



National Life  
Group®  
Experience Life®

# Doing Good.



2016 Annual Report

## Financial Strength Ratings

For National Life Insurance Company and Life Insurance Company of the Southwest as of February 28, 2017.

### A.M. Best

A (Excellent)

Third highest of 16 rankings

### Standard & Poor's

A+ (Strong)

Fifth highest of 21 rankings

### Moody's

A2 (Good)

Sixth highest of 21 rankings

*Ratings are subject to change*

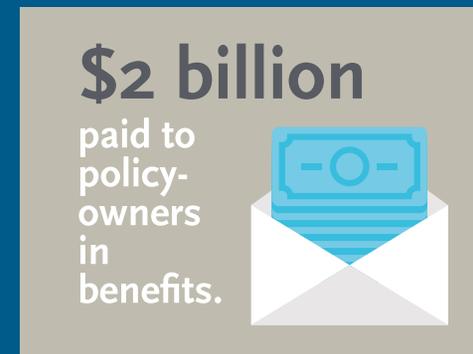
National Life Group is a trade name representing various affiliates that offer a variety of financial service products. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations.

Consolidated results of the National Life Group Companies, which include National Life Insurance Company, Life Insurance Company of the Southwest, Addison, Texas, Equity Services, Inc., Sentinel Investments, and NLV Financial Corporation. Sentinel Investments is the unifying brand name for the Sentinel Financial Services Co., Sentinel Asset Management, Inc., and Sentinel Administrative Services, Inc.

Equity Services, Inc., member **FINRA/SIPC**, is a broker/dealer and registered investment adviser. National Life Insurance Company is licensed to do business in all 50 states and the District of Columbia.

Life Insurance Company of the Southwest is licensed to do business in 49 states and the District of Columbia. It is not licensed to do business in the state of New York. It was chartered in 1955. National Life Distribution, LLC also conducts business as National Life or, in some states, National Life Insurance Agency.

All companies referenced are affiliated and located in Montpelier, Vermont unless otherwise indicated. Client testimonials in this report may not be representative of the experience of other clients, and it is no guarantee of future performance or success. "Standard and Poor's®," "S&P®," "Standard and Poor's 500," and "500" are trademarks of Standard & Poor's and have been licensed for use by the companies of National Life Group (NLG). NLG products are not sponsored, endorsed, sold or promoted by S&P and S&P makes no representation regarding the advisability of purchasing NLG products. The S&P Composite Index of 500 stocks (S&P 500®) is a group of unmanaged securities widely regarded by investors to be representative of large-company stocks in general. An investment cannot be made directly into an index.





◀ Greg Teese and Dominic Herridge from our legal team tend to gardens at the Intervale in Burlington, Vermont.

▶ National Life team members Devon Martin, Daniel House, and Ramanza Wheeler volunteer at the Vermont Foodbank. In 2016, National Life **broke a record** for number of hours spent by employees volunteering during company time, reaching almost **5,400**. As our CEO Mehran Assadi has stated, “Doing good is part of our DNA.”



▶ Mercy Manhanga helps bag food at the North Texas Foodbank.

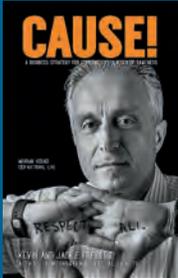
# Doing Good.

2016 – A Year to Remember

Upgraded by Standard & Poor's to

**A+**

S&P praised National Life's focus on the fundamentals. "The upgrade reflects our view that NL Group has improved its capital strength, resulting in stronger credit quality," S&P said.



Featured in the book **CAUSE!** by authors Jackie and Kevin Freiberg resulting in nationwide press and recognition

From *The Washington Post* to *Forbes*, the company was in the media for its mission-driven culture

Reached **\$100 billion** in the face value of our life insurance

This is a historic milestone for the company.

Achieved record sales  
**Life insurance sales:**  
**\$194 million**

**Annuity sales:**  
**\$132 million**



**Doing Good.**



In 2016, we processed over **93,000** life insurance applications and more than **54,000** annuity applications.



## Nominated as a finalist for **Invest in Others Corporate Philanthropy Award**

National Life Group and its affiliate Sentinel Investments **were honored for the good they do** through volunteerism, charitable giving, sponsorships, and environmental sustainability.

Received **629 LifeChanger of the Year** nominees from all fifty states



School employees throughout the country were **celebrated for doing good**. The grand prize winner will be announced in May 2017.

Increased our Foundation's budget to **\$1 million** in 2017



Now we can **donate more** to nonprofit organizations who **do good** in our communities.

## From Our Chief Executive Officer

On a Saturday in December roughly 100 people from National Life and one of our distribution partners converged at a Dallas elementary school. The campus is 100 years old and had certainly seen better days. Our team members rolled up their sleeves and got to work. They painted two large murals in the cafeteria, repainted outdoor play areas, planted flowers, and replaced decades-old window blinds to allow more light into the classrooms. We made a real difference for the 280 students who attend the pre-K through 5<sup>th</sup> grade school but just as importantly, we made a difference in the lives of our team members.

It feels good to do good.

We've been doing good since 1848 when National Life Insurance Company was chartered. Doing good is first among our corporate values: Do good. Be good. Make good.

By every measure 2016 was yet another successful year for National Life Group: Our life and flow annuity sales increased; we hit a record-high core earnings, passing the \$200 million mark for the first time. Our assets under management grew to \$33 billion. We passed the historic milestone of having \$100 billion in life insurance in force, tripling in 20 years the protection we provide to families and individuals across America.

S&P Global upgraded National Life to a financial strength rating of A+. The rating agency coupled the action with a very positive and reaffirming commentary about our financial risk profile, capital management and distribution. S&P wrote "we now view the insurer's financial risk profile as extremely strong, compared to our prior opinion of very strong."

Our success is not an accident. It can be traced to the fact that we know our why. We are a mission-driven organization.

What we do is critical: Our products keep alive the dreams of families, the hopes of small business owners and the dignity and financial independence of seniors. As critical, however, is the why that drives us. My teammates at National Life believe deeply in our noble cause. So do our agents: They are grounded on America's Main Streets and share our commitment to community.

In 2016 National Life's why was prominently featured in the book CAUSE! by leadership gurus Jackie and Kevin Freiberg, who have spent 25 years distilling the practices of best companies around the globe. They wrote:

"The people of National Life are grounded in timeless principles – love and friendship, assuring the American dream and making good on a promise. They live those principles out loud daily because the noble, heroic cause for which they fight depends on it. They are not just a company; they are a movement that is growing stronger one relationship at a time."

We are not standing still or resting on our laurels. In 2016 we rolled out our 2020 Vision, an ambitious strategic plan to ensure that National Life stays true to our "noble, heroic cause" while ensuring that we are prepared to meet the challenges of an ever-changing world.

You can rest assured that unchanged will be our commitment to do good, be good, and make good.

*Mehran Assadi*

Mehran Assadi, *President and Chief Executive Officer*



Mehran Assadi

**We made a real difference for the 280 students who attend the pre-K through 5<sup>th</sup> grade school but just as importantly, we made a difference in the lives of our team members.**

**Opposite:** Our team members volunteering at a local elementary school with one of our agencies to help improve the experience for students.



## From Our Chief Investment Officer

The Investment team at National Life Group manages \$24.5 billion in insurance company assets. While managing the portfolio, the company's mission of keeping our promises guides our decision making on a daily basis. Our portfolio performed well last year, and I am confident that recent investments in talent and systems will enable our team to continue delivering strong results to our policyholders in 2017.

Financial markets were volatile last year, marked by dramatic moves associated with declining oil prices early in the year, the United Kingdom's decision to leave the Eurozone in June, and uncertainty around the U.S. election later in the year. When all was said and done, however, it was a reasonably good year for the financial markets. Our team took advantage of periods of market volatility to invest assets in a disciplined way to support National Life Group's liabilities.

The S&P 500 delivered total returns of 11.95% last year, up from just 1.38% in 2015. 2016 marked the eighth consecutive year of positive returns for domestic equities, with market rallies beginning in mid-February after oil prices bottomed out around \$26, and later in the year after the U.S. election.

In the bond markets, the 10-year U.S. Treasury yield climbed 18 basis points in 2016, reaching 2.45% as of year-end. Despite the modest full year move, volatility was high, with the 10-year U.S. Treasury yield dropping to a low of 1.36% in July, before yields climbed dramatically during the fourth quarter in anticipation of rising inflation and stimulative growth measures from the new administration. U.S. Investment Grade credit generated total returns of 5.63% last year, while U.S. High Yield credit returned 17.13%. The U.S. speculative-grade default rate was 5.6% in 2016, up from 5.5% in 2015, driven by commodity sectors.

We manage National Life Group's \$24.5 billion portfolio deliberately, with nearly 90% allocated to fixed income assets. As of 12/31/2016, the unrealized gain of the portfolio was \$610 million, an improvement of \$188 million since the beginning of the year. We continued to proactively manage the portfolio in 2016, as we strive to realize National Life's vision of bringing peace of mind to everyone we touch. The team worked to reduce exposure to riskier investments and improve capital efficiency, while minimizing the decline in portfolio yield associated with reinvesting at lower interest rates.

Specifically, we increased our allocation to municipal bonds, asset backed securities, collateralized loan obligations, and commercial real estate mortgages in 2016. To fund these changes, we decreased our allocation to mortgage backed securities, private placements, and investment grade corporate bonds.

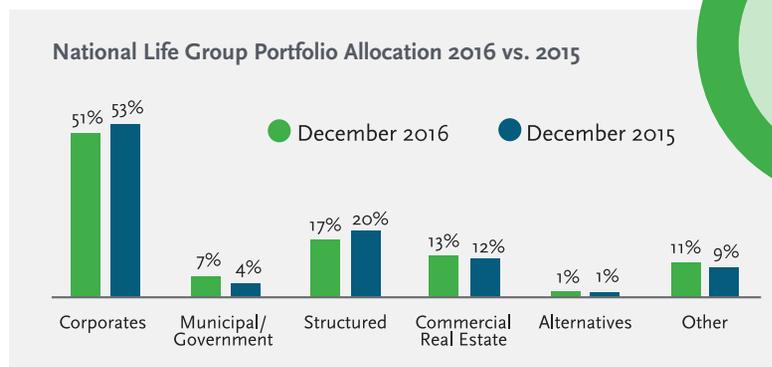
As shown, nearly 95% of rated investments are comprised of investment grade securities. Our allocation to the highest quality securities rated A or higher increased in 2016. This was a deliberate decision, as we cut our allocation to lower-rated investment grade securities, and our allocation to high yield bonds remains well below risk limits. For the full year, our portfolio grew by nearly \$2.4 billion, providing a large pool of assets to help with our vision of keeping our life and annuity promises in 2017 and beyond.



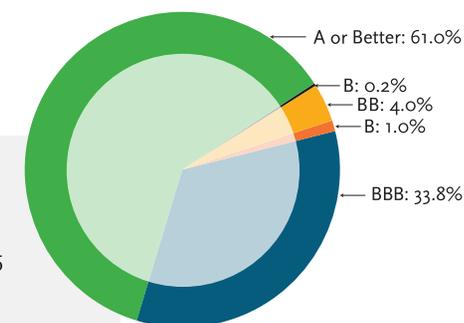
Jason Doiron, Chief Investment Officer



Jason Doiron



**National Life Group Portfolio by Credit Quality**



## PAYING IT FORWARD

**B**etty Ward is 92 years old and is a pioneer in every sense of the word.

Betty graduated from the University of New Hampshire (UNH) in 1945 with a degree in biology. After graduation, she worked at the local lab at Mary Hitchcock Memorial Hospital in New Hampshire, and then was invited to travel to study the effects of radiation in Nagasaki, Japan with the Atomic Bomb casualty commission from 1950-1952. When she came home to the U.S. she returned to working in the Lab at Mary Hitchcock in the Microbiology area as an instructor.

In 2007, Betty realized that she had a small annuity through a National Life Group company but she wasn't sure what she should do with it. She had no agent at the time so that's when Townsend Gilbert, an agent with the Vermont Agency which is affiliated with National Life Group, stepped in. Townsend made the hour and a half trip to the house Betty shares with her partner of more than 40 years, Gail Richens who also goes by Pip, a retired math teacher. Through several meetings, Townsend got a good understanding of their asset base which they believed at the time was around \$300,000; however, after multiple conversations, he discovered that Betty's financially savvy mother had provided other assets which were now worth significantly more than Betty suspected.

The first thing Townsend encouraged the couple to do was to insulate their home. The house that Betty and Pip shared was the same one Betty was born and raised in. It had never been properly insulated and Betty and Pip simply took to wearing three jackets inside in the cold New England winters. They also updated the kitchen but without a dishwasher since according to Betty, they had two working dishwashers in her and Pip! Then they talked about how they could pay their good fortune forward.



Betty Ward (center) and Pip with agent Townsend Gilbert

With Townsend's guidance, the couple decided they wanted to do good for women who, like them, were passionate about STEM subjects (Science, Technology, Engineering and Math). He helped them set up a scholarship program at UNH which would provide full scholarships for two women who were pursuing degrees in a STEM subject. They would also gift six \$10,000 scholarships to qualifying male or female STEM students. The program will run in perpetuity.

Betty and Pip were so pleased with the work Townsend did, how he helped them leave a lasting legacy, that they worked with National Life to help

them with the remainder of their assets. They even met our President and CEO, Mehran Assadi, when they came into the home office to sign paperwork. When they met Mehran, Betty commented that she couldn't believe the CEO was taking time out of his day to meet them. Mehran shared that **she** was the celebrity, helping do good for others well into the future.

As Betty and Pip left National Life that day, Betty said to Pip, "They really have it together, don't they?"

We feel the same about these two amazing women.

## Life Insurance – Helping Bring Peace of Mind Through Protection

**Last year was another record-breaking year** for life insurance at National Life. We reached a historic milestone of \$100 billion in the total amount of coverage provided to our policyowners. We're proud and humbled to be the company of choice when people want to protect their families and businesses.

We also set a new record in life insurance sales of \$193.8 million. To get there, we processed more than 93,000 submitted life insurance applications. But to be clear, those who submit an application and then receive life insurance protection are anything but a number to us. We pride ourselves on doing good for our policyowners and agents. We have a responsibility to serve; one we take seriously.

How we help came to light yet again when recently, one of our agents, Lee Duncan who represents Alliance Group, told us about Joy, a single mother to Abigail and Taylor. In 2009, Lee sold a life insurance policy with living benefits to Joy. Not only did she want the death benefit protection that a policy could provide but she also was interested in the Accelerated Benefit Riders which would enable her to draw down some of her death benefit in the case of a qualifying chronic, critical or terminal illness. Little did she know how important that decision would be just a few years later.

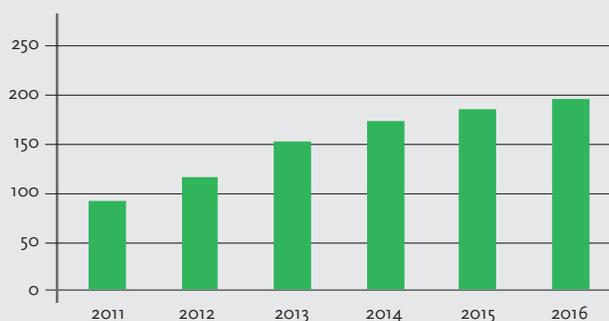
In 2015, Joy began to have stomach pain and to lose weight. After a series of tests, her doctor informed her that her liver functions were not just off, her liver was shutting down. Within a few months, she was on the transplant list, waiting for a new liver. Then, on March 16, 2016, she got the news she needed; she would be the recipient of a new liver.

While the transplant provided peace of mind regarding her health, Joy was concerned about the medical bills that were piling up as well as college expenses for her kids. That's when Lee reminded her that her life insurance policy had living benefits. With Lee's guidance, she was able to use the benefits to pay for living expenses since she was on medical leave and self-employed, pay for medical expenses and help her kids.

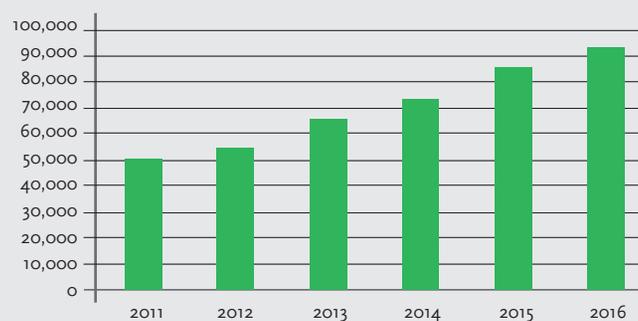
Said Joy, "When Lee delivered the check, I breathed a sigh of relief. You never know what path life is going to take you down; when I bought my life insurance policy I felt better because I knew my kids would be protected. At the time I never imagined I would be using the living benefits but I'm grateful I had them."

We're proud and humbled to be the company of choice when people want to protect their families and businesses.

**Total Life Insurance Sales  
in Millions**



**Life Submitted Applications  
in Thousands**



Living Benefits or Accelerated Benefit Riders are provided at no additional premium. These riders are optional and may not be available in all states or on all products. Riders are supplemental benefits that can be added to a life insurance policy and may not be suitable unless you also have a need for life insurance. Payment of Accelerated Benefits will reduce the cash value and death benefit otherwise payable under the policy. Receipt of Accelerated Benefits may be a taxable event and may affect your eligibility for public assistance programs. Please consult your personal tax advisor to determine the tax status of any benefits paid under this rider and with social services agencies concerning how receipt of such a payment will affect you. This is not a solicitation of any specific insurance policy.



“You never know what path life is going to take you down; when I bought my life insurance policy I felt better because I knew my kids would be protected. At the time I never imagined I would be using the living benefits but I’m grateful I had them.”

– Joy

## Annuities – Beyond the Sale

**2016** was a record-breaking year for our annuity business. We ended the year with \$132 million of flow annuities, or annuities that have premiums which are deducted monthly or annually from the policyowner's paycheck. We also finished with \$701.5 million in Single Premium Deferred Annuity (SPDA) sales. These sales help people across the United States plan for a secure retirement.

Two markets that are growing for National Life are the 403(b) and 457(b) markets. Our products are designed to help public school and public service employees within this space plan and save for their retirement, and we take pride in serving their needs.

While ensuring we can offer our customers the right products for their personal situation, our relationship with them often goes much deeper. Take Eric Owens from Dragon Financial Services, one of our trusted agents who works with public school employees in central Florida. At the end of every client meeting, he asks "what do you need, what can I do to help you?" And he means it.

In August 2016, someone took him up on it.

Diane Rosebrough, Principal at Snively Elementary school in Polk County, Florida, responded that if he was serious, the school could really use belts for their 400+ elementary students. Snively Elementary school is a rural elementary school that requires school uniforms, and Ms. Rosebrough said "Many of our students come from a disadvantaged background and are missing the last piece in our school dress code because they can't afford a belt."

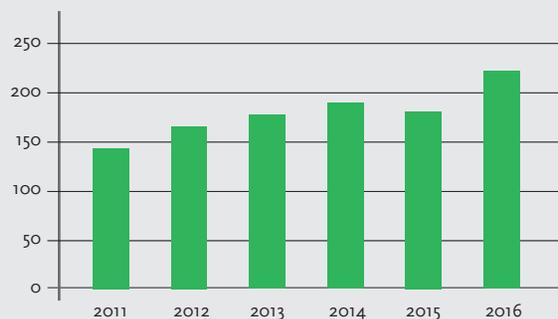
Eric got right on it. He worked with the National Life Group Foundation to secure a grant to the school that could be used to purchase belts for all of the students at Snively Elementary. As his relationship with the school and its employees strengthened further, he discovered all of the other ways that Ms. Rosebrough and her team were doing good including partnering with the community to plant student gardens, building an outdoor science classroom, creating a butterfly garden and instituting various other innovative teaching elements. For leading these efforts, Ms. Rosebrough was nominated for the LifeChanger of the Year award, National Life's prestigious school employee recognition program.

Diane Rosebrough and Eric Owens are great examples of how two people working together can leave their piece of the world a little bit better than how they found it.



**Above:** An elementary school student at Snively shows off her new belt.

**Total Annuity Sales  
in Millions**



**Annuity Submitted Applications  
in Thousands**



**Opposite:** Eric Owens presents the LifeChanger of the Year nomination certificate to Diane Rosebrough during a National Life Do Good Tour stop in which the company and its agents pop up to celebrate the good that happens in our communities.

Do good. Be good. Make good.



## Doing Good Like Never Before

**At National Life, our values of** do good, be good, and make good are core to all we do. These values are at the heart of the products we offer, but they are also evident in so much more.

In 2016, we blew the doors off of the time our employees spent volunteering in our communities. They logged in 5374 hours of paid volunteer time during company hours, an increase of more than 22% from 2015. They pitched in the help pack boxes of food at the Foodbank, build houses for Habitat for Humanity, serve on boards of nonprofits, and much more.

Our team members also did good through our Community Giving Campaign, the program in which we encourage them to donate to nonprofits through payroll deduction. In 2015, they donated almost \$88,000. In 2016 they donated \$148,000. After the National Life Group Foundation matched it, we collectively gave almost \$300,000 to qualified organizations.

Speaking of our Foundation, we not only gave more grants than ever but we also received board approval to give \$1,000,000 away in 2017. We're excited to help many organizations do even more good for those they serve.

In July, we held our third annual Do Good Fest to a record crowd of 5,200 who came to our Vermont campus to enjoy national and local musicians, savor food from local food trucks and learn about more than 25 organizations in the nonprofit village. Plus we raised \$30,000 for the cancer patient fund at the National Life Cancer Treatment Center.

Last but not least we recognized 629 school employees through our LifeChanger of the Year program. We received nominations from all 50 states and awarded Shane Thill from the Second Chance Academy in South Dakota our grand prize.

After winning, Shane shared, "There is something precious about the moment when the student sees hope for the first time in their life. To me, it's like a little leaguer hitting a home run for the first time. I can see the darkness of despair and hopelessness disappear, and a breakthrough so large that they can't help but smile...There is no better feeling."

**Left:** Shane Thill, LifeChanger of the Year Grand Prize Winner



**Above:** We had 25 organizations fill our nonprofit village at the Do Good Fest, including Vermont Horse Assisted Therapy, which brought two of its horses to meet Fest attendees.

**Opposite:** Crowds enjoy the Do Good Fest on our back lawn in Montpelier, Vermont.

*Dear National Life,  
Because of you and your colleagues at National Life and the support you provided to the 2016 Walk for Wishes, we can make wishes happen for kids all over Vermont. Your commitment to Do Good. Be Good. Make Good. shines through in your support, and we are proud to have NLG as a sponsor.*

*On behalf of the Board of Directors, a heartfelt  
"thank you!"*

*- Peter Young*





**CONSOLIDATED BALANCE SHEETS**

As of December 31,

in thousands

<b>Assets:</b>	<b>2016</b>	<b>2015</b>
Cash and investments:		
Available-for-sale debt securities	\$ 18,165,166	\$ 17,111,699
Available-for-sale equity securities	60,142	60,916
Trading equity securities	14,764	14,505
Mortgage loans	3,205,842	2,686,711
Policy loans	838,541	823,456
Real estate investments	31,354	44,667
Derivatives	824,214	299,941
Other invested assets	853,171	631,439
Short term investments	202,424	244,043
Cash and restricted cash	244,500	141,168
Total cash and investments	24,440,118	22,058,545
Deferred policy acquisition costs	1,512,211	1,295,231
Accrued investment income	208,048	199,025
Premiums and fees receivable	19,449	19,685
Amounts recoverable from reinsurers	147,489	135,208
Present value of future profits of insurance acquired	6,642	9,751
Property and equipment, net	186,268	169,978
Corporate owned life insurance	273,706	268,115
Other assets	132,290	120,549
Separate account assets	733,099	714,621
<b>Total assets</b>	<b>\$ 27,659,320</b>	<b>\$ 24,990,708</b>
<b>Liabilities:</b>		
Policy liabilities:		
Policy benefit liabilities	\$ 4,408,994	\$ 4,509,427
Policyholder account liabilities	17,679,354	15,760,710
Policyholders' deposits	89,115	85,591
Policy claims payable	100,487	61,567
Policyholders' dividends	145,147	154,114
Total policy liabilities	22,423,097	20,571,409
Amounts payable to reinsurers	25,891	26,305
Derivatives	489,398	139,507
Other liabilities and accrued expenses	543,880	438,724
Pension and other post-retirement benefit obligations	202,152	225,680
Deferred income taxes	231,439	150,541
Federal income tax payable	18,201	576
Debt	453,610	453,362
Separate account liabilities	733,099	714,621
<b>Total liabilities</b>	<b>\$ 25,120,767</b>	<b>\$ 22,720,725</b>
<b>Stockholder's Equity:</b>		
Class A common stock, 2,000 shares authorized, no shares issued and outstanding	\$ -	\$ -
Class B common stock, par value of \$0.01, 1,001 shares authorized, 100 shares issued and outstanding	-	-
Preferred stock, 500 shares authorized, no shares issued and outstanding	-	-
Retained earnings	2,399,476	2,243,408
Accumulated other comprehensive income	139,077	26,575
<b>Total stockholder's equity</b>	<b>\$ 2,538,553</b>	<b>2,269,983</b>
<b>Total liabilities and stockholder's equity</b>	<b>\$ 27,659,320</b>	<b>24,990,708</b>

## CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31,

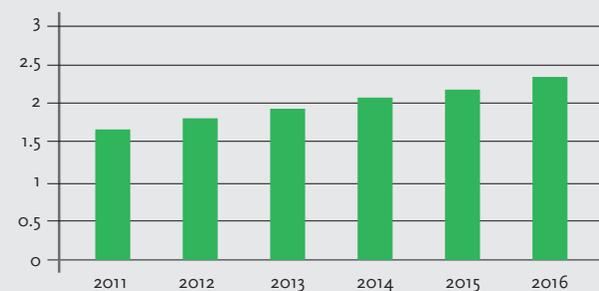
in thousands

	2016	2015
<b>Revenues:</b>		
Insurance premiums	\$ 218,435	\$ 227,547
Policy and contract charges	503,559	445,899
Mutual fund commissions and fee income	92,351	100,826
Net investment income	1,154,842	925,208
Net realized investment (losses) gains	(7,460)	(8,581)
Change in value of trading equity securities	425	(1,130)
Other income	26,678	16,661
<b>Total revenues</b>	<b>1,988,830</b>	<b>1,706,430</b>
<b>Benefits and Expenses:</b>		
Decrease in policy liabilities	(72,264)	(1,720)
Policy benefits	533,071	440,896
Policyholders' dividends and dividend obligations	58,089	64,289
Interest credited to policyholder account liabilities	679,079	427,754
Operating expenses	302,128	274,790
Interest expense	39,305	40,149
Policy acquisition expenses and amortization of present value of future profits, net	232,354	309,024
<b>Total benefits and expenses</b>	<b>1,771,762</b>	<b>1,555,182</b>
<b>Income before income taxes</b>	<b>217,068</b>	<b>151,248</b>
Income tax expense	61,000	41,944
<b>Net income</b>	<b>\$ 156,068</b>	<b>\$ 109,304</b>

**Assets Under Management  
in Billions**



**Retained Earnings  
in Millions**



## A Year of Transitions

As with any family, we have members who come and go. 2016 was no different. We wished Ruth Smith, our former Executive Vice President of the Customer Innovation Group, the best as she retired from the company. Ruth was a trailblazer for National Life, helping grow our independent and career distribution channels and oversee life insurance and annuity products that helped provide peace of mind to our policyowners. We owe her a sincere and heartfelt thank you.

In 2016, we welcomed two new board members, Kim Goodman and Carol Carlson, to the board. We also thanked long-standing board member Miles Prentice for his dedication to National Life's mission and wished him well as he entered retirement.



*Executive Management Team members, from left to right standing: Thomas Brownell, Thomas Anfusio, Sean Woodroffe, Chris Graff, Gregory Woodworth, Robert Cotton. Seated: Mehran Assadi and Ruth Smith.*

## Board of Directors

### **Thomas H. MacLeay**

Chairman  
National Life Group  
Montpelier, Vermont

### **Mehran Assadi**

President & Chief Executive Officer  
National Life Group  
Montpelier, Vermont

### **David R. Coates**

Retired Partner, KPMG  
Colchester, Vermont

### **James H. Douglas**

Former Governor of Vermont  
Middlebury, Vermont

### **Bruce M. Lisman**

Retired, JP Morgan Chase  
New York, New York

### **V. Louise McCarren**

Former Chief Executive Officer  
Western Electricity Coordinating Council  
Salt Lake City, Utah

### **Roger B. Porter**

IBM Professor of Business & Government  
Harvard University  
Cambridge, Massachusetts

### **Harris H. Simmons**

Chairman, Chief Executive Officer & President  
Zions Bancorporation & Chairman  
Zions First National Bank  
Salt Lake City, Utah

### **Carol Carlson**

Retired Partner, Ernst & Young, LLP  
Needham, Massachusetts

### **Kim Crawford Goodman**

Former President  
American Express Global Business Travel  
Miami, Florida



*Left to right: James Douglas, Kim Goodman, Roger Porter, Carol Carlson, Mehran Assadi, Thomas MacLeay, Louise McCarren, David Coates, and Harris Simmons. Missing from the photo is Bruce Lisman.*



▲ Our internship program draws hundreds of students every year who apply for roughly 40 coveted positions with our company over the summer. **They earn credit, a paycheck, and experience** we hope they'll benefit from as they enter the workforce. In some cases, they even graduate and return to work for us!

▼ You never know where you'll find good! While on vacation in Maine, our team member Chris Manning stumbled upon this rock that was painted with our values.



# Doing Good.

► In early 2016, National Life Group team members participated in an event called Dear World, created by Robert Fogarty, in which photographers took their portraits after a **meaningful, personal message** was written on their skin. The experience encouraged teammates to share with one another the tragedies, triumphs, inspirations, and stories behind their messages, beautifully reflecting those who work at National Life. It also was a step in the **company's cultural journey** that began more than five years ago, making the company a sought-after place to work for and with.



**Above:** Mehran Assadi writes Kara Leclerc's message to the world.  
**Left:** John Landy shares his message.



◀ We're proud of our wellness programs. The company has on-site gyms at both campuses in Montpelier and Dallas. We offer classes from yoga to spinning, how to raise your teenager to how to manage your finances. Plus we encourage employees to participate in activities like the Corporate Cup, a 5k run/walk held in downtown Montpelier every spring. **This year we had over 300 team members take part!**



Doing Good.

This annual report summary of National Life Group includes the consolidated results of NLV Financial Corporation and Subsidiaries, including Life Insurance Company of the Southwest, National Life Insurance Company, Sentinel Investments, and Equity Services, Inc. To obtain a full version of the audited financial statements of NLV Financial Corporation and Subsidiaries, please send an e-mail to [orderforms@nationallife.com](mailto:orderforms@nationallife.com) or call our toll free number at (800) 732-8939. You can also visit our website and download a pdf version online at [www.nationallife.com](http://www.nationallife.com).

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