National Life Group®

Single Premium Deferred Annuity

Green Mountain Freedom

Brochure/Application

Freedom is a single premium deferred annuity designed for personal retirement contributions and transfers. This annuity offers several benefits that can potentially help you reach your retirement goals.

You've worked hard and steadily stashed away savings. But your retirement dream can turn into a nightmare if you end up outliving your savings. As life expectancy rates climb, people are living in retirement much longer than previous generations. And it's happening when Social Security and pensions are becoming less secure.

If working longer and spending less during your retirement years doesn't appeal to you, you should craft a solid retirement plan today that considers the risks of longevity, inflation and market downturns. The longer you live, the greater chance that you may outlive your assets in retirement. Health care costs, inflation and market downturns can erode your future buying power and savings.

If a couple wants an annual retirement income of $85,000 and intends to stop working at age 65, they'll need about $838,000 in savings to supplement their Social Security income for 20 years. This example assumes a 7 percent rate of return and 4 percent inflation rate.

But if they both live to 100, they'll need more than one-and-a-half times that amount—a portfolio worth about $1.3 million—in order to preserve the same lifestyle in retirement.

Accumulate More for Retirement

Green Mountain Freedom[1] is a single premium deferred annuity and a long-term savings vehicle that may be an excellent addition to your overall financial retirement plan. Green Mountain Freedom can be a great way to accumulate money for retirement, if you want retirement income beyond what you will receive from Social Security or a pension plan. Your money grows tax deferred, which means you pay no taxes on earnings until you begin to withdraw your money. You also can provide death benefits to your heirs.

Tax-Deferred Growth

Green Mountain Freedom is a single premium deferred annuity that may offer you multiple advantages over alternative programs. Because it is tax-deferred, you pay no taxes on earnings until you make a withdrawal.[2] So...

- You earn interest on your premium;
- You earn interest on your accumulated interest;
- And, compared with savings programs that incur taxes every year, you earn interest on the deferred taxes.

Green Mountain Freedom can be purchased as a qualified or nonqualified annuity.

Understanding Your Values

Your Accumulation Value is your net premium, accumulated at interest, less withdrawals. If you are the Annuitant and Owner, the Accumulation Value will be paid to your named beneficiaries in case of your death,

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LR11020(0310); Cat. No. 101203

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outside the costs and delays of probate.[3] If you withdraw all of your annuity, you will receive the Accumulation Value less applicable Withdrawal Charges. Applicable Withdrawal Charges are shown on the following page of this brochure.

5% Additional Interest

We currently are issuing this policy with a first-year rate 5% higher than the interest rate guaranteed in the second year. Once issued, these rates are fully guaranteed.[4] Then, interest will be declared annually and credited daily. When we issue your policy, it will state the minimum interest rate we will credit, which is guaranteed for the life of the policy. The minimum interest rate is based on a formula established by applicable regulation in your state and will be between 1% and 3%. For the current minimum guaranteed interest rate, contact your agent or National Life Insurance Company (NLIC).

Accessing Your Annuity Value Through Withdrawals and Payment Options

Green Mountain Freedom offers multiple options to access all or part of your annuity value. Withdrawals and payouts are subject to current Internal Revenue Service (IRS) regulations. You may choose one of these options at any time when permitted by law.

Withdrawals - You may make withdrawals from your annuity at any time, subject to applicable law and regulation. If you withdraw money from your annuity during the first ten policy years, you may incur a withdrawal charge. The amount of the charge depends on how long you've had the annuity and how much you withdraw. After the first policy year, you may withdraw up to 10 percent of your Accumulation Value each policy year without a withdrawal charge. This benefit is not cumulative. The minimum amount you may withdraw is $500, and you must keep at least $5,000 in your annuity to keep it in force. There are no withdrawal charges after the tenth policy year. Please refer to the Withdrawal Charge table on the following page. All withdrawals from annuities purchased with qualified money are taxed as ordinary income (except withdrawals from a Roth IRA) and subject to IRS limits. Under certain conditions, the IRS may impose a penalty tax on withdrawals made before age 59½. Under current tax law, all withdrawals from a nonqualified annuity are taxable to the extent there is a gain in the policy.

Payment Options[5] - There is no Withdrawal Charge if you elect a formal Payment Option after five years. Your annuity offers a number of formal Payment Options including:

- Installment Income - This is an ideal choice if you want to receive your money over a fixed period of 5 to 25 years.

- Life Income Options – You cannot outlive your income. NLIC will continue to pay you as long as you live. If you elect a joint life option, NLIC will pay you or your surviving spouse as long as either of you are living. These choices can even be combined with a guaranteed minimum number of years for payment.

Death Benefit

If you are the Annuitant and you die while this annuity is in force, NLIC will pay the Accumulation Value to your beneficiary as a death benefit and will waive any remaining Withdrawal Charges. If you are the Owner but not the Annuitant, the Death Benefit will equal the Cash Value. If death occurs after a payment option has been selected, the Death Benefit, if any, will depend on the payment option selected.

Defined Terms:

Accumulation Value is your initial net single premium, plus credited interest, minus any cash withdrawals and Withdrawal Charges assessed.

Cash Value is the Accumulation Value less applicable Withdrawal Charges.

Annuity Provisions

- Minimum premium: $5,000
- Maximum premium[6]: Issue Ages 0-75 $500,000; Issue Ages 76-80 $250,000
- Issue age: Annuitant/Owner – up to age 80 (actual age); Individual Owner and Annuitant must be the same person

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- Plan Options: IRA, Roth IRA, and Non-qualified
- Withdrawal Charges waived on the death of the Annuitant
- This Policy is not contestable
- A Withdrawal Charge may apply on amounts withdrawn in excess of the free withdrawal amount

Freedom Highlights

- Tax-deferred growth
- 5% additional first-year interest
- No administration fees or deductions[7]
- Partial withdrawal provision
- Annual account statement

Withdrawal Charges

Policy Yr.	1	2	3	4	5	6	7	8	9	10	11+
% Issue Age 0-58	10	9	8	7	6	5	4	3	2	1	0
59+	8¼	8¼	7¼	6¼	5	4	3	2	1	0	0

About the Company

Even when an annuity seems to be the right fit for your financial plan, you want the reassurance that your money is safe. Green Mountain Freedom is backed by the full assets of National Life Insurance Company, a member of National Life Group. NLIC has a corporate investment policy that strongly emphasizes quality investments and safety. National Life Group is a dynamic and growing family of insurance and financial service companies offering a comprehensive range of life insurance, asset accumulation and retirement planning products. Our flagship, National Life Insurance Company, has been serving customers since 1848, and is licensed in all 50 states and the District of Columbia.

1 Green Mountain Freedom is Policy Form No. 8683(1009). Issued by National Life Insurance Company in Montpelier, Vermont.

2 A few states require the payment of premium taxes on annuities either at the time the Company receives the premium or upon annuitization or withdrawal. If NLIC must pay such taxes, we will deduct them from the Policy benefits.

3 We believe this to be true in most states. The Iowa Division of Insurance informed us annuity contract values are includable in the probate estate in Iowa, and the attorney can charge a statutory fee against the value of the annuity contract. Consult a legal advisor in your state.

4 Guarantees are based on the claims-paying ability of the issuing company.

5 Benefits at annuitization could be reduced if a misstatement of age or sex has occurred.

6 Subject to change without notice.

7 Except for charges for optional riders that may be added to the Policy.

National Life Group is a trade name of National Life Insurance Company and its affiliates. Each company of the National Life Group is solely responsible for its own financial condition and contractual obligations.

Home Office: 15455 Dallas Pkwy., Ste. 800, Addison, TX 75001 / Telephone: 800-732-8939 / www.NationalLifeGroup.com

Centralized Mailing Address: One National Life Drive / Montpelier, VT 05604-5555

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Application for Annuity

National Life Insurance Company

Customer Relations 800-732-8939
Centralized Mailing and Home Office Address: One National Life Drive • Montpelier, Vermont 05604 • www.NationalLifeGroup.com

Section I – Owner/Joint Owner/Annuitant

Owner's Name		SS No or Taxpayer ID	DOB (m/d/yy)	Age	Sex
Home Address		City	State	Zip Code	
Home Phone Number	Home Fax Number	Home e-mail Address			
Annuitant's Name (if different from Owner)		SS No or Taxpayer ID	DOB (m/d/yy)	Age	Sex
Home Address		City	State	Zip Code	
Home Phone Number	Home Fax Number	Home e-mail Address			
Joint Owner's Name (if applicable, non-qualified only)		SS No or Taxpayer ID	DOB (m/d/yy)	Age	Sex
Home Address		City	State	Zip Code	
Home Phone Number	Home Fax Number	Home e-mail Address			

Section II – Beneficiary

Primary Beneficiary	Relationship	Social Security Number	DOB (m/d/yy)	Share
1)				%
2)				%
Contingent Beneficiary	Relationship	Social Security Number	DOB (m/d/yy)	Share
1)				%
2)				%

Section III – Premium

Amount Paid with Application	Rollover/Transfer (Approximate)

☐ Documentation Submitted With App: Single Transfer(s) or Rollover(s)

Section IV – Plan Selected

☑ *Green Mountain Freedom*

Section V – Plan Qualification

☐ IRA ☐ ROTH IRA ☐ SIMPLE IRA ☐ IRA Rollover ☐ Non-Qualified

Section VI – Existing Insurance

Do you, the applicant, know that replacement of existing life insurance or an existing annuity is or may be involved in the purchase of this annuity?

☐ Yes ☐ No Applicant's Initials __________

Do you, the agent, know that replacement of existing life insurance or an existing annuity is or may be involved in the purchase of this annuity?

☐ Yes ☐ No Agent's Initials__________

If the answer to either or both questions is yes, you must complete the appropriate replacement and exchange forms. However, if your state has adopted the NAIC Model Regulations for replacements, you must complete the appropriate forms regardless of your answers to the above questions.

Section VII – Remarks

Section VIII – For Administrative Endorsement Only

Section IX – Fraud Warnings and Notices

DC/LA/MD-Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. **FL – Notice:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony in the third degree. **KY/ME/OH – Any person who knowingly and with intent to injure, defraud, or deceive any insurer files an application for insurance containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.** **NJ – Notice:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties. **AR/NM/PA – Warning:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. **VA –** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law. **TN/WA –** It is a crime to knowingly provide false incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Section X – Acknowledgments

The Annuitant and the Owner, if other than the Annuitant; (1) represents, to the best of their knowledge and belief, that all statements and answers contained herein are full, complete and true as written and are correctly recorded; and, (2) expressly agrees as follows:

1. This application and the answers and agreements contained herein shall be the basis of, a part of the consideration for and a part of the annuity hereby applied for.
2. The payment of premium constitutes consideration to National Life Insurance Company (hereafter "the Company"), for the granting of an annuity and upon payment becomes the absolute property of the Company. As provided in the Right to Examine provision on the policy cover the annuity may be returned to us, cancelled, and we will return any premium paid.
3. If proof of age is not given with this application, the Annuitant(s) will furnish the Company with such proof before annuity payments begin.
4. The annuity applied for shall take effect on the date the premium is received by the Company.
5. The Company is authorized to amend this application by an appropriate notation in the space designated “For Administrative Endorsement Only” in order to correct apparent errors or omissions. The acceptance of any annuity issued on this application shall constitute acceptance and ratification of the beneficiary designation, if any, in such annuity and of any amendments contemplated above except that no change shall be made in the plan of annuity or benefits without the written acceptance of the Annuitant(s) or of the Owner if other than the Annuitant(s).

W9: Under the penalties of perjury, I certify that: (1) the number shown on this application is my correct taxpayer identification number; **(2)** the IRS has never notified me that I am subject to backup withholding, or has notified me that I am no longer subject to such withholding or I am exempt from such withholding; and **(3)** I am a U.S. person (including a U.S. resident alien). **You must cross out item 2 if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.**

Section XI – Signature and Agent Information

Dated at (city/state) ______________________ on (month/day/year) ______________________

Signature of Owner ______________________ Signature of Annuitant (if different from Owner)______________________

Signature of Joint Owner (if applicable)______________________

To the best of my knowledge, a replacement ☐ is ☐ is not involved in this transaction. (Agent to check box.) Florida License ID No. ______

I certify that I have truly and accurately recorded on the application the information provided by the Applicant.

Signature of Agent ______________ Soliciting Agent (print) ______________ Agent No.________ Percent ____

Agent Phone Number ______________ Other Agent (print)______________ Agent No.________ Percent ____

☐ **Trail Commission Option**

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