National Life Group®

Term

PRODUCT GUIDE

Term Portfolio 2
Premium Structure 3
Product At A Glance 4
Rate Classes and Underwriting 5
EZ Underwriting 5
Term Conversion 6
Available Riders 7
Accelerated Benefits Riders (ABRs) 7
- ABR for Terminal Illness 8
- ABR for Chronic Illness 9
- ABR for Alzheimer's Disease 10
- ABR for Critical Illness and Critical Injury 11
- NL ABR for Chronic Illness – NY State Special 12

Children's Term Rider (CTR) 13
Waiver of Premium Rider (WP) 14

Products issued by

National Life Insurance Company® | Life Insurance Company of the Southwest®

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Term Portfolio

Our term life products help your client meet the needs of their changing lives. All policies offer riders to help with whatever life brings. Many features are the same under all plans; differences will be noted.

- Annual Renewable Term (ART).
- Fully guaranteed level premium plans: 10-G, 15-G, 20-G, and 30-G.
- Guaranteed level premiums are based on issue age, sex, rate class, and face amount.
- Coverage under all plans extends to age 95.
- Term policies do not develop cash surrender values; policy loans are not available.

Life insurance term products may be ideal for consumers who want:

- Low-cost, level premiums that fit their budget.
- Level premium periods, level death benefits, and guaranteed periods.
- Convertible term life insurance policies.
- The ability to add riders to customize their coverage and achieve their goals.

The death benefit can be used to:

- Maintain a family's lifestyle.
- Provide for the children's education.
- Provide supplemental retirement income for insured or spouse.
- Provide business continuation planning or charitable giving.

For assistance with product and sales questions related to case development, preparing illustration presentations, and sales ideas, call the Sales Desk at 800-906-3310.

Premium Structure

Term – 10-G

- 10-G premiums are guaranteed and level for 10 years.
- After 10 years, premiums increase annually until age 95.
- Premiums provide excellent value for your client's short-term insurance needs.

Term – 15-G

- 15-G premiums are guaranteed and level for 15 years.
- After 15 years, premiums increase annually until age 95.
- Premiums are designed to be competitive and provide excellent value for your client.

Annual Renewable Term

Annual Renewable Term (ART) is an annually renewable term life insurance contract with guaranteed premiums that increase annually.

- Our lowest initial premium.
- Premiums increase annually based on age.
- Suitable for individuals and businesses requiring low-cost insurance protection for short periods of time.

Term – 20-G

- 20-G premiums are guaranteed and level for 20 years.
- After 20 years, premiums increase annually until age 95.
- Products are designed to be compatible with the life event market focus, especially when using the optional riders.

Term – 30-G

- 30-G premiums are guaranteed and level for 30 years.
- After 30 years, premiums increase annually until age 95.
- Products are designed to be compatible with the life event market focus, especially when using the optional riders.

Product At A Glance

Minimum Face Amount	**$100,000**	
Issue Ages (Age Nearest Birthday)	10-G	18-75
	15-G	18-75 Non-Tobacco 18-70 Tobacco
	20-G	18-70 Non-Tobacco 18-65 Tobacco
	30-G	18-55 Non-Tobacco 18-50 Tobacco
	ART	18-85
Rate Classes	Elite Non-Tobacco Preferred Non-Tobacco Select Non-Tobacco Standard Non-Tobacco Express Standard Non-Tobacco 1 Express Standard Non-Tobacco 2 Preferred Tobacco Standard Tobacco Express Standard Tobacco	
Banding Levels	Up to $249,999 $250,000 – $2,000,000 $2,000,000+	
Premium Modes/Factors	Annual, semi-annual, quarterly, or monthly (EFT) For premium modes other than annual, multiply the annual premium (including policy fee) by the following factors: Semi-annual .510 Quarterly .260 Monthly (EFT) .088	
Death Benefit	Remains level for the entire term of the contract; it will not decrease as long as the policy is in force.	
Policy Expiration	The policy remains in force until the policy anniversary following the insured's 95th birthday.	
Renewable to Age	95	
Policy Fee	$75 annually	
Riders Available (where approved)	Accelerated Benefits Riders Children's Term Rider Waiver of Premium Rider	

Rate Classes and Underwriting

For more information about rate classes and underwriting, please refer to the Underwriting Guide (catalog #62797).

Risk Classes

The same risk classes will be offered for both companies. We will also use the same risk class definitions where non-tobacco/tobacco will be used for both companies. Risk class availability will vary by face amount band.

- Elite Non-Tobacco
- Preferred Non-Tobacco
- Select Non-Tobacco
- Standard Non-Tobacco
- Express Standard Non-Tobacco 1
- Express Standard Non-Tobacco 2
- Preferred Tobacco
- Standard Tobacco
- Express Standard Tobacco

Express Standard classes are available for all face amounts. Express Standard Non-Tobacco 1 and Express Standard Tobacco covers substandard table ratings up to, and including, 200%. Express Standard Non-Tobacco 2 covers substandard ratings between 225% and 300% (inclusive.)

EZ Underwriting

EZ-Underwriting is a program available to applicants ages 18-65 and on policies with a face amount up to $2,000,000 (see field underwriting guide for specific age/amount parameters). The program allows eligible applicants the potential to go through a non-invasive accelerated underwriting process!

All cases still undergo underwriting evaluation to assess the risk the client represents. But we will often be able to make decisions without invasive underwriting requirements such as exams or drawing blood.

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

Underwriting Parameters and Requirements

- Age 18-50: up to $2,000,000
- Ages 51-60: up to $1,000,000
- Age 61-65: up to $250,000
- Application
- MIB
- Rx
- Risk Classifier
- Instant ID
- Full underwriting for higher face amounts and ages

Term Conversion

Any products in this series may be exchanged for a permanent life insurance policy. Term conversion is a no-cost feature that allows changing from a term policy to a permanent insurance product issued by either NLIC or LSW. In most cases, no additional or reduced underwriting is required when a term contract is converted to permanent coverage. Conversion up to term face amount will not require evidence of insurability. Increases or decreases in face amount are not available on term policies.

Issue Ages Up to and Including Age 65:

Annual Renewable Term: Ends at age 70 or 10 years from the date of issue, whichever is sooner.

Guaranteed Level and Level Term Series	
10-Year Term:	Ends at age 70 or 10 years from the date of issue, whichever is sooner.
15-Year Term:	Ends at age 70 or 12 years from the date of issue, whichever is sooner.
20-Year Term:	Ends at age 70 or 15 years from the date of issue, whichever is sooner.
30-Year Term:	Ends at age 70 or 20 years from the date of issue, whichever is sooner.

Issue Ages Over 65:

For issue ages above 65, the conversion period ends 5 years from the date of issue, regardless of the term period.

Conversion credits are only offered on the NLIC Term products. The conversion credit continues to be equal to 12% of the first-year premium of the permanent product (or 1% per completed term contract month during the first policy year of the Term policy). Policyholders must request their conversion before the end of the conversion credit period in order to be eligible for the conversion credit.

Term Product	Conversion Credit Period
NL ART & 10-Year Term	5th policy anniversary
NL 15-Year Term	8th policy anniversary
NL 20-Year Term	10th policy anniversary
NL 30-Year Term	10th policy anniversary

Available Riders

All term plans offer optional Accelerated Benefits Riders, as well as the Children's Term Rider and the Waiver of Premium Rider. All riders are available on an insured spouse's policy except for the Children's Term Rider. Riders are optional and available at an additional cost unless otherwise noted. Riders may not be available in all states.

Accelerated Benefits Riders[1] (ABRs)

Accelerated Benefits Riders 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, critical injury, or a qualifying diagnosis of Alzheimer's disease or Lewy Body Dementia.

The total payout over the lifetime of the insured is limited to:

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

The actual payment amount under these riders is discounted.

Benefits for a chronic illness are not available if the insured is terminally ill. (The terminal ABR will provide the higher benefit.)

- Accelerated Benefits Riders are available on all policies (in states where approved) subject to underwriting review.
- The Accelerated Benefits Riders are not available to the insureds issued under the Children's Term Rider.
- Riders stay in force as long as the base policy remains in force.
- There are no additional premiums for the Accelerated Benefits Riders.

The benefit payment is the actuarially discounted value of the death benefit being accelerated less the discounted value of future premiums due and an administrative fee.

1 Payment of Accelerated Benefits will reduce the Death Benefit otherwise payable under the policy. Receipt of Accelerated Benefits may be a taxable event and may affect your clients' eligibility for public assistance programs.

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.

What's unique about this ABR is that 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, NY, 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.

A unique feature of this ABR is that 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.[2]

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
- Toileting
- Transferring
- Bathing
- Dressing
- Continence Cognitive impairment may also qualify.

ABR Chronic Illness 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.

2. 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.

What's unique about this ABR is that benefits do not have to be used to defray actual 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.

This rider is available for issue up to age 60.

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.

A unique feature of this ABR is that 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)
- Aplastic Anemia
- Aorta Graft Surgery
- Blindness*
- End Stage Renal Failure
- Cancer**
- Heart Valve Replacement
- Cystic Fibrosis
- Major Organ Transplant
- Heart Attack
- Motor Neuron Disease
- Stroke
- Sudden Cardiac Arrest

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

** Invasive Cancer CA only

In California, Critical Injury and Critical Illness riders are only available for issue ages 0-64.

Critical Injury Definitions

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

- Coma
- Severe Burns
- Paralysis
- Traumatic Brain Injury

ABR Critical Benefit

The amount of 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.

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 current 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. The policy must be in force for 30 days.

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

ABR Critical is not available on Annual Renewable Term. In CA, ABR Critical is only available to clients ages 0 - 64.

Covered critical illnesses and covered critical injuries may vary by state.

NL ABR for Chronic Illness – NY State Special

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.

A unique feature of this ABR is that 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.

This rider also offers a guaranteed paid-up option on any death benefit not accelerated.

Chronic Illness Definition

A chronically ill individual is someone who has been certified, within the past 12 months, by a licensed healthcare 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, and who will require continuous care for the remainder of life. The six activities are defined as eating, toileting, transferring, bathing, dressing and continence. Cognitive impairment may also qualify.

In addition to meeting the requirements mentioned above, a life expectancy calculation needs to be completed at the time of acceleration.

Chronic Illness Benefit

The amount of benefit available for ABR payout is based on a discount factor of the death benefit amount. The discount factor is determined by underwriting the insured at claim time to determine life expectancy. 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.

There is no waiting period for the NL Chronic Illness ABR in the state of New York. Once the chronic illness definition has been met, National Life Insurance Company will accelerate the death benefit up to the IRS per diem limit for chronic illness, not to exceed the total discounted death benefit, or a current lifetime maximum of $1,500,000 per insured.

Children's Term Rider (CTR)

The Children's Term Rider provides term life insurance on all of the insured's children until they reach the age of 25. Each child is covered for the same selected benefit amount. Children born or adopted after issue (after they reach the age of 15 days) and dependent stepchildren living in the insured's home, will be covered as well. The children's coverage is convertible without underwriting at any time while the rider is in force for an individual whole life or universal life policy with the same face amount. The children's coverage is convertible for six times the rider's face amount when the child reaches age 25 or marries, or at the death of the primary insured.

Availability:

- Issue ages 15 days – 16 years.
- Rider stays in force until the policy anniversary following the last covered child's 25th birthday, as long as the base policy remains in force.
- The minimum rider amount is $5,000.
- The maximum rider amount is $25,000.
- Premiums are a level amount per $1,000, regardless of the number of children covered.
- Rider not available on a second policy if covering a spouse.

Waiver of Premium Rider (WP)

The Waiver of Premium Rider waives the policy premium when the insured is totally disabled. There is a six-month elimination period from the date of disability before benefits begin.

- Issue ages: 18 – 55
- The benefit amount is the entire policy premium, including any attached riders
- WP premiums are a level amount per dollar of premium to be waived, based on issue age and tobacco use.

We will waive premiums during the continuance of the disability. However, if the disability starts on or after the date the insured reaches age 60, premiums shall not be waived beyond the later of:

- The date the insured reaches age 65; or
- 2 years after the date on which the insured became disabled.

If, on the date of conversion, the insured is totally disabled and either has been disabled for at least 2 years or to the date the insured reaches attained age of 60, then:

1. If converting to a whole life policy:
   - A waiver of premium rider will be added to the new policy.
   - Payment of premiums on the new policy will be waived starting with the first premium due on or after the 121st day of consecutive total disability of the insured and continuing during the continuance of the disability.
2. If converting to a flexible premium adjusted life policy:
   - A waiver of monthly deductions rider will be added to the new policy.
   - Covered monthly deductions on the new policy will be waived starting on the monthly policy date following the 121st day of consecutive total disability and continuing during the continuance of the disability.

All Waiver of Premium Rider conversions are subject to the following terms:

- The term policy contains a Waiver of Premium Rider.
- The exchange must be made prior to the date that the insured reaches attained age of 60.
- The waiver rider on the new policy will be at the premium rate in effect for the insured's attained age at the time of the exchange.
- The rider policy form will be one that is currently available on the exchange date.