



National Life Insurance Company®

Green Mountain Freedom Flex



Brochure/Application

Flexible Premium Deferred Annuity

Experience Life®



Freedom Flex offers several benefits that can potentially help you reach your retirement goals.

Americans heading towards retirement have faced a rough road recently. In 2007, about 70% of retirement assets were held in stock – and between 2007 and 2009, the value of retirement accounts fell by about 26%.¹ If you were close to retirement during this time, you could have had significantly less money to retire on than you anticipated. In fact, depending on your savings strategy, you might not have been able to retire at all.

*Green Mountain Freedom Flex*² flexible premium deferred annuity from National Life Insurance Company (National Life) doesn't leave your retirement plans at the mercy of the stock market. With minimum guarantees and credited interest, you will never lose a penny of your annuity value due to market conditions.³

Green Mountain Freedom Flex offers a safe, secure way to save for your retirement.

1. Retirement accounts defined as contribution plans and IRA's. Statistics from The Urban Institute "How is the Financial Crisis Affecting Retirement Savings?" August 2009.

2. *Freedom Flex* is Policy Form No. 8818(0410). Issued by National Life Insurance Company in Montpelier, Vermont.

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

Green Mountain Freedom Flex

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

Accumulate More for Retirement

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Tax Deferred Growth

Because *Green Mountain Freedom Flex* is a tax-deferred annuity, you pay no taxes on earnings until you make a withdrawal.⁴ So...

- You earn interest on your premium;
- You earn interest on your accumulated interest;
- Unlike savings programs that incur taxes every year, you earn interest on the deferred taxes;
- And, you may be in a lower tax bracket when you receive the taxable values than you are today.

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

5% Additional Interest

Each premium received in the first Policy Year will be credited an additional 5% over the currently declared interest rate for 12 months from premium receipt.

Minimum Guarantees and Credited Interest

Green Mountain Freedom Flex permits multiple payments into the annuity. Each time you make a premium payment, the interest rate credited will be National Life's then current credited interest rate. The current interest rate at the time the new premium is received may be higher than the original rate you received on your first premium payment. It could also be lower, but it is guaranteed never to be below the minimum guarantee of 1%.

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, outside of the costs and delays of probate.⁵ If you withdraw all of your annuity, you will receive the Accumulation Value less applicable Withdrawal Charges. Applicable Withdrawal Charges are shown on the Withdrawal Charges chart included in this brochure.

4. Annuities owned by trusts or corporate entities may not enjoy the tax deferral feature.

5. We believe this to be true in most states. The Iowa Insurance Division informed us that 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.

Accessing Your Annuity Value Through Withdrawals and Payment Options

Green Mountain Freedom Flex offers multiple options to access all or part of your annuity value. Withdrawals and payouts are subject to current Internal Revenue Service (IRS) regulations.

Withdrawals

You may make withdrawals from your annuity at any time, subject to applicable law and regulation.⁶ 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 \$2,500 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.

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. Neither National Life nor its agents or representatives give legal, tax or accounting advice. You should consult your own tax advisor for tax advice.

Payment Options⁷

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. National Life will continue to pay you as long as you live. If you elect a joint life option, National Life 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, the full Accumulation Value will be paid to your beneficiary as a death benefit, and any remaining withdrawal charges will be waived. If you die and you are the Owner, but not the Annuitant, the death benefit will equal the Cash Value. The Cash Value includes any applicable withdrawal charges during the first 10 Policy Years. If death occurs after a payment option has been selected, the Death Benefit, if any, will depend on the payment option selected.

In many states, a named beneficiary of an annuity can avoid the expense and publicity of probate.⁵

Planning for the Future

Will your present financial plan provide you with ample savings for retirement? Does your current retirement plan ensure you a comfortable standard of living in the future? There are many features and benefits of a Freedom Flex annuity. Call your National Life agent today to discuss your options and to make sure your retirement plan is on track. Preparing for your future starts today.

6. Withdrawal charges apply on amounts withdrawn in excess of free amount. Withdrawals are permitted only as allowed by law.

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

Questions?

If you have questions, you may ask them of your agent. You may also call our Home Office. Our telephone number is 800-579-2878. When you call, please say that you have questions about your *Green Mountain Freedom Flex* Annuity. We will be glad to hear from you!

Annuity Provisions

- Plan options: Non-Qualified, IRA, and Roth IRA
- Minimum premium — \$3,000 single premium or \$100/month PACP/bank draft
- Issue age: Issue age limits for this annuity are owner/annuitant age 0–80 (actual age). Individual Owner and Annuitant must be the same person.
- Withdrawal Charges waived upon death of the Annuitant
- Customized annuitization options are available. All annuitizations after the 5th year, with at least a 5-year payout, will be calculated without application of withdrawal charges.
- Additional premiums accepted at any time. Transfers/Rollovers accepted only during the first 10 Policy Years.
- This annuity is not contestable

Green Mountain Freedom Flex Highlights

- Tax-Deferred Growth
- Partial Withdrawal Provisions
- Quarterly statements on active accounts
- 5% additional interest for 12 months on each premium received in the first Policy Year

Withdrawal Charges

Policy Yr.	1	2	3	4	5	6	7	8	9	10	11+
W/D Charge %	10	9	8	7	6	5	4	3	2	1	0

About National Life

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 Flex* is backed by the full assets of National Life Insurance Company, a member of National Life Group. National Life 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 services companies offering a comprehensive range of life insurance, asset accumulation and retirement planning products. National Life Insurance Company has been serving customers since 1848, and is licensed in all 50 states and the District of Columbia.

National Life Administrative Office: 1300 West Mockingbird Lane, Dallas, Texas 75247 / Telephone: 800-579-2878

National Life Home Office: One National Life Drive / Montpelier, Vermont 05604 / Telephone: 800-277-9929

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.





APPLICATION FOR ANNUITY

NATIONAL LIFE INSURANCE COMPANY

Administrative Office: 1300 West Mockingbird Lane • Dallas, TX 75247-492 • Telephone: 800-579-2878
Home Office: One National Life Drive • Montpelier, Vermont 05604 • www.nationallife.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)	<input type="checkbox"/> Documentation Submitted With App: Single Transfer(s) or Rollover(s)
Planned Premium	Payable How?	
	<input type="checkbox"/> Pre-Authorized Check Plan <input type="checkbox"/> Direct (Check)	
Payable How Often?		
<input type="checkbox"/> Monthly <input type="checkbox"/> Semi-Monthly (twice a month) <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually <input type="checkbox"/> Single		

Section IV – Plan Selected ☒ Green Mountain Freedom Flex

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**
