Schedule of Surrender Charges in %

Contract Year	1	2	3	4	5	6	7	8	9	10+
Privilege	9	8	7	6	5	4	3	2	1	0
Liberty	8	7.5	7	6	5	4.5	3.5	2	0	
Liberty II	8.5	7.5	6.5	6	5	4	3	2	1	0
Heritage	7	7	6	5	4	3				
Security - 5	5	5	5	5	5	4	3	2	1	0
Security - 3	5	5	5	3	2	1	0	0	0	0



National Life's Combination Annuity: two annuities, working together, to provide a guaranteed income from part of your premium and tax-deferred growth of the rest.

National Life 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 with value and integrity since 1850, and is licensed in all 50 states and the District of Columbia.

Please Note: *Neither National Life nor any of its agents or representatives give legal, tax, or accounting advice. The information provided here is a summary of our understanding of the current tax laws and regulations as they relate to annuities. All prospective purchasers should consult with their own attorneys, accountants, and tax advisors. If you want further information on this policy, please contact National Life at:* ***802-229-3333.***

These products may not be approved in all states. For more information about the Green Mountain Combination Annuity, ask your National Life representative.

Security-3 and Security-5 [Form No. 6994]
Heritage and Privilege [Form No. 6998]
Liberty [Form No. 6996]
SPIA [Form No. 1]

GREEN MOUNTAIN COMBINATION ANNUITY SERIES

NATIONAL LIFE

A member of the NATIONAL LIFE GROUP®

NATIONAL LIFE INSURANCE COMPANY
HOME OFFICE: ONE NATIONAL LIFE DRIVE
MONTPELIER, VERMONT 05604 TELEPHONE: 802-229-3333
WWW.NATIONALLIFE.COM

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NATIONAL LIFE

At National Life, we're committed to helping our policyholders meet their personal and financial needs and objectives. Toward that end, our *Combination Annuity* concept – two annuities working together to provide guaranteed monthly income and tax-deferred accumulation – was specifically designed to help you:

- Reduce your income taxes
- Increase your spendable income and
- Increase your return on accumulating assets.

Combining the features of one of our *Green Mountain Single Premium Deferred Annuities* with a *Single Premium Immediate Annuity* can help you maximize your retirement income without the worry of depleting your assets.

Flexibility, Tax Advantages And Guarantees

Your premium reaps the advantages of two annuities: growth through our single premium deferred annuity, and income from our immediate annuity.

Dual Tax Advantages – Some of your premium accumulates tax-deferred, with interest compounding on top of interest, to help maximize your total return.



National Life has combined the advantages of two different annuities in our Combination Concept.

The rest of your premium becomes an immediate source of income. Part of each income payment you receive is a tax-free return of premium, and part is taxable interest. *(With 'qualified' annuities, funded with pre-tax dollars, income payments are fully taxable.)*

Guaranteed Growth – All of our Deferred Annuities initial interest rates are guaranteed, for a stated time period such as 1, 3, or 5 years.

Our *Security 3, Security 5,* and *Liberty SPDAs* provide a 3- or 5-year guaranteed interest rate lock in period.

Our *Heritage* and *Privilege SPDAs* guarantee the initial rate for one full year, with *Privilege* and *Heritage* paying an additional 1% bonus during the first year only. Annual adjustments will be made to the interest rate after the first year, to reflect changing market conditions.

Future rates are guaranteed never to be less than that required by law in your state and will be reflected in your policy upon issue.

Guaranteed Income** – Income payments from the *Immediate Annuity* can be received annually, semi-annually, quarterly, or monthly, and are guaranteed for the length of time you specify; even for your lifetime. Income can also continue to your survivor in the same amount, or a percentage of it. There is no waiting period and income payments can begin immediately.

Guaranteed Access* – The accumulated value in your Single Premium Deferred Annuity is available should you need it.

Our *Security 3, Security 5,* and *Liberty SPDAs* allow you to access interest earnings at any time without contract penalty*, while *Heritage,* and *Privilege* allow penalty-free* withdrawals of up to 10% of your account value each year. All five contracts allow systematic access to your money on an annual, semi-annual, quarterly, or monthly basis.

Please check with your National Life Representative regarding product availability in your state.

* *Withdrawals made prior to age 59½ may be subject to a 10% penalty charge by the IRS.*

** *Guarantees are dependent upon the claims-paying ability of the issuer. Annuities are not FDIC insured.*

Guaranteed, tax advantaged monthly income plus tax deferred accumulation.



Additional Withdrawals – Should it be necessary, additional amounts may be withdrawn from your SPDA contract, over and above the amounts permitted under the guaranteed access provisions. However, those amounts may be subject to a schedule of surrender charges, and if you are under age 59½, a federal penalty tax may apply.

Waiver of Surrender Charges – The value of your deferred annuity may also be accessed without surrender charges after 30 continuous days of confinement to an eligible nursing home. *(Not available in all states.)*

Surrender charges on the SPDAs will be waived if the contract is annuitized for a life income or a period of at least 5 years.

Avoids Probate – At death, the balance of the deferred annuity portion of your money becomes payable avoiding the costs, publicity and delay of probate. Additionally, ongoing guaranteed payments from the *Immediate Annuity* can continue to be made to a named beneficiary.

The Best Made Plans are Plans Made Flexible

National Life's *Combination Annuity* allows you to manage your money without the costs, difficulties or time constraints of other methods such as safe deposit boxes or term deposit instruments, and it offers current tax advantaged income plus tax deferred accumulation of premium.

Ask your National Life representative for a customized illustration today.