



National Life  
Group®

# PeakLife

## INDEXED UNIVERSAL LIFE – BUYER'S GUIDE

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Products issued by  
**National Life Insurance Company®**

National Life Group® is a trade name of National Life Insurance Company, Montpelier, VT 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.

# PeakLife

## Indexed Universal Life (IUL)

### PeakLife Provides:

Tax-free death benefit to beneficiaries,<sup>1</sup> helping with wealth transfer planning<sup>2</sup>

Living Benefits in the event of a terminal, chronic, critical illness or critical injury<sup>3</sup>

Potential for guaranteed income for life through an optional rider<sup>4</sup>

### Indexed Universal Life Insurance also offers:

- Upside potential of interest crediting based in part on the change in a market index
- Downside protection from the index strategy floor when the index declines
- Flexibility to meet the demands of your life
- Potential for cash value accumulation
- Multiple index crediting strategies to diversify cash values

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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 The companies of National Life Group® and their representatives do not offer tax or legal advice. For advice concerning your own situation, please consult with your appropriate professional advisor.

3 Living Benefits are provided by no additional premium Accelerated Benefit Riders.

4 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. Riders are optional, may require additional premium and may not be available in all states.



# Protect What Matters Most

## Why purchase PeakLife?



**Estate Equalization**  
financial fairness for your beneficiaries



**Provide Fringe Benefits**  
for you and your key employees



**Estate Preservation**  
replace the value of assets lost to taxes and final expenses



**Protect Business Interest**  
by funding a buy/sell agreement

### **Indexed Universal Life can help you address your present and future financial goals.**

Compared to other permanent life insurance products, universal life is perhaps the most flexible. That's because it lets you adjust the amount of insurance you own – and the level of premiums you pay<sup>5</sup> – to best suit your changing needs.

You also have the potential to build cash value on a tax-deferred basis,<sup>6</sup> which you can use through policy loans and withdrawals for sudden emergencies or as retirement income.

And because PeakLife is an Indexed Universal Life product, your policy values can grow based on Crediting Strategies tied to market indexes.

### **Flexible Death Benefits**

PeakLife offers two death benefit options: Level Death Benefit, where it stays constant, and Increasing Death Benefit, which lets your protection increase<sup>7</sup> as your policy's cash value grows.

Should your needs change after you've selected a death benefit option, you may switch options.<sup>7</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 and 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.

<sup>5</sup> 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. Increasing the death benefit will require additional underwriting approval.

<sup>6</sup> Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. Withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. Surrender charges may reduce the policy's cash value in early years.

<sup>7</sup> 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 (MEC). Distributions other than death proceeds from a 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.



# Helping to Meet Lifetime Needs

Take comfort knowing that PeakLife offers life insurance protection that you can use during your lifetime too.

## Illness or Injury

Accelerated Benefits Riders<sup>8</sup> are optional, no additional cost riders that can allow you to access all or part of the death benefit while you are living if you experience a qualifying terminal, chronic, or critical illness or a critical injury.

How you use your benefit is unrestricted with the exception that in the state of Massachusetts Accelerated Benefits Rider benefits for chronic illness can only be used to pay for expenses incurred for Qualified Long-Term Care services.<sup>9</sup>

Benefits could be used for, but aren't limited to:

Household Expenses



Home Modifications



Nursing Home / Adult Day Care



Regular Bills



Here if you need it.

You can elect to either:

- Request the full acceleration during your lifetime.
- Choose to receive a portion of your death benefit during your lifetime and leave the remaining portion to your beneficiary, or
- Choose to leave the entire death benefit to your beneficiary.

<sup>8</sup> Accelerated Benefit 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.

<sup>9</sup> Qualified Long-Term Care services, 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.

## Access to Cash Value<sup>10</sup>

Your PeakLife 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



Maximize  
Opportunities



Reduce  
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. PeakLife, with the Lifetime Income Benefit Rider,<sup>11</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.

<sup>10</sup> 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 policy values and scheduled premiums are insufficient, additional out-of-pocket payments may be needed to keep the policy in force. Surrender charges may reduce the policy's cash value in early years.

<sup>11</sup> 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 Index segment 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.

# Life Insurance with Upside Potential and Downside Protection

## Important Terms to Know

### Index segment 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 Indexed 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 Indexed Crediting Strategy will be credited.

### Cash Value

The part of your Index segment value that can be accessed for policy loans and withdrawals.

### Credit Suisse Balanced Trend Index

A volatility-controlled Indexed Crediting Strategy whose returns are 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.

### Enhancers<sup>12</sup>

Enhancers are one of two interest bonus options, equal to a defined percentage of any indexed interest credited, not to exceed a specific portion of the Index segment value.

You can choose to change from a standard Enhancer (at no cost) to Enhancer Plus or Enhancer Max and back again as best suits your situation. *(See Other Policy Enhancements on page 15 for more information.)*

<sup>12</sup> Enhancer Plus and Enhancer Max are available for an additional charge.

An investment cannot be made directly into an index. Indexed universal life insurance policies do not directly participate in any stock or equity investments.





### 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\*

Instead of the Enhancers, an Interest Bonus option is available for no additional charge. The Interest Bonus is credited beginning on the second policy anniversary and will never be less than 0.55%

### 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 Index segment 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.

## 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.

\*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. PeakLife also offers a 1% Floor Strategy that guarantees that the interest crediting strategy is always credited at least 1% no matter how much the index declines.

### Let's keep it simple.

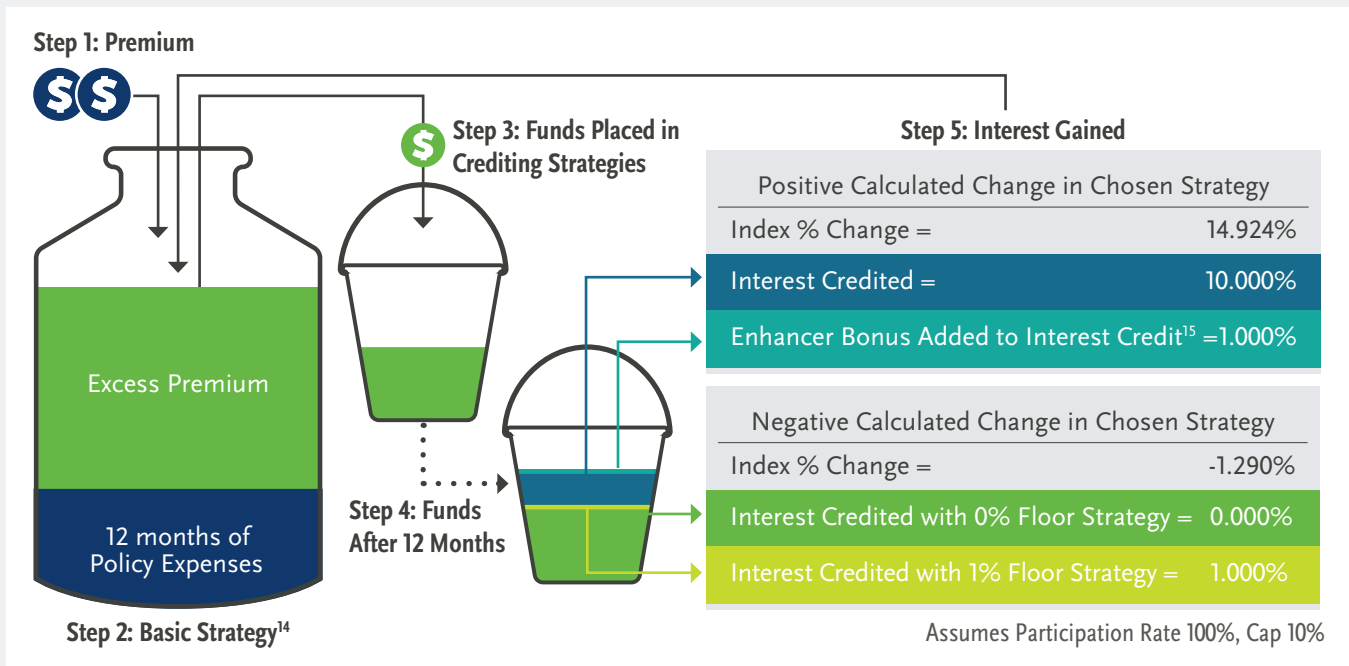
**Step 1:** You pay a premium to the insurance company.

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

**Step 3:** Premium dollars paid in excess of the coming years of policy expenses go into the interest crediting strategies of your choice. You have multiple interest crediting strategies to choose from – including one fixed interest strategy.

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

**Step 5:** If the change is positive, that strategy is credited interest after applying any caps and participation rates. If the change is negative, that strategy is credited 0% unless you elected the 1% Floor Strategy, in which case that strategy would receive a 1% credit.



<sup>13</sup> Monthly deductions continue to be taken from the account value, including a monthly policy fee, monthly expense 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.

<sup>14</sup> The guaranteed interest rate paid on the funds in the Basic Strategy is 1.0%.

<sup>15</sup> Enhancer bonus shown represents the no charge option detailed on page 16.

## 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.

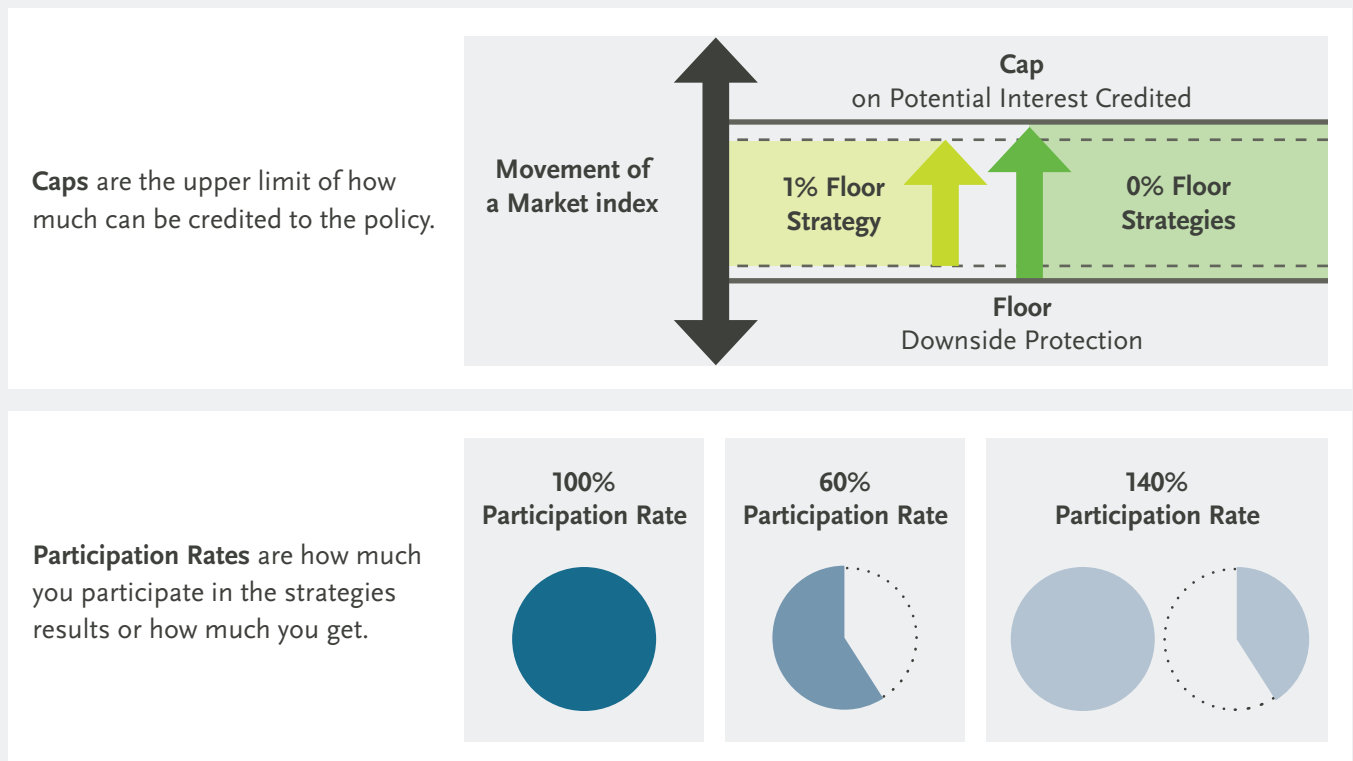
For example, if the Index Growth is 10% and the Participation Rate is 100%, the full 10% may be used to determine interest credited. But, if the Participation Rate is 80%, 8% is used in the calculation of interest credited ( $10\% \times 80\% = 8\%$ ).

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 Indexed 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 Indexed 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*. Adjustments to Caps and Participation Rates are part of that *cost*.



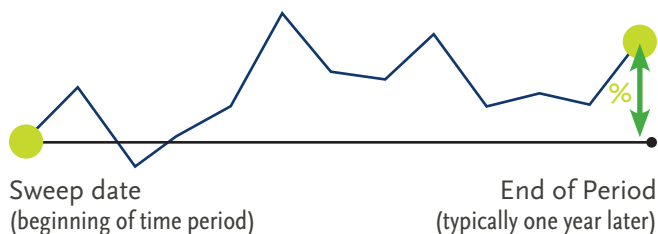
# Understanding Indexing

## 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 2010–2020<sup>16</sup>

Beginning Date	End Date	S&P 500® Index Growth Rate	Interest Credited
5/21/10	5/21/11	22.578%	13.500%
5/21/11	5/21/12	-1.296%	0.000%
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%
5/21/09	5/21/20	2.938%	2.938%

<sup>16</sup> Numbers shown represent the performance of our strategies, which are based on the growth of the S&P 500® 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 PeakLife because it used the same interest crediting methods but has a longer history. LSW SecurePlus Paragon is no longer available for sale.

Life Insurance Company of the Southwest, Addison, TX, is a member of National Life Group. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. Life Insurance Company of the Southwest is not an authorized insurer in New York and does not conduct insurance business in New York.

# Account Strategies

## 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%.

### 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%.

### 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%.

## Credit Suisse

### Balanced Trend

- Participation Rate will always be equal to or greater than 50%.
- We guarantee no Cap on this strategy.<sup>17</sup>

## Fixed Accounts

### Fixed Term Strategy

- Credited daily, a fixed interest rate declared by the company and guaranteed for one year.
- 1.0% Guaranteed.

## Historical Values\*

Dec. 14th of Year	S&P 500® Index	1 Year Change	Credit Suisse Balanced Trend Index	1 Year Change
2015	2,021.94	0.98%	213.65	-0.42%
2016	2,253.28	11.44%	221.09	3.48%
2017	2,652.01	17.70%	242.93	9.88%
2018	2,599.95	-1.96%	236.67	-2.58%
2019	3,168.80	21.88%	261.47	10.48%

\* 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.

<sup>17</sup> 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.

# Which Index Strategy Is Best?

## This is based on 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 Credit Suisse Balanced Trend Index Strategy

*Diversification does not assure a profit.*

## 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 10/21/2015 – 9/21/2020	Lifetime Average 5/21/2008 – 9/21/2020
<b>Fixed Account</b>		
	3.263%	4.523%
<b>S&amp;P 500® Index</b>		
Point-to-Point Cap Focus	7.48%	8.053%
Point-to-Point Participation Focus	6.88%	7.616%

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.

PeakLife 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 PeakLife and historical returns are not yet available.

# Even More Upside Opportunity with Bonus Options

Every PeakLife policy comes with one of two bonus structures.

## Interest Bonus

Instead of a policy with Enhancers, a policy with an Interest Bonus may be selected. The Interest Bonus begins in policy year two and is guaranteed to be at least 0.55%. The choice of bonus structure, Enhancers or Interest Bonus, must be made when applying for the policy. The bonus structure may not be changed after the policy is issued.

## Enhancer Bonus Option

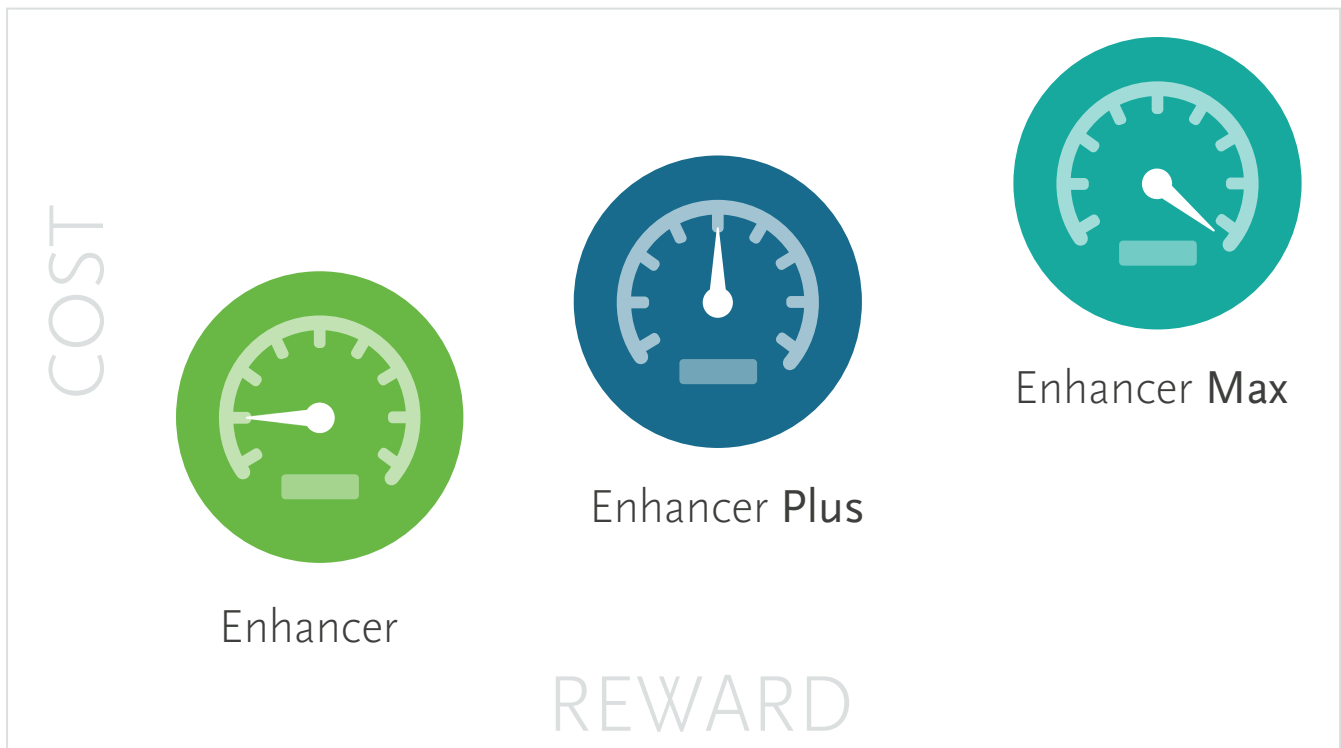
Enhancer is ideal for a person who is buying PeakLife for its protection and cash value accumulation potential but is not interested in paying for any additional index crediting potential. With Enhancer, if the index strategy earns interest, Enhancer provides a small bonus. For crediting periods when the index declines, no bonus is credited.

Enhancer Plus is the next step up the cost/reward ladder. Enhancer Plus is ideal for a person who has a moderately positive outlook on the index and is willing to take a small cost in order to increase their upside potential.

The cost is deducted every year, but the bonus is only credited if the index strategy earns interest.

Enhancer Max is designed for a person with an aggressive outlook on the index who wants the greatest potential bonus in exchange for the highest cost. As with Enhancer Plus, the cost is deducted every year, but the bonus is only credited if the index strategy earns interest.

For additional flexibility, clients can choose to change to Enhancer Plus or Enhancer Max and back again as best suits their situations.



\*The potential performance of Enhancer bonuses will not be fully reflected in illustrated values.

The chart below reflects the guaranteed Interest Bonus Charge Percentages, the Interest Bonus Percentages and the Maximum Interest Bonus Percentages for the three levels of the Enhancer bonuses. These are the rates guaranteed by the company.

### Guaranteed Enhancer Rates

PeakLife Bonuses	Interest Bonus Charge %		Interest Bonus %		Starts in Policy Year	Maximum Interest Bonus %	
Enhancer	n/a		15%		2	1.00%	
Enhancer Plus	1.00%		20%		Charges in yr 1 Bonus in yr 2	1.50%	
	<b>Years</b>		<b>Years</b>			<b>Years</b>	
Enhancer Max	1-19	3.00%	2-20	30%	Charges in yr 1	2-20	2.50%
	20-29	2.00%	21-30	25%	Bonus in yr 2	21-30	2.00%
	30+	1.00%	31+	20%		31+	1.50%

Current rates will be determined by the Company and may change from time to time based on expectations of future anticipated or emerging experience. While the current rates are not guaranteed, **they will never be worse than guaranteed rates listed above.** The Interest Bonus Percentages and the Maximum Interest Bonus Percentages for the Enhancer bonus levels will never be lower than the guaranteed rates. The Interest Bonus Charge Percentage for the Enhancer bonus levels will never be higher than the guaranteed rates.

For current rates, please refer to the PeakLife Bonus Rate Sheet.



# PeakLife Indexed Universal Life Insurance

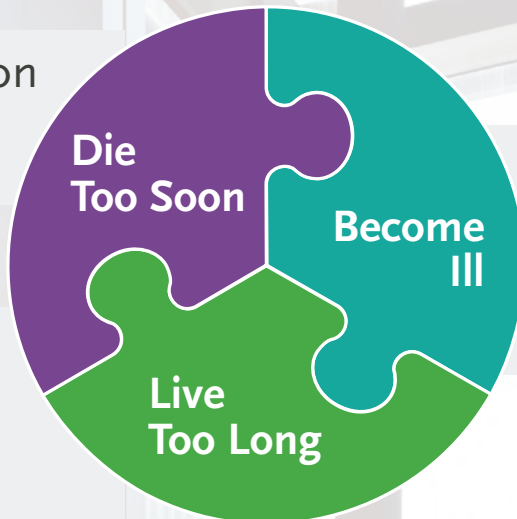
A financial solution in case you...

## Lifetime Protection

Protecting who and what you love is a top priority.

## Potential for Income for Life Guaranteed

So you can make the most of your retirement.<sup>18</sup>



## Living Benefits

Helping you and your budget survive a qualifying illness or injury.<sup>19</sup>

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

<sup>19</sup> Provided by the optional Accelerated Benefit 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.

PeakLife, Indexed Universal Life Insurance, form series 20607(0119)/ICC19-20607(0119), Annual Accumulated Value Enhancement (AAVE) rider, form series 20695(0120)/ICC20-20695(0120), Lifetime Income Benefit Rider, form series 20152(0413)/20235(0414)/20412(0616), Qualified Plan Exchange Privilege Rider, form series 20629(0119)/ICC19-20629(0119), and Accelerated Benefits Riders, form series 7490(0200)/7493(0200)/9744(0204)/ICC10-8843(0310)/8765(0609)/8591NY(0108)/20285(1014)/ICC15-20285(0115)/20286(1014)/ICC15-20286(0115) are underwritten by National Life Insurance Company, Montpelier, Vermont.

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 (26 U.S.C. Sec. 101(g)). Whether such benefits qualify depends on factors such as your life expectancy at the time benefits are accelerated or how the benefits are used. There is no restriction placed on the use of the accelerated benefit with the exception of ABR proceeds for Chronic Illness in the state of Massachusetts. Please refer to page 4 for details. 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 \$1,500,000 for terminal or chronic illness, and \$1,000,000 for critical illness or injury. We reserve the right to change this limit in the future; however the limit will never be less than \$500,000. Other restrictions, limitations and waiting periods may apply. Our Terminal Illness riders allow 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 which can reasonably be expected to result in death in 24 months or less. There is no additional premium for this rider.

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 consecutive days due to a loss of functional capacity or requires substantial supervision for a period of 90 consecutive days 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.

Our Critical Illness or 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 are 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 Injury illnesses are Coma, Paralysis, Severe Burns, Traumatic Brain Injury. Covered critical illnesses and covered critical injuries may vary by state. There is no additional premium for this rider.

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

Certain states require advertising for ABRs to provide a comparison to the benefits provided by LTC 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.

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).



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). ABR 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.

Long-term care (LTC) insurance is not life insurance, and as such, has no death benefit or cash value. LTC 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, since there is no restriction placed on the use of ABR 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. LTC insurance policies may offer non-forfeiture benefits for additional premium.

**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 account value include a monthly policy fee, monthly expense 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 + Account 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.

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