TotalSecure Whole Life Insurance

OFFERING YOU PREDICTABILITY, FLEXIBILITY AND CONVENIENCE

TotalSecure whole life insurance is a permanent life insurance policy that helps protect your loved ones in the case of death.

A TotalSecure policy not only provides a death benefit to your loved ones, but it also builds cash value over time. You pay level premium payments that never go up, which guarantees your tax-free death benefit[1] that can also increase over time depending on how any dividends are allocated. Also, your policy's cash value grows tax-deferred. With TotalSecure's flexible premium payment options, you can obtain the protection you need at a cost that fits your budget and unique needs.

Ultimate Control with Flexible Premium Options

TotalSecure offers a premium payment option for everyone.

You can elect to pay-up your policy at any year[2]:

- such as 5, 10, 15, 20 years, or any policy year you choose
- at retirement
- over the course of your life

Why would you want to pay additional policy premiums?

- to increase cash value – tax-deferred
- to pay-up the contract early, thereby lowering the overall premium outlay
- to help avoid making premium payments later in life when cash flow may be less predictable

By paying a higher premium for the same level of death benefit protection, your policy will generate a greater amount of cash value sooner – income tax-deferred. You also have the ability to access your cash value at anytime through policy loans and withdrawals.[3]

Products issued by
National Life Insurance Company®

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TotalSecure Paid-Up Options

Let's keep it simple. Think of paying up your life insurance policy as you would think about paying up your mortgage. If you have the means to do so, paying off your mortgage early can make a whole lot of sense. Over time, you'll pay less money because you are paying less interest.

While TotalSecure is not a bank deposit product – it is a life insurance policy – the same theory applies. Your TotalSecure policy builds cash value, and by designing the policy to be paid up early by paying more than the minimum premium, you will pay less in premium than if you paid a smaller amount for a longer time frame. You will also accumulate more cash value over time, which grows tax-deferred and may be accessible using loans and withdrawals to supplement future income needs:

Mortgage Analogy

30-Year Mortgage

If you paid your 30-year mortgage over 30 years, your required payment is split between interest and principal.

Pay your 30-year mortgage up in 15 years

Extra payments are applied to the principal in addition to required interest and principal payments.

In this case, by paying up your mortgage early, you have saved on interest payments, but have not realized any immediate cash value by paying up the loan. You will see the value upon the sale of the house.

By paying up a whole life insurance policy early, you will realize several benefits, including more cash value, which you can access if you need it. Let's take a look:

TotalSecure Example

30-Year Pay

If you elect a 30-Year Pay, your policy will be paid up in 30 years, and your premiums will be split amongst death benefit, insurance costs and the death benefit.

Pay your 30-year policy up in 15 years

Extra premium payments are applied to "pay-up" part of the insurance policy, in addition to required insurance premiums. These paid-up amounts reduce the total amount of premiums you pay and accelerate your cash value accumulation, tax-deferred.

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.

2 Creating a paid-up policy in 7 years or less may result in the policy being considered 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. This includes policy terminations.

3 Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event.

This information is not intended as tax or legal advice. Please consult with your Attorney or Accountant prior to acting upon any of the information contained in this correspondence.