not shown are new to FlexLife and historical returns are not yet available.



## Other Policy Enhancements

FlexLife offers additional optional riders that can be added to provide an extra safety net for you and your loved ones. Availability may vary by state. Your financial professional can help you determine which riders may be right for you.



### Fertility Journey Rider<sup>17</sup>

Provides a one-time Accumulated Value Credit in the event of qualifying reproductive assistance.



### Children's Term

Provides term life insurance on all your children until they reach age 25.



### Charitable Matching Gift Death Benefit

If an IRS-qualified charitable beneficiary is named, we will match the amount allocated to the charity up to 2% of your policy's base face amount, up to \$30,000.



### Guaranteed Insurability Option

You're allowed to add more death benefit coverage at certain points during your lifetime regardless of insurability.



### Qualified Plan Exchange Privilege

For Qualified Pension and Profit Sharing Plan trust-owned life insurance, it allows the policy to be surrendered while owned under the qualified plan and to elect to have a new policy written outside of the qualified plan.

# FlexLife

## Indexed Universal Life Insurance

A financial solution in case you...



### Lifetime Protection

Protecting who and what you love as a top priority.

### Living Benefits

Helping you and your budget survive a qualifying illness or injury.<sup>18</sup>

### Potential for Income for Life Guaranteed

So you can make the most of your retirement.<sup>19</sup>





- 
- 1 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.
  - 2 Living benefits are provided by optional Accelerated Benefits Riders.
  - 3 Riders are optional, may be available at additional cost, and may not be available in all states or on all products.
  - 4 Monthly deductions continue to be taken from the accumulated value, including a monthly policy fee, monthly expense charge, monthly accumulated value charge, cost of insurance charge, and applicable rider charges, regardless of interest crediting. Indexed universal life insurance policies do not directly participate in any stock or equity investments.
  - 5 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.
  - 6 Increasing the death benefit will require additional underwriting approval.
  - 7 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.
  - 8 Switching from increasing death benefit to level death benefit when the policy has significant cash value may cause the policy to become a Modified Endowment Contract. Distributions other than death proceeds from a Modified Endowment Contract (MEC), including policy loans and partial surrenders of funds will be treated as taxable gain received first and recovery of premium second. In addition to regular income tax, a 10% federal tax penalty is applicable to any taxable distribution from the MEC before the insured reaches age 59½. Your agent can help you decide if changing death benefit options will negatively impact your policy.
  - 9 Accelerated Benefits Riders are optional and may not be available in all states. Receipt of Accelerated Benefits will reduce the cash value and death benefit otherwise payable under the policy, may result in a taxable event, and may affect your eligibility for public assistance programs.
  - 10 The ability of a life insurance contract to accumulate sufficient cash value to help pay expenses or meet accumulation goals will be dependent upon the amount of extra premium paid into the policy, and the performance of the policy, and is not guaranteed. Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. If remaining cash value and scheduled premiums are insufficient, additional out-of-pocket payments may be needed to keep the policy. Surrender charges may reduce the policy's cash value in early years.
  - 11 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 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 cash value and death benefit and may terminate other riders or reduce their benefits. There is a monthly charge from the accumulated value during the income payment period. The Lifetime Income Benefit Rider is optional and available at policy issue. Benefit payments are funded via tax-free 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.
  - 12 Varies by state
  - 13 Monthly deductions continue to be taken from the accumulated value, including a monthly policy fee, monthly expense charge, monthly accumulated value charge, cost of insurance charge, and applicable rider charges regardless of interest crediting. Indexed universal life insurance policies do not directly participate in any stock or equity investments.
  - 14 The guaranteed interest rate paid on the funds in the Basic Strategy is 2.0%.
  - 15 Numbers shown represent the performance of our strategies, which are based on the growth of the S&P 500<sup>®</sup> index, excluding dividends, without direct market participation and with guaranteed protection against negative returns. Policy values may decline if premiums paid out-of-pocket are insufficient to cover insurance costs and other charges. Interest credited represents 100% participation rate and the cap that was in effect at the time. The interest credited to the indexing strategy is limited by a "cap," which is the maximum amount of the increase that will be credited as interest.  
  
Past performance is not indicative of future index performance and historical interest rates should not be construed as interest rates to be paid in the future on any product offered by the insurance companies of National Life Group. There are administrative, cost of insurance and other charges associated with indexed universal life policies. The rates shown in this exhibit do not reflect these charges. All historical interest rates are based on Life Insurance Company of the Southwest (LSW) SecurePlus Paragon indexed universal life insurance, form series 8387/83871D (04/07), underwritten by Life Insurance Company of the Southwest. Paragon's interest crediting history is being provided as a proxy for FlexLife because it used the same interest crediting methods but has a longer history. LSW SecurePlus Paragon is no longer available for sale.
  - 16 The interest credited on certain Index Accounts is based on the change in an index that implements volatility control. Volatility control acts to reduce the potential positive or negative change in the index. When included in a point to point Index Account with the protection of a 0% floor, the benefit of reduced negative change will not be realized.  
  
For the Credit Suisse Balanced Trend Index there is a servicing cost to cover expenses which include but are not limited to rebalancing and replication costs that are deducted prior to computing the Index value. This cost may vary over time with market conditions and may reduce the potential positive change in the Index and thus the amount of interest that will be credited.  
  
For an Index with volatility control and the additional costs deducted from the Index value, the positive Index value change may be less than that of similar indices that do not include volatility contract and do not deduct these costs. This may result in less interest that will be credited.

---

17 Fertility Journey Rider, form series 20836(0922), provides an Accumulated Value Credit that is 3 times the minimum monthly premium or the minimum guaranteed premium at issue, whichever is greater. Paid as a lump sum in the event of qualifying reproductive assistance.

18 Provided by the optional Lifetime Income Benefit Rider once qualifications are met to exercise the rider. There is an additional premium for this rider.

19 Provided by the optional Accelerated Benefits Riders and may not be available in all states. Receipt of Accelerated Benefits will reduce the cash value and death benefit otherwise payable under the policy, may result in a taxable event, and may affect your eligibility for public assistance programs. Riders may not be available in all states.

FlexLife, Indexed Universal Life Insurance, form series 20607(0119)/ICC19-20607(0119), Annual Accumulated Value Enhancement (AAVE) rider, form series 20748(1020)/ICC20-20748(1020), Lifetime Income Benefit Rider, form series 20152(0413)/20235(0414)/20412(0616), Charitable Matching Gift Death Benefit Rider, form series 20403(0616)/ICC16-20403(0616), Children's Term Rider, form series 20404(0616)/ICC16-20404(0616), Guaranteed Insurability Rider, form series 6564(0493), Qualified Plan Exchange Privilege Rider, form series 20629(0119)/ICC19-20629(0119), and Accelerated Benefits Riders, form series 7490(0200)/7493(0200)/8591NY(0108)/8765(0609)/9744(0204)/ICC10-8843(0310)/20285(1014)/ICC15-20285(0115)/20286(1014)/ICC15-20286(0115)/20803(0222)/ICC22-20803(0222)/20804(0222)/ICC22-20804(0222), 20817(0622)/ICC22-20817(0622), and Fertility Journey Rider, form series 20836(0922) are underwritten by National Life Insurance Company.

This is a solicitation of insurance. An insurance agent may contact you.

The Participation Rate is the maximum percentage of the annual increase in the Index that will be credited. The Cap is the maximum earnings percent that will be credited. Participation Rates and Caps are subject to change annually for a given indexed segment.

Monthly deductions from the accumulated value include a monthly policy fee, monthly expense charge, monthly accumulated value charge, cost of insurance charge, and applicable rider charges. In addition there is a surrender charge if the policy is lapsed or surrendered in the first 10 years from issue or following an increase. Surrender charges vary based on gender, rate classification, issue age, and policy year.

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 the floor; multiplied by the value in the indexed segment value. Failure to maintain the index segment to maturity (the next crediting date for the index strategy segment) will result in no participation in the index for that crediting period. Index earnings are not direct participation in any stock or equity investment.

There are two death benefit options from which to choose: Option A: Level Death Benefit = Face Amount; Option B: Increasing Death Benefit = Face Amount + Cash Value. 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. The policy will then be terminated and all rights including access to the cash surrender value shall cease.

"Standard & Poor's<sup>®</sup>", "S&P<sup>®</sup>", "S&P 500<sup>®</sup>", and "Standard & Poor's 500<sup>™</sup>" are trademarks of Standard & Poor's and have been licensed for use by National Life Insurance Company and Life Insurance Company of the Southwest. This Product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representations regarding the advisability of investing in the Product. The S&P Composite Index of 500 stocks (S&P 500<sup>®</sup>) is a group of unmanaged securities widely regarded by investors to be representative of large-company stocks in general. An investment cannot be made directly into an index.

The Credit Suisse Balanced Trend index and "Credit Suisse", and any trademarks, service marks and logos related thereto are service marks of Credit Suisse Group AG, Credit Suisse International, or one of their affiliates (collectively, "Credit Suisse"). Credit Suisse has no relationship to National Life Insurance Company ("NLIC"), other than the licensing of the Credit Suisse Balanced Trend index and its service marks for use in connection with the FlexLife Indexed Universal Life Insurance Policy and is not a party to any transaction contemplated hereby.

The rules of the Credit Suisse Balanced Trend index may be amended by Credit Suisse International (the "Index Creator"). An amendment to the rules may result from, without limitation, a change to the construction or calculation rules for the Index or from the Index Creator determining that a change to the rules is required or desirable in order to update them or to address an error, omission or ambiguity. No assurance can be given that any such amendment would not affect parties to this document.

The Index is an excess return index, which means that it reflects the return of components net of the cost of funding a hypothetical investment in them. The Index returns are likely to be negatively affected by such costs of funding. The Index has a 0.5% per annum embedded fee deducted on a daily basis. The index fee will place a drag on the performance of the Index, offsetting any appreciation of its portfolio, exacerbating any depreciation of its portfolio and causing the level of the Index to decline steadily if the value of its portfolio remains relatively constant.

The end-of-day value of the Credit Suisse Balanced Trend index is published subject to the provisions in the rules of the Index. Neither the Index Creator nor any of its affiliates is obliged to publish any information regarding the index other than as stipulated in the rules of these indices.

The FlexLife Indexed Universal Life Insurance Policy is not in any way sponsored, endorsed, sold or promoted by Credit Suisse and Credit Suisse does not make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Credit Suisse Balanced Trend index ("the Index"), the figure at which the said Index stands at any particular time on any particular day or otherwise, or the advisability of or results to be obtained by using, investing in, or trading the FlexLife Indexed Universal Life Insurance Policy. The selection of the Index as a crediting option under the FlexLife Indexed Universal Life Insurance Policy does not obligate NLIC or Credit Suisse to invest premium payments in the components of the Index or in other products linked to the Index. Credit Suisse shall not be liable for the results obtained by using, investing in, or trading the FlexLife Indexed Universal Life Insurance Policy. The Index is compiled, maintained and calculated by Credit Suisse. However, Credit Suisse shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and Credit Suisse shall not be under any obligation to advise any person of any error therein.

---

No actual investment which allowed tracking of the performance of the Index was possible before 11/20/2017. The return results provided herein are illustrative only and were derived by means of a retroactive application of a back-casted model designed with the benefit of hindsight. These back-casted, hypothetical, historical annualized index returns have inherent limitations. No representation is made that in the future the Index will have the returns shown. Alternative modeling techniques or assumptions might produce significantly different results and may prove to be more appropriate. Actual annualized returns may vary materially from this analysis. Any effective volatility controls may reduce the overall rate of return.

Credit Suisse has not published or approved this document and accepts no responsibility for its contents or use. Obligations to make payments under the FlexLife Indexed Universal Life Insurance Policy are solely the obligation of NLIC and are not the responsibility of Credit Suisse.

#### **Disclaimer**

The Index is the exclusive property of and currently sponsored by the Index Creator. The Credit Suisse Balanced Trend index is not in any way sponsored, endorsed or promoted by Credit Suisse. Credit Suisse has no obligation to take the needs of any person into consideration in composing, determining or calculating the Index (or causing the Index to be calculated). In addition, Credit Suisse makes no warranty or representation whatsoever, express or implied, as to the results to be obtained from the use of the Index and/or the level at which the Index stands at any particular time on any particular day or otherwise, and Credit Suisse shall not be liable, whether in negligence or otherwise, to any person for any errors or omissions in the Index or in the calculation of the Index or under any obligation to advise any person of any errors or omissions therein. Credit Suisse shall not be liable for the results obtained by using, investing in, or trading the Credit Suisse Balanced Trend index.

The US Pacesetter Index (the “**Index**”) is the exclusive property of SG Americas Securities, LLC (SG Americas Securities, LLC, together with its affiliates, “**SG**”). SG has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) (“**S&P**”) to maintain and calculate the Index. “SG Americas Securities, LLC”, “SGAS”, “Société Générale”, “SG”, “Société Générale Indices”, “SGI”, and “US Pacesetter Index” (collectively, the “**SG Marks**”) are trademarks or service marks of SG. SG has licensed use of the SG Marks to Life Insurance Company of the Southwest (“**LICS**”) for use in a life insurance product offered by LICS (the “**Product**”). SG’s sole contractual relationship with LICS is to license the Index and the SG Marks to LICS. None of SG, S&P, or other third party licensor (collectively, the “**Index Parties**”) to SG is acting, or has been authorized to act, as an agent of LICS or has in any way sponsored, promoted, solicited, negotiated, endorsed, offered, sold, issued, supported, structured or priced any Product or provided investment advice to LICS.

No Index Party has passed on the legality or suitability of, or the accuracy or adequacy of the descriptions and disclosures relating to, the Product, including those disclosures with respect to the Index. The Index Parties make no representation whatsoever, whether express or implied, as to the advisability of purchasing, selling or holding any product linked to the Index, including the Product, or the ability of the Index to meet its stated objectives, including meeting its target volatility. The Index Parties have no obligation to, and will not, take the needs of LICS or any purchaser of a Product into consideration in determining, composing or calculating the Index. The selection of the Index as a crediting option under a Product does not obligate LICS or SG to invest any payments in the components of the Index.

THE INDEX PARTIES MAKE NO REPRESENTATION OR WARRANTY WHATSOEVER, WHETHER EXPRESS OR IMPLIED, AND HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES (INCLUDING, WITHOUT LIMITATION, THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE), WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN OR RELATING THERETO, AND IN PARTICULAR DISCLAIM ANY GUARANTEE OR WARRANTY EITHER AS TO THE QUALITY, ACCURACY, TIMELINESS AND/OR COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN, THE RESULTS OBTAINED FROM THE USE OF THE INDEX AND/OR THE CALCULATION OR COMPOSITION OF THE INDEX, OR CALCULATIONS MADE WITH RESPECT TO ANY PRODUCT AT ANY PARTICULAR TIME ON ANY PARTICULAR DATE OR OTHERWISE. THE INDEX PARTIES SHALL NOT BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR OR OMISSION IN THE INDEX OR IN THE CALCULATION OF THE INDEX, AND THE INDEX PARTIES ARE UNDER NO OBLIGATION TO ADVISE ANY PERSON OF ANY ERROR THEREIN, OR FOR ANY INTERRUPTION IN THE CALCULATION OF THE INDEX. NO INDEX PARTY SHALL HAVE ANY LIABILITY TO ANY PARTY FOR ANY ACT OR FAILURE TO ACT BY THE INDEX PARTIES IN CONNECTION WITH THE DETERMINATION, ADJUSTMENT OR MAINTENANCE OF THE INDEX. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL AN INDEX PARTY HAVE ANY LIABILITY FOR ANY DIRECT DAMAGES, LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

No Index Party is a fiduciary or agent of any purchaser, seller or holder of a Product. None of SG, S&P, or any third party licensor shall have any liability with respect to any Product in which an interest crediting option is based is on the Index, nor for any loss relating to such Product, whether arising directly or indirectly from the use of the Index, its methodology, any SG Mark or otherwise. Obligations to make payments under the Products are solely the obligation of LICS.

In calculating the performance of the Index, SG deducts a maintenance fee of 0.50% per annum on the level of the Index, and fixed transaction and replication costs, each calculated and deducted on a daily basis. The transaction and replication costs cover, among other things, rebalancing and replication costs. The total amount of transaction and replication costs is not predictable and will depend on a number of factors, including the leverage of the Index, which may be as high as 200%, the performance of the components underlying the Index, market conditions and the changes in the market environments, among other factors. The transaction and replication costs, which are increased by the Index’s leverage, and the maintenance fee will reduce the potential positive change in the Index and increase the potential negative change in the Index. While the volatility control applied by the Index may result in less fluctuation in rates of return as compared to indices without volatility controls, it may also reduce the overall rate of return as compared to products not subject to volatility controls.