



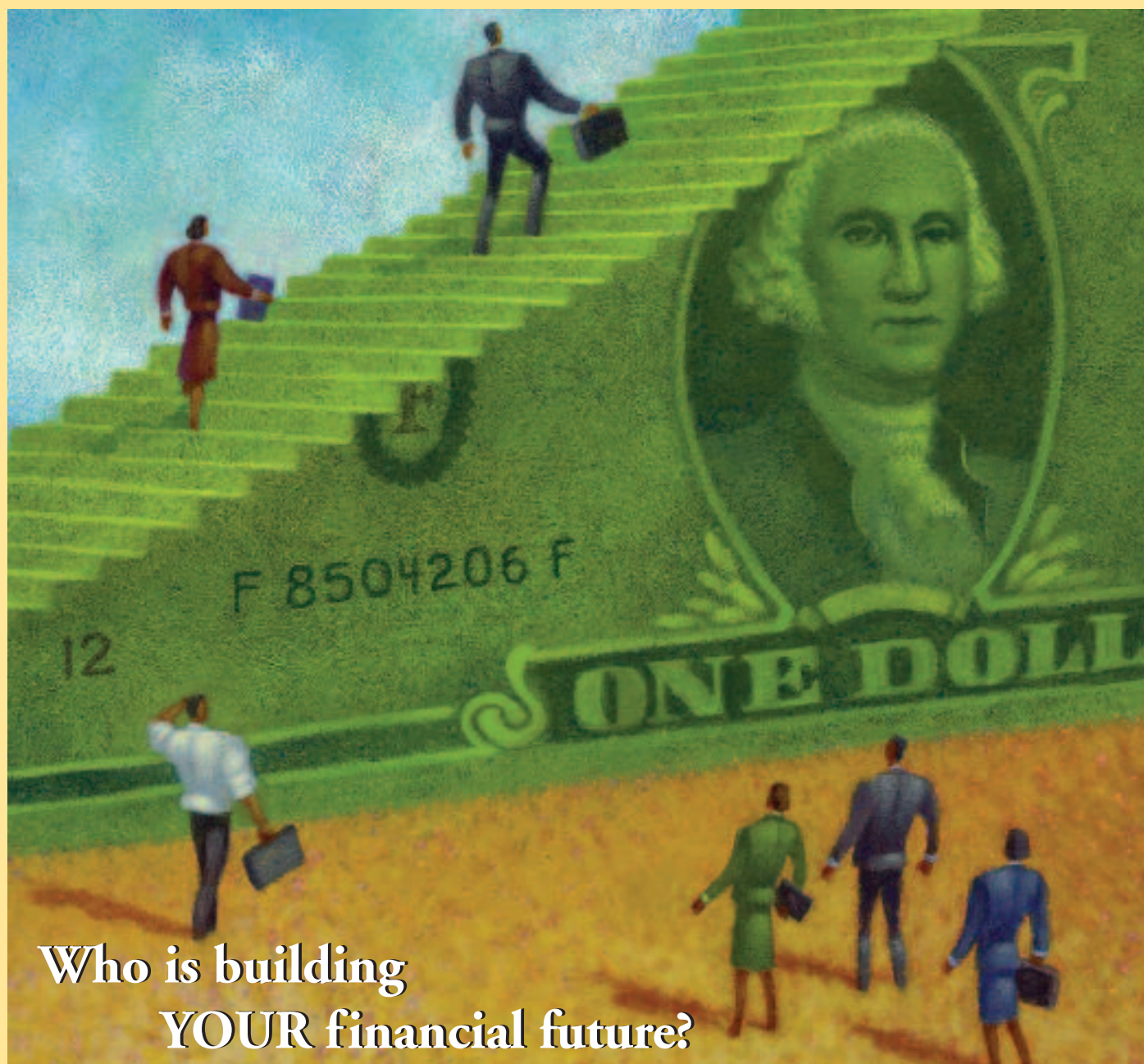
Harvest

Heaped Agent Rewards-VESTed

An agent's incentive program to reward
continued production with future income!

National Western Life Insurance Company
850 East Anderson Lane
Austin, TX 78752

HARVEST (Heaped Agent Rewards-VESTed) is a non-qualified deferred compensation plan offered exclusively through National Western Life Insurance Company.



**Who is building
YOUR financial future?**

What is HARVEST?

National Western Life's goal for **HARVEST** is to motivate and encourage long-term, productive agent relationships. It is an agent's incentive program that rewards qualifying eligible participating agents writing NWL® annuity and life products with annual credit contributions. *This plan is unique in the fact that National Western Life (NWL®) is the **first to offer credit for life and annuity production.*** The amount credited to your account is in part up to you. The more you sell, the more credit you accumulate.

Since **HARVEST** is a non-qualified deferred compensation plan, it offers the same tax benefits that are traditional in this type of plan, such as taxes being deferred until distribution. Plus, full vesting after only 5 qualifying years.

IS CURRENT COMMISSION COMPENSATION ADJUSTED IN ANY WAY?

NO! **HARVEST** offers the opportunity to create additional savings dollars with no reduction of your current commissions!

WHAT IS THE QUALIFICATION PERIOD?

HARVEST became effective as of January 1, 2006. The qualification period is each calendar year.

WHAT ARE THE MINIMUM REQUIREMENTS FOR QUALIFICATION?

There are 2 minimum requirements for qualification each Plan Year: a production requirement and a number of insured lives or annuitants.

The current Plan Year minimum production required for qualification in **HARVEST** is \$1 million of Paid and Collected First Year Annuity Premium, or \$50,000 of Paid and Collected First-Year Life Insurance Premium for policies issued on or after January 1, 2006. Note that 14% of NWL® MAXWealth premium will be included in the life qualification. First-Year Premium is defined as premium Paid and Collected within one year of the policy issue date. The minimum case requirement is 5 different annuitants or 5 different insured lives, depending on the business that has been written.

DOES LIFE PRODUCTION REALLY COUNT TOWARD QUALIFICATION?

YES! NWL® believes in incentive plans that are challenging but attainable for their agents. Life production is included as our way to bring a new variation to this kind of program. It is one of our ways of making the NWL® program a unique and better offering in the incentive plan world.

HOW DOES THE AGENT QUALIFY?

- **Only the writing agent is eligible to receive HARVEST Credit as the Participating Agent.** The writing agent is the agent whose name appears on the application. The writing agent must be appointed with National Western Life with an individual contract. Corporate appointments are not eligible to participate in HARVEST.
- If more than one writing agent name appears on the application, **HARVEST** Credit will be apportioned according to the percentage indicated on the application for each Writing Agent.

- The writing agent must qualify each calendar year to become an Eligible Agent for that Plan Year.
- A writing agent who meets the qualification requirements on the last day of each plan year will become a Participating Agent and is now eligible to receive a **HARVEST** Credit Contribution.

HOW IS THE WRITING AGENT REWARDED FOR QUALIFYING?

Once the minimum annuity or life premium qualification goal is met, the writing agent will begin to earn **HARVEST** Contributions. **HARVEST** Contributions are set by the beginning of the current year. Once a contribution amount is set for a particular issue year, it cannot be changed. This contribution will be applied to business Paid and Collected in the Plan Year. Applicable renewal business, adjusted for policies no longer in force, to include full and partial surrenders, and policies in a pay status will use **HARVEST** Contributions applicable to the year of issue. The Company reserves the right to change the **HARVEST** Contribution amount for future years.

HOW DOES HARVEST WORK?

A Participating Agent who has met the qualification requirements at the end of Year 1 will receive **HARVEST** Credit Contributions for Annuity Premium and Life Insurance Premium Paid and Collected during that Plan Year. Life Insurance Premium is defined as 100% target, 5% of excess and 14% of NWL® MAXWealth target premium.

As an example:

If \$1 million of Annuity Premium is the minimum qualification and the **HARVEST** Contribution is \$2,000 per \$1 million:

\$1.5 million = \$3,000 of **HARVEST** Credit Contribution

If \$50,000 of Life Insurance Premium is the minimum qualification and the **HARVEST** Contribution is \$2,000 per \$100,000:

\$150,000 = \$3,000 of **HARVEST** Credit Contribution

Plus, you get benefit for all paid premium, even if qualification has not been met with both Annuity Premium and Life Insurance Premium.

As an example:

\$1 million Annuity Premium = \$2,000 **HARVEST** Credit Contribution

\$10,000 Life Insurance Premium = \$200 **HARVEST** Credit Contribution

Total **HARVEST** Credit Contribution = \$2,200

The more you sell, the more **HARVEST** benefits you!

HARVEST Contribution will be earned for each year the Participating Agent qualifies, PLUS **HARVEST** Contribution will be earned for premium Paid and Collected for policies issued in a qualifying prior year that remain in force at the end of each current calendar year.

Clarifying Example:

In Year 1, the writing agent does not have enough Paid and Collected premium to qualify for the plan. However, he/she writes an annuity application in December of Year 1 with premium for that application being Paid and Collected in January of Year 2. The premium Paid and Collected in Year 2 will be credited as 1st year premium towards the qualification for Year 2, but will not be added to the in force premium for year 1 since the agent did not qualify for participation in that Plan Year.

in a non-qualifying year. Credits, vesting and account growth for previously qualified years will be retained.

- If the Participating Agent qualifies for the next Plan Year, credit contribution and vesting will resume.
- If qualification is not met for two consecutive years, the agent will cease to be a Participating Agent and will be terminated from the plan. There will be no additional contributions made to the **HARVEST** Account and distribution of the vested account will be paid out.
- A former Participating Agent can become eligible again with the vesting schedule starting anew at 20%.

What Happens If The Writing Agent Misses A Year Of Qualifying?

- The Participating Agent will remain in the plan if qualification is missed for one year; however no credit contribution will be made nor will vesting be increased

What Investment Options are Available?

Several account investment options will be available. The Participating Agent controls how the account is invested. The value of the account can increase or decrease based on the selection of investment options. The Participating Agent can monitor account activity with internet access and will be provided quarterly statements.



HARVEST VESTING SCHEDULE

HARVEST Credit Contributions are vested over five (5) qualifying years at a rate of 20% beginning with the first year of qualification. A Participating Agent will be fully vested after five (5) years of qualification.

Qualifying Year	Vesting Percentage
1	20%
2	40%
3	60%
4	80%
5	100%

Example: Assume \$1 million of new annuity premium per year, all business stays in force, **Harvest** Contribution is \$2,000 per year per \$1 million, \$1 million is minimum qualification for all years, and accumulated at 5% hypothetical interest rate:

POLICY YEAR		PLAN YEAR	PLAN YEAR	PLAN YEAR	PLAN YEAR	PLAN YEAR
		1	2	3	4	5
1	New Premium	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
2	Inforce		\$2,000	\$2,000	\$2,000	\$2,000
3	Inforce			\$2,000	\$2,000	\$2,000
4	Inforce				\$2,000	\$2,000
5	Inforce					\$2,000
Credit Contributions for Plan Year		\$2,000	\$4,000	\$6,000	\$8,000	\$10,000
Cumulative Credit Contributions Accumulated at 5%			\$6,100	\$12,405	\$21,025	\$32,077
Vested at		20%	40%	60%	80%	100%

REAP THE BENEFITS WITH NATIONAL WESTERN'S HARVEST PLAN!

About the Company

National Western Life Insurance Company is a Colorado corporation with executive offices in Austin, Texas. The Company offers a full line of life insurance and annuity products (both on an individual and group basis), through general agency offices in 49 states and the District of Columbia, and accepts applications from residents of several foreign countries. As of December 31, 2005, the Company had \$14.7 billion of insurance in force, \$5.7 billion in assets, \$5.1 billion in liabilities, and \$598 million in statutory capital and surplus.

Since its start in 1956, National Western has emphasized financial strength for the protection of its policyholders. As a legal reserve insurance company, National Western must set aside a portion of its assets equal to reserves required by law. Annually, a financial statement is filed with each state's insurance department. These departments have authority to verify that the appropriate reserves are maintained.

HARVEST PLAN DISCLAIMER

The information provided above is a summary of some of the key terms of the National Western Life Insurance Company Harvest Nonqualified Deferred Compensation Plan as in effect as of January 1, 2006 (the "Plan"). It is not a contract and does not provide for or guarantee any benefit or entitlement under the Plan or otherwise. In the event of any ambiguity, conflict, or discrepancy between the above information and the terms of the official Plan document, the official Plan document will govern. Neither the above information, nor any other written or oral communication regarding the Plan amends the official Plan document. The Plan may not be amended except pursuant to written resolutions adopted by the Board of Directors of National Western Life Insurance Company (the "Company"). The Board of Directors of the Company may amend or terminate the Plan (and related Participation Agreements) at any time in its discretion without the consent of or notice to any other person. No person is authorized to promise or guarantee any benefit other than as specified by the terms of the Plan, and no person is authorized to promise or

guarantee that the Plan will or will not be amended or terminated in any respect. No person may rely on any communication or summary regarding the Plan, and no person shall have any vested right in or claim to a benefit under the Plan except as expressly provided in the official Plan document. Each person must look solely to the terms of the official Plan document to determine his or her rights and obligations under the Plan.

No person may participate in or qualify for benefits under the Plan unless and until such person complies with all of the terms of the Plan and signs and delivers an official Participation Agreement provided by the Company. Plan benefits are paid solely in the form of a single lump sum cash payment and may not be assigned or alienated except as specified in the Plan. Plan benefits are unsecured contractual obligations of the Company, are not held in trust or otherwise funded, and are not guaranteed or insured by any other person. The Plan is not registered with the Securities Exchange Commission and is not subject to the Employee Retirement Income Security Act of 1974, as amended. The Plan is intended to comply with section 409A of the Internal Revenue Code of 1986, as amended, but neither the Company nor the Plan Committee guarantees any particular tax consequence. Each Plan participant or beneficiary is solely responsible for all Federal, State, and local taxes (including income, self-employment, excise, and other taxes) due or payable with respect to Plan benefits, and, to the extent applicable, such taxes shall be withheld from Plan benefits. Plan benefits may be reduced by the amount of any indebtedness to the Company and may be forfeited if a participant is terminated for cause. The Company, the Plan Committee, and agents and affiliates thereof shall have no responsibility for and shall be relieved of all liability for any deemed or actual losses resulting from investment instructions given or deemed given by or on behalf of a participant or beneficiary under the Plan. Benefit claims must be submitted to the Plan Committee in accordance with the administrative claim procedures specified by the Plan and, in the event of a claim denial, are subject to mandatory arbitration in accordance with the terms of the Plan. No person may participate in or have any interest under the Plan to the extent prohibited by applicable law, and neither the Plan nor the information provided above shall be considered an inducement to or solicitation of such participation to the extent prohibited by applicable law.

