Investor Select
Variable Universal Life Insurance
P R O S P E C T U S
Dated May 1, 2018

National Life Insurance Company
National Variable Life Insurance Account

Home Office: One National Life Drive,
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This prospectus describes the Investor Select policy, an individual variable universal life insurance policy ("Policy") offered by National Life Insurance Company ("National Life", "we", "our", "us"). **This policy is not available to new purchasers.** This Policy combines insurance and investment features. The Policy's primary purpose is to provide insurance protection on the life of the insured person. You can make premium payments at various times and in various amounts. You can also allocate premiums among a number of portfolios with different investment objectives, and you can increase or decrease the Death Benefit payable under your Policy.

You may allocate premium payments to the National Variable Life Insurance Account, a Separate Account of National Life, or to the General Account, or a combination of the two. The General Account pays interest at a guaranteed rate of at least 3%. The Separate Account is divided into several subaccounts. Each subaccount buys shares of a specific portfolio. The available portfolios are:

Fred Alger Management, Inc.	**AllianceBernstein L.P.**	**American Century Investment Management, Inc.**
The Alger Portfolios Large Cap Growth Capital Appreciation Small Cap Growth	AB Variable Products Series Fund, Inc. International Growth International Value Small/Mid Cap Value Value	American Century Variable Portfolios, Inc. VP Value VP Inflation Protection

Deutsche Investment Management Americas Inc.	**Fidelity Management & Research Company**	**Franklin Templeton Investments**
Deutsche Investments VIT Funds Small Cap Index VIP Deutsche Variable Series II Small Mid Cap Value VIP	Fidelity® Variable Insurance Products VIP Equity-Income VIP Growth VIP High Income VIP Overseas VIP Contrafund® VIP Index 500 VIP Mid Cap VIP Value Strategies VIP Investment Grade Bond VIP Government Money Market	Franklin Templeton Variable Insurance Products Trust Franklin Global Discovery VIP Franklin Mutual Shares VIP Franklin Small Cap Value VIP Franklin Small-Mid Cap Growth VIP Templeton Foreign VIP Franklin U.S. Government VIP

Neuberger Berman Investment Advisers, LLC	**OppenheimerFunds, Inc.**	**Touchstone Advisors, Inc.**
Neuberger Berman Advisers Mgmt. Trust Large Cap Value MidCap Growth Short Duration Bond Sustainable Equity	Oppenheimer Variable Account Funds Conservative Balanced/VA Main Street Small Cap/VA Global Strategic Income /VA	Touchstone Variable Strategic Trust TVST Balanced TVST Bond TVST Common Stock TVST Small Company

T. Rowe Price Associates, Inc.	**Van Eck Associates Corporation**
T. Rowe Price Equity Series, Inc. Blue Chip Growth Equity Income Health Sciences Personal Strategy Balanced	**VanEck VIP Trust** Emerging Markets Global Hard Assets Unconstrained Emerging Markets Bond

The value of your Policy will depend upon the investment results of the portfolios you select. The Policy's value and Death Benefit will fluctuate based on the investment results of the chosen portfolios, the crediting of interest to the

General Account, and the deduction of charges. You bear the entire investment risk for all amounts allocated to the Separate Account. There is no guaranteed minimum value for any of the portfolios. We do not guarantee any minimum Policy value. You could lose some or all of your money. Prior to making any investment decisions, you should carefully review this product prospectus and all applicable supplements. In addition, you should review the prospectuses and supplements for the underlying portfolios that we make available as investment options under the Policies. They are available without charge by contacting the Home Office, at the address and phone number listed above. You should keep all prospectuses and supplements for future reference.

An investment in the Policy is not a bank deposit. Neither the U.S. government nor any governmental agency insures or guarantees your investment in the Policy.

It may not be advantageous to purchase a policy as a replacement for another type of life insurance or as a means to obtain additional insurance protection if you already own another variable universal life insurance policy. It also may not be advantageous for you to finance the purchase of this Policy through use of a loan or through making withdrawals from another policy that you already own.

The Securities and Exchange Commission ("SEC") has not approved or disapproved the Policy or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

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The Policy may not be available in all states and its terms may vary by state. This prospectus does not offer the Policy in any state in which we may not legally offer the Policy. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information that is different.

The primary purpose of this variable life insurance Policy is to provide insurance protection. We do not claim that the Policy is in any way similar or comparable to an investment in a mutual fund.

SUMMARY OF THE BENEFITS AND RISKS OF THE POLICY

This policy is not available to new purchasers.

This summary provides you with a brief overview of the benefits and risks associated with the Policy. You should read the entire prospectus before purchasing the Policy. Important details regarding the Policy are contained in other sections of this prospectus and in the Statement of Additional Information ("SAI"). Please consult your agent and refer to your Policy for details. For your convenience, we have defined the capitalized terms we use in the Glossary at the end of the prospectus.

<u>Summary of Principal Policy Benefits</u>

Life Insurance Protection. The Policy provides a means for an Owner to accumulate life insurance on the life of a specified Insured. Proceeds under the Policy can generally pass free of federal and state income tax at the death of an Insured.

As long as your Policy remains in force, we will pay the Death Benefit to your Beneficiary when we receive due proof of the death of the Insured. We will increase the Death Benefit by any additional benefits provided by a supplementary benefit rider. We will reduce the Death Benefit by any outstanding Policy loans and accrued interest and any unpaid Monthly Deductions.

Death Benefit Option A and Option B. We offer two Death Benefit options, which we call Option A and Option B. You may choose which option to apply to your Policy.

If you choose Option A, the Death Benefit will be based on the greater of:

- Face Amount; or
- the Accumulated Value multiplied by a factor specified by federal income tax law.

If you choose Option B, the Death Benefit will be based on the greater of:

- the Face Amount plus the Accumulated Value; or
- the Accumulated Value multiplied by the same factor that applies to Option A.

After a year, you may adjust the Death Benefit by changing the Death Benefit option or by increasing or decreasing the Face Amount of your Policy. See “Death Benefit.”

In addition, **for Policies issued before September 9, 2011**, accelerated care and chronic care protection riders were available if they were elected at Policy issue. The accelerated care rider provides periodic partial prepayments of the Death Benefit if the Insured becomes chronically ill, and the chronic care protection rider continues to pay benefits after the entire Death Benefit under the Policy has been prepaid under the accelerated care rider. There is an additional cost for the accelerated care rider and the chronic care protection rider.

- You may add additional insurance and other benefits to your Policy by rider. Please see “Optional Benefits”, below, for a description of the other optional benefits that we offer.

- You may receive personalized illustrations in connection with the purchase of this Policy that reflect your own particular circumstances. These hypothetical illustrations may help you to understand the long-term effects of different levels of investment performance, the possibility of lapse, and the charges and deductions under the Policy. They may also help you to compare this Policy to other life insurance policies. The personalized illustrations are based on hypothetical rates of return and are not a representation or guarantee of investment returns or cash value.

- In order to meet the definition of life insurance under the Internal Revenue Code of 1986, as amended (the “Code”), section 7702 of the Code defines two alternative testing procedures. These are the guideline premium test (“GPT”) and the cash value accumulation test (“CVAT”). We will apply the GPT test to the Policy unless your Policy will be classified under federal tax law as a modified endowment contract (“Modified Endowment Contract”) at issue and you elect to have the CVAT applied.

Cash Benefits. After a year, you may borrow against your Policy. The maximum amount of all loans is the Cash Surrender Value less three times the Monthly Deduction for the most recent Monthly Policy Date unless state law requirements differ. When you take a loan we will transfer an amount equal to the loan to our General Account as Collateral. We charge interest on the loan, and we credit interest on Collateral. Loans may have adverse tax consequences. When the Death Benefit becomes payable or the Policy is surrendered, we will deduct Policy loans and accrued interest from the proceeds otherwise payable.
After a year, you may request a Withdrawal of Cash Surrender Value. However:

- You must withdraw at least $500.
- You cannot withdraw more than the Cash Surrender Value on the date we receive your request minus three times the Monthly Deduction for the most recent Monthly Policy Date.
- You can only withdraw Accumulated Value from the General Account after you have withdrawn all Accumulated Value from the Separate Account.
- We may deduct a Withdrawal charge from each Withdrawal. Withdrawals may have tax consequences.
- If Option A is in effect at the time of the Withdrawal, then the Face Amount will be reduced by the amount of the Withdrawal. The Withdrawal will not be permitted if it would reduce the Face Amount below the Minimum Face Amount.
- A Withdrawal will not be permitted if it would cause the Policy to no longer qualify as life insurance for federal income tax purposes under the Internal Revenue Code.

You may surrender your Policy at any time and receive the Cash Surrender Value, if any. The Cash Surrender Value will equal the Accumulated Value less any Policy loan with accrued interest and any Surrender Charge.

Tax Benefits. Assuming the Policy qualifies as a life insurance contract for federal income tax purposes, you should not be deemed to be in constructive receipt of the Policy's value until there is a distribution from the Policy. Moreover, Death Benefits payable under a Policy should be excludable from the gross income of the Beneficiary. As a result, your Beneficiary generally should not have to pay U.S. federal income tax on the Death Benefit, although other taxes, such as estate taxes may apply.

Variety of Investment Options. You may allocate Net Premiums among the subaccounts of the Separate Account and the General Account. The subaccounts in the Separate Account invest in a wide variety of portfolios that cover a broad spectrum of investment objectives and risk tolerances.

We will credit interest at an effective annual rate of at least 3% on amounts invested in the General Account.

As your needs or financial goals change, you can change your investment mix. You may make transfers among the Separate Account and the General Account. Currently, you may make an unlimited number of such transfers within the subaccounts of the Separate Account and from the Separate Account to the General Account, without charge. You may not make transfers out of the General Account that exceed the greater of: (a) 25% of the non-loaned Accumulated Value in such account at the time of transfer; or (b) $5,000. We allow only one such transfer out of the General Account in any Policy Year.

Summary of the Principal Risks of Purchasing a Policy

Investment Risk. We cannot give any assurance that any portfolio will achieve its investment objectives. You bear the entire investment risk on the value of your Policy you allocate to the Separate Account. In addition, we deduct Policy fees and charges from your Accumulated Value, which can significantly reduce your Accumulated Value. During times of poor performance, these deductions will have an even greater impact on your Accumulated Value. You could lose everything you invest, and your Policy could lapse without value, unless you pay additional premium prior to the lapse. Please note that frequent, large, or short-term transfers among subaccounts, such as those associated with "market timing" transactions, can adversely affect the portfolios and the returns achieved by Owners. Such transfers may dilute the value of portfolio shares, interfere with the efficient management of the portfolios, and increase brokerage and administrative costs of the portfolios. To protect Owners and portfolios from such effects, we have developed market timing procedures. See "Disruptive Trading" below.

If you allocate premiums to the General Account, we credit your Accumulated Value in the General Account with a declared rate of interest. You assume the risk that the rate may decrease, although it will never be lower than a guaranteed minimum effective annual rate of 3%.

Risk of Lapse. If on any Monthly Policy Date the Cash Surrender Value is insufficient to cover the Monthly Deductions and any other charges under the Policy, the Policy will enter a 61-day Grace Period. This could happen for a number of reasons, including: (1) if the investment returns on your chosen investment portfolios are lower than anticipated; (2) if you do not pay premiums at the levels you planned; or (3) if you take Policy loans.

The Policy will enter a 61- day Grace Period, unless:

1. the Policy is within the Policy Protection Period (the first five Policy Years); and
2. the Accumulated Value less any debt is greater than the Monthly Deduction due; and
3. the cumulative premiums paid since the Policy's Date of Issue, less any Withdrawals and less any debt are greater than or equal to the cumulative Minimum Monthly Premiums due since the Policy's Date of Issue.

Another situation in which your Policy will not lapse is if you elect and exercise the overloan protection rider, subject to certain conditions.

Tax Risks. We anticipate that a Policy issued on the basis of a standard Rate Class should generally be deemed a life insurance contract under federal tax law. However, due to limited guidance under the federal tax law, there is some uncertainty about the application of the federal tax law to Policies issued on a substandard basis (i.e., a Rate Class involving higher than standard mortality risk) and such a Policy may not satisfy the applicable requirements in all circumstances, particularly if you pay the full amount of premiums permitted under the Policy.

Depending on the total amount of premiums you pay, the Policy may be classified as a Modified Endowment Contract under federal tax laws. If a Policy is classified as a Modified Endowment Contract, then surrenders, Withdrawals, and loans under the Policy will be taxable as ordinary income to the extent there are earnings in the Policy. In addition, a 10% penalty tax may be imposed on surrenders, Withdrawals and loans taken before you attain age 59½. If a Policy is not a Modified Endowment Contract, distributions generally will be treated first as a return of basis or investment in the contract and then as taxable income. Moreover, loans may generally not be treated as distributions, although this is not clear. Finally, neither distributions nor loans from a Policy that is not a Modified Endowment Contract are subject to the 10% penalty tax. See "Modified Endowment Contracts" below for additional information.

The tax treatment of the overloan protection rider that may be purchased with this Policy is uncertain. In particular, it is not clear whether the overloan protection rider will be effective to prevent taxation of the outstanding loan balance as a distribution when the overloan protection rider causes the Policy to convert to a fixed policy. Anyone contemplating the purchase of the Policy with the overloan protection rider should consult a tax adviser.

See "Federal Tax Considerations," below. You should consult a qualified tax adviser for assistance in all Policy-related tax matters.

Withdrawal and Surrender Risks. The Surrender Charge under the Policy applies for 10 Policy Years after the Policy is issued. An additional Surrender Charge will apply for 10 years from the date of any increase in the Face Amount. It is possible that you will receive no net Cash Surrender Value if you surrender your Policy in the first few Policy Years. You should purchase the Policy only if you have the financial ability to keep it in force for a substantial period of time. You should not purchase the Policy if you intend to surrender all or part of the Policy's value in the near future. We designed the Policy to meet long-term financial goals. The Policy is not suitable as a short-term investment.

Even if you do not ask to surrender your Policy, Surrender Charges may play a role in determining whether your Policy will lapse (or terminate without value), because Surrender Charges decrease the Cash Surrender Value, which is a measure we use to determine whether your Policy will enter a Grace Period (and possibly lapse).

Withdrawals are not permitted in the first Policy Year, and we will reduce the Face Amount by the amount of a Withdrawal if Option A is in effect. A surrender or Withdrawal may have tax consequences.

Loan Risks. A Policy loan, whether or not repaid, will affect the Accumulated Value over time because we subtract the amount of the loan from the subaccounts of the Separate Account and/or the General Account as Collateral, and this Collateral does not participate in the investment performance of the subaccounts of the Separate Account, or receive any higher interest rate that may be credited to the General Account.

We reduce the amount we pay on the Insured's death by the amount of any indebtedness. Your Policy may lapse if your indebtedness reduces the Cash Surrender Value to zero.

A loan may have tax consequences. In addition, if you surrender your Policy or allow it to lapse while a Policy loan is outstanding, the amount of the loan will be added to any amount you receive and taxed accordingly.

Portfolio Company Risks. A comprehensive discussion of the risks of each portfolio may be found in the prospectus for such portfolio. Please refer to the portfolios' prospectuses for more information. There is no assurance that any portfolio will achieve its stated investment objective.

Fee Tables

The following tables describe the fees and expenses that you will pay when buying, owning, and surrendering the Policy. These charges may not be typical of the charges you will pay.

The first table describes the fees and expenses that you will pay at the time you buy the Policy, surrender the Policy, take a Withdrawal from the Policy, pay Policy premiums or transfer Accumulated Value under the Policy among the subaccounts of the Separate Account and the General Account.

Transaction Fees

Charge	**When Charge is Deducted**	**Amount Deducted - Maximum Guaranteed Charge**	**Amount Deducted - Current Charge**
Percent of Premium Expense Charge	Upon receipt of each premium payment	6% of each premium payment	6% of each premium payment
Surrender Charge	Upon surrender or lapse of the Policy during the first 10 Policy Years or following an increase in Face Amount		
Surrender Charge Maximum and Minimum Charge(1)		\$54.38 to \$1.35 per \$1,000 of initial or increased Face Amount	\$54.38 to \$1.35 per \$1,000 of initial or increased Face Amount
Surrender Charge for a — 45 year old male nonsmoker, first Policy Year		\$30.02 per \$1,000 of Face Amount	\$30.02 per \$1,000 of Face Amount
Withdrawal Fees	Upon making a Withdrawal	\$25	None
Transfer Fees(2)	Upon transfer after the 12th transfer in a Policy Year	\$25	None
Loan Interest Spread	At the end of each Policy Year, or upon death, surrender, or lapse, if earlier	2% of amount held as Collateral	0% of amount held as Collateral
Projection Report Charge(3)	When report requested after the initial report	\$25	None

(1) The maximum charge of \$54.38 is based on Insured with the following characteristics: female smoker age 61 in Policy Year 1. The minimum charge \$1.35 is for a female nonsmoker issue age 0 Policy Year 10. In New York the maximum is \$44.49 for a female nonsmoker age 64. The New York minimum charge becomes 0 before year ten for a number of ages, mostly older ages, and smokers. In Pennsylvania the maximum is \$53.53 for a female smoker age 63 and the minimum is \$1.12 for a female nonsmoker issue age 0 Policy Year 10.
(2) We reserve the right to pass through any charges assessed by a portfolio manager with respect to transfer frequency.
(3) This charge is not currently deducted. Please see your Policy for additional information.

The next table describes the fees and expenses that you will pay periodically during the time you own the Policy, not including portfolio fees and expenses.

Periodic Charges Other Than Portfolio Operating Expenses

Charge	**When Charge is Deducted**	**Amount Deducted - Maximum Guaranteed Charge**	**Amount Deducted - Current Charge**
Cost of Insurance:(1)	On the Date of Issue of the Policy and on each Monthly Policy Date until the Insured reaches Attained Age 121		
Maximum and Minimum Charge(2)		\$90.91 to \$0.02 per \$1,000 of Net Amount at Risk	\$28.30 to \$0.01 per \$1,000 of Net Amount at Risk
Charge for a 45 year old male nonsmoker in the standard underwriting class, Policy Year 1		\$0.19 per \$1,000 of Net Amount at Risk	\$0.03 per \$1,000 of Net Amount at Risk

Monthly Policy Fee:	On the Date of Issue of the Policy and on each Monthly Policy Date until the Insured reaches Attained Age 121	$7.50	$7.50
Monthly Account Value Charge:	On the Date of Issue of the Policy and on each Monthly Policy Date	0.04% of Accumulated Value	none
Monthly Expense Charge:(3)	On the Date of Issue of the Policy and on each Monthly Policy Date during the first 10 Policy Years, and for 10 years, following an increase in Face Amount		
Maximum and Minimum Charge		$2.81 to $0.08 per $1,000 of Face Amount	$2.81 to $0.08 per $1,000 of Face Amount
Charge for a 45 year old male nonsmoker in the standard underwriting class, Face Amount between $250,000 and $999,999		$0.30 per $1,000 of Face Amount	$0.30 per $1,000 of Face Amount

The charges listed below pertain to optional riders and are in addition to the charges described in the previous table.

Charge	**When Charge is Deducted**	**Amount Deducted - Maximum Guaranteed Charge**	**Amount Deducted - Current Charge**
Waiver of Monthly Deductions Rider:(4),(5)	On the Date of Issue of the Policy and on each Monthly Policy Date thereafter until the Insured reaches Attained Age 65		
Maximum and Minimum Charge		$0.27 to $0.05 multiplied by the Monthly Deduction(16)	$0.27 to $0.05 multiplied by the Monthly Deduction (16)
Charge for a 45 year old male, Policy Year 1		$0.08 multiplied by the Monthly Deduction(16)	$0.08 multiplied by the Monthly Deduction (16)
Accidental Death Benefit Rider:(4),(6)	On the Date of Issue of the Policy and on each Monthly Policy Date thereafter until the Insured reaches Attained Age 70		
Maximum and Minimum Charge		$0.18 to $0.02 per $1,000 of Accidental Death Benefit	$0.18 to $0.02 per $1,000 of Accidental Death Benefit
Charge for a 45 year old male, Policy Year 1		$0.09 per $1,000 of Accidental Death Benefit	$0.09 per $1,000 of Accidental Death Benefit
Guaranteed Insurability Option Rider:(7),(8)	On the Date of Issue of the Policy and on each Monthly Policy Date thereafter until the Insured reaches Attained Age 40		
Maximum and Minimum Charge		$0.16 to $0.02 multiplied by the option amount	$0.16 to $0.02 multiplied by the option amount
Charge for a 35 year old male (not available for ages 40 and over)		$0.15 multiplied by the option amount	$0.15 multiplied by the option amount
Accelerated Care Rider:(7),(9)	On the Date of Issue of the Policy and on each Monthly Policy Date until the Insured reaches Attained Age 121		

Maximum and Minimum Charge		\$4.32 to \$0.03 per \$1,000 of Net Amount at Risk, plus from \$0.92 to \$0.0007 per dollar of Monthly Deduction	\$1.98 to \$0.01 per \$1,000 of Net Amount at Risk, plus from \$0.63 to \$0.0003 per dollar of Monthly Deduction
Charge for a 45 year old male, accelerated care rider with a 1% benefit limit with the inflation protection option, Policy Year 1		\$0.14 per \$1,000 of Net Amount at Risk, plus \$0.004 per dollar of Monthly Deduction [16]	\$0.06 per \$1,000 of Net Amount at Risk per month, plus \$0.002 per dollar of Monthly Deduction[16]
Chronic Care Protection Rider:[7],[10]	On the Date of Issue of the Policy and on each Monthly Policy Date until the Insured reaches Attained Age 121		
Maximum and Minimum Charge		\$4.34 to \$0.01 per \$1,000 of rider Face Amount	\$4.34 to \$0.01 per \$1,000 of rider Face Amount
Charge for a 45 year old male, chronic care protection rider with a 1% benefit limit with the inflation protection option and without the nonforfeiture benefit option		\$0.18 per \$1,000 of rider Face Amount	\$0.18 per \$1,000 of rider Face Amount
Balance Sheet Benefit Rider:[11],[12]	On the Date of Issue of the Policy and on each Monthly Policy Date during the first ten Policy Years and during the first ten Policy Years following an increase in Face Amount		
Maximum and Minimum Charge		\$0.12 to \$0.02 per \$1,000 of Face Amount	\$0.12 to \$0.02 per \$1,000 of Face Amount
Charge for a 45 year old male nonsmoker in the preferred underwriting class, Face Amount between \$250,000 and \$999,999		\$0.08 per \$1,000 of Face Amount	\$0.08 per \$1,000 of Face Amount
Children's Term Rider:	On the Date of Issue of the Policy and on each Monthly Policy Date until the Policy Anniversary following the last covered dependent child's 23rd birthday		
Charge		\$0.46 per \$1,000 of rider Face Amount	\$0.46 per \$1,000 of rider Face Amount

Charge	When Charge is Deducted	Amount Deducted - Maximum Guaranteed Charge	Amount Deducted - Current Charge
Other Insured Rider[11],[13]:	On the Date of Issue of the Policy and on each Monthly Policy Date until the youngest covered other Insured reaches Attained Age 100		

Maximum and Minimum Charge		$38.71 to $0.01 per $1,000 of rider Face Amount	$38.71 to $0.01 per $1,000 of rider Face Amount
Charge for a 45 year old male nonsmoker in the preferred underwriting class, Policy Year 1		$0.25 per $1,000 of rider Face Amount	$0.03 per $1,000 of rider Face Amount
Waiver of Specified Premium Rider:(14)	On the Date of Issue of the Policy and on each Monthly Policy Date thereafter until the Insured reaches Attained Age 65		
Maximum and Minimum Charge		$0.07 to $0.03 per dollar of waiver benefit	$0.07 to $0.03 per dollar of waiver benefit
Charge for a 45 year old male		$0.04 per dollar of waiver benefit	$0.04 per dollar of waiver benefit
Overloan Protection Rider:(11),(15)	At the time of exercise		
Maximum and Minimum Charge Charge for a male, nonsmoker who exercises this rider at attained age 75		4.20% to 0.87% of Accumulated Value 3.31% of Accumulated Value	4.20% to 0.87% of Accumulated Value

(1) Cost of insurance charges vary based on factors including, the Insured's Issue Age, sex, Rate Class, and the Policy's Net Amount at Risk and Duration. The Net Amount at Risk is the amount by which the Unadjusted Death Benefit divided by 1.00246627 exceeds the Accumulated Value. The cost of insurance charges shown in the table may not be typical of what you will pay. Your Policy's data pages will indicate the guaranteed cost of insurance charges applicable to your Policy. National Life and/or your agent will provide more detailed information concerning your charges at your request.
(2) The current minimum charge is based on an Insured with the following characteristics: Issue Age 25, female, elite preferred nonsmoker, Policy Year 1; the guaranteed minimum charge is based on an Insured with the following characteristics: Issue Ages 0-10, female, nonsmoker, the Policy Years in which Attained Age 10 is reached; the guaranteed maximum charge is based on an Insured with the following characteristics: all Issue Ages, both sexes, all underwriting classes, the Policy Year in which Attained Age 120 is reached; and the current maximum charge is based on an Insured with the following characteristics: all Issue Ages, both sexes, all underwriting classes, the Policy Year in which Attained Age 120 is reached.
(3) The Monthly Expense Charge rate varies based on the Issue Age, sex, and Rate Class of the Insured and the Face Amount of the Policy at Issue. The Monthly Expense Charge is computed as the product of the original Face Amount of the Policy and the appropriate Monthly Expense Charge rate. A separate Monthly Expense Charge will apply to each increase in Face Amount. The current minimum charge and guaranteed minimum charge is based on an Insured with the following characteristics: Issue Age 0, female, nonsmoker; the current maximum charge and guaranteed maximum charge is based on an Insured with the following characteristics: Issue Age 85, male, smoker. The Monthly Expense Charge shown in the table may not be typical of what you will pay. Your Policy's data pages will indicate the guaranteed Monthly Expense Charge applicable to your Policy. National Life and/or your agent will provide more detailed information concerning your charges at your request.
(4) The waiver of monthly deduction rider and the accidental death benefit rider vary based on Attained age and sex. The charges shown in the table may not be typical of what you will pay. Your Policy's data pages will indicate the guaranteed charges applicable to your Policy. National Life and/or your agent will provide more detailed information concerning your charges at your request.
(5) The current maximum charge and the guaranteed maximum charge are based on a female Insured with an Attained Age of 59; the current minimum charge and the guaranteed minimum charge are based on a male Insured with an Attained Age of 63.
(6) The current maximum charge and the guaranteed maximum charge are based on a male Insured with an Attained Age of 69; the current minimum charge and the guaranteed minimum charge are based on a female Insured with an Attained Age of 11.
(7) The guaranteed insurability option rider, the accelerated care rider, and the chronic care protection rider vary based on Issue Age and sex. The charges shown in the table may not be typical of what you will pay. Your Policy's data pages will indicate the guaranteed charges applicable to your Policy. National Life and/or your agent will provide more detailed information concerning your charges at your request.
(8) The current maximum charge and the guaranteed maximum charge are based on a male Insured with an Issue Age of 39; the current minimum charge and the guaranteed minimum charge are based on a female Insured with an Issue Age of 0. National Life and/or your agent will provide more detailed information concerning your charges at your request.
(9) The current maximum charge and the guaranteed maximum charge are based on a female Insured with an Issue Age of 85; the current minimum charge and the guaranteed minimum charge are based on a male Insured with an Issue Age equal to or less than 30. The current maximum charge and the guaranteed maximum charge for the accelerated care rider waiver of premium are based on a female Insured with an Attained Age of 98; the current minimum charge and the guaranteed minimum charge are based on a male Insured with an Attained Age equal to or less than 35. In addition, the Accelerated Care rider was available for policies issued before September 19, 2011 if it was elected at Policy issue.
(10) The current maximum charge and the guaranteed maximum charge are based on a female Insured with an Issue Age of 84; the current minimum charge and the guaranteed minimum charge are based on a male Insured with an Issue Age less than or equal to 31. This rider was available only to Owners of Policies issued before September 19, 2011, who elected the rider at Policy issue.
(11) The balance sheet benefit rider, the other insured rider, and the overloan protection rider vary based on the Insured's Issue Age, sex, and nonsmoker versus smoker rate classification. The charges shown in the table may not be typical of what you will pay. Your Policy's data pages will indicate the guaranteed charges applicable to your Policy. National Life and/or your agent will provide more detailed information concerning your charges at your request.
(12) The current maximum charge and the guaranteed maximum charge are based on a male Insured, Smoker, with an Issue Age greater than or equal to 58; the current minimum charge and the guaranteed minimum charge are based on a female Insured, Nonsmoker, with an Issue Age of 0.

(13) The current maximum charge and the guaranteed maximum charge are based on a male Insured, Standard Smoker, with an Attained Age of 99; the current minimum charge and the guaranteed minimum charge are based on a female Insured, Nonsmoker, with an Issue Age between 20 and 40 in the first Policy Year.
(14) The waiver of specified premium rider varies by the Insured's Issue Age and sex. The current maximum charge and the guaranteed maximum charge are based on a male Insured with an Issue Age greater than or equal to 59; the current minimum charge and the guaranteed minimum charge are based on a male Insured with an Issue Age less than or equal to 34. The charges shown in the table may not be typical of what you will pay. Your Policy's data pages will indicate the guaranteed charges applicable to your Policy. National Life and/or your agent will provide more detailed information concerning your charges at your request.
(15) The maximum exercise charge is for a male smoker Attained Age 90, and the minimum exercise charge is for a female nonsmoker Attained Age 94.
(16) The Monthly Deduction is the amount deducted from the Accumulated Value on each Monthly Policy Date. It includes the Monthly Policy Fee, the cost of insurance charge, the Monthly Expense Charge, the Monthly Account Value Charge, and the monthly cost of any benefits provided by Riders.

In addition to the charges listed above, you may also pay a subaccount tax charge for taxes and amounts set aside as a reserve for taxes in determining the value of a unit value for each of the subaccounts in the event such a tax is levied by a governmental authority on that subaccount in the future. This charge is currently not deducted but if a charge is levied by a governmental authority the charge may be passed on to the Owner.

Underlying Fund Annual Expenses (as a percentage of underlying Fund average net assets)

The following table describes the portfolio fees and expenses that you will pay periodically during the time that you own the Policy. The table shows the minimum and maximum fees and expenses charged by any of the portfolios, or underlying funds, for the year ended December 31, 2017. The expenses of the portfolios may be higher or lower in the future. More details concerning each portfolio's fees and expenses are contained in the prospectus for each portfolio.

	Minimum	Maximum
Total Annual Fund Operating Expenses (expenses that are deducted from fund assets, including management fee, distribution and/or service 12b-1 fees, and other expenses).	0.01	1.57%

The annual expenses as of December 31, 2017 (unless otherwise noted) of each Fund, before any fee waivers or expense reimbursements, are shown below.

Fund	Management Fee	12b-1 Fees	Other Expenses	Acquired Fund Fees	Gross Total Annual Expenses	Waivers, Reimbursements, and Recoupment	Net Total Annual Expenses
Alger							
Capital Appreciation Portfolio - Class O Shares	0.81	-	0.13	-	0.94	-	0.94
Large Cap Growth Portfolio - Class O Shares	0.71	-	0.17	0.02	0.90	0.02[1]	0.88
Small Cap Growth Portfolio - Class O Shares	0.81	-	0.19	-	1.00	-	1.00
AB VPS Fund, Inc.							
International Growth Portfolio - Class A Shares	0.75	-	0.49	-	1.24	-	1.24
International Value Portfolio - Class A Shares	0.75	-	0.11	0.01	0.86	0.01	0.85
Small/Mid Cap Value Portfolio - Class A Shares	0.75	-	0.07	0.01	0.82	0.01	0.81
Value Portfolio - Class A Shares	0.55	-	0.33	-	0.87	-	0.87
American Century VP							
Inflation Protection Fund - Class I	0.46	-	0.01	-	0.47	-	0.47
International Fund - Class I	1.34	-	0.01	-	1.35	0.33	1.02
Value Fund - Class I	0.96	-	0.01	-	0.97	0.19	0.78
Deutsche Variable Series II							
Deutsche Small Mid Cap Value VIP - Class B shares	0.65%	0.25%	0.29%	0.00%	1.19%	0.03%	1.16%
DWS VIT Funds							
Small Cap Index VIP - Class A Shares	0.35%	0.00%	0.16%	0.00%	0.51%	0.10%	0.41%
Fidelity® VIP							
Contrafund® Portfolio - Initial Class	0.54	-	0.08	-	0.62	-	0.62
Equity-Income Portfolio - Initial Class	0.44	-	0.09	0.03	0.56	-	0.56[2]
Growth Portfolio - Initial Class	0.54	-	0.10	-	0.64	-	0.64
High Income Portfolio - Initial Class	0.56	-	0.11	-	0.67	-	0.67
Index 500 Portfolio - Initial Class	0.05	-	0.05	-	0.10	-	0.10

[1] Fred Alger Management, Inc. (the "Manager") has contractually agreed to waive its advisory fee in an amount equal to Acquired Fund Fees and Expenses comprised of advisory fees to the Manager permanently (currently estimated to be .02%). This commitment can only be earlier amended or terminated by agreement of the Fund's Board of Trustees and the Manager, and will terminate automatically in the event of termination of the Investment Advisory Agreement between the Fund and the Manager.

[2] Differs from the ratios of expenses to average net assets in the Financial Highlights section of the applicable prospectus because of acquired fund fees and expenses.

Investment Grade Bond Portfolio - Initial Class	0.31	-	0.10	-	0.41	-	0.41
Mid Cap Portfolio - Initial Class	0.54	-	0.09	-	0.63	-	0.63
Money Market Portfolio - Service Class	0.18	-	0.08	-	0.26	-	0.26
Overseas Portfolio - Initial Class	0.67	-	0.13	-	0.80	-	0.80
Value Strategies Portfolio - Initial Class	0.54	-	0.14	-	0.68	-	0.68
Franklin Templeton[3]							
Foreign VIP Fund - Class 2 shares	0.54	-	0.08	-	0.62	-	0.62
Mutual Global Discovery VIP Fund - Class 1 Shares	0.44	-	0.09	0.03	0.56	-	0.56[4]
Mutual Shares VIP Fund - Class 2 shares	0.54	-	0.10	-	0.64	-	0.64
Small Cap Value VIP Fund - Class 2 shares	0.56	-	0.11	-	0.67	-	0.67
Small-Mid Cap Growth VIP Fund - Class 2 shares	0.05	-	0.05	-	0.10	-	0.10
U.S. Government Securities VIP Fund - Class 1 Shares	0.31	-	0.10	-	0.41	-	0.41
Neuberger Berman AMT	0.54	-	0.09	-	0.63	-	0.63
Mid-Cap Growth Portfolio - I Class	0.18	-	0.08	-	0.26	-	0.26
Large Cap Value - I Class	0.67	-	0.13	-	0.80	-	0.80
Short Duration Bond Portfolio - I Class	0.54	-	0.14	-	0.68	-	0.68
Socially Responsive Portfolio - I Class							
Oppenheimer Variable Accounts Funds							
Conservative Balanced Fund/VA - Service Shares	0.75	0.25	0.21	-	1.21	0.29[5]	0.92
Main Street Small Cap Fund/VA® - Service Shares	0.66	0.25	0.14	-	1.05	-	1.05
Global Strategic Income Fund/VA - Service Shares	0.61	0.25	0.23	0.01	1.10	0.06	1.04
Touchstone Variable Series Trust							
TVST Balanced Fund	0.55	-	0.42	0.02	0.99	0.12	0.87
TVST Bond Fund	0.40	-	0.31	0.03	0.74	0.04	0.70
TVST Common Stock Fund	0.50	-	0.21	0.01	0.72	-	0.72
TVST Small Company Fund	0.50	-	0.26	0.01	0.77	-	0.77
T. Rowe Price							
Blue Chip Growth Portfolio - Class II shares	0.85	0.25	0.00	0.00	1.10	-	1.10
Equity Income Portfolio - Class II shares	0.85	0.25	0.00	0.00	1.10	-	1.10
Health Sciences Portfolio - Class II shares	0.95	0.25	0.00	0.00	1.20	-	1.20

[3] The investment manager has contractually agreed in advance to reduce its fees as a result of the fund's investment in a Franklin Templeton money market fund (the "acquired fund") for the next 12 month period.

[4] Differs from the ratios of expenses to average net assets in the Financial Highlights section of the applicable prospectus because of acquired fund fees and expenses.

[5] After discussions with the Fund's Board, the Manager has contractually agreed to waive fees and/or reimburse the Fund for certain expenses in order to limit "Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement" (excluding any applicable dividend expense, taxes, interest and fees from borrowing, any subsidiary expenses, Acquired Fund Fees and Expenses, brokerage commissions, unusual and infrequent expenses and certain other Fund expenses) to annual rates of 0.67% for Non-Service Shares and 0.92% for Service Shares as calculated on the daily net assets of the Fund. This fee waiver and/or expense reimbursement may not be amended or withdrawn for one year from the date of this prospectus, unless approved by the Board.

Personal Strategy Balanced Portfolio VIP I	0.90	0.00	0.00	0.12	1.02[6]	0.12[7]	0.90[6]
Van Eck VIP Trust							
Emerging Markets Fund - Initial Class	1.00	-	0.19	-	1.19	-	1.19
Unconstrained Emerging Markets Bond Fund - Initial Class	1.00	-	0.57	-	1.57	0.47	1.10[8]
Global Hard Assets Fund - Initial Class	1.00	-	0.09	-	1.09	-	1.09

6 The figures shown in the fee table do not match the “Ratio of expenses to average net assets” shown in the Financial Highlights table, as that figure does not include acquired fund fees and expenses and excludes expenses permanently waived as a result of investments in other T. Rowe Price mutual funds.

7 T. Rowe Price Associates, Inc. is required to permanently waive a portion of its management fee charged to the fund in an amount sufficient to fully offset any acquired fund fees and expenses related to investments in other T. Rowe Price mutual funds. The amount of the waiver will vary each fiscal year in proportion to the amount invested in other T. Rowe Price mutual funds. The T. Rowe Price funds would be required to seek regulatory approval in order to terminate this arrangement.

8 Van Eck Associates Corporation (the “Adviser”) has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, trading expenses, dividends and interest payments on securities sold short, taxes and extraordinary expenses) from exceeding 1.10% of the Fund’s average daily net assets per year until May 1, 2019. During such time, the expense limitation is expected to continue until the Board of Trustees acts to discontinue all or a portion of such expense limitation.

NATIONAL LIFE AND THE GENERAL ACCOUNT

National Life

National Life is authorized to transact life insurance and annuity business in Vermont and in 50 other jurisdictions. National Life was originally chartered as a mutual life insurance company in 1848 under Vermont law. It is now a stock life insurance company.

Our Financial Condition. As an insurance company, we are required by state insurance regulation to hold a specified amount of reserves in order to meet all of the contractual obligations of our General Account. To meet our claims-paying obligations, we monitor reserves so that we hold sufficient amounts to cover actual or expected claims payments. However, it is important to note that there is no guarantee that we will always be able to meet our claims-paying obligations, and that there are risks to purchasing any insurance product.

State insurance regulators also require insurance companies to maintain a minimum amount of capital, which acts as a cushion in the event that the insurer suffers a financial impairment, based on the inherent risks in the insurer's operations. These risks include those associated with losses that we may incur as the result of defaults on the payment of interest or principal on our general account assets, which include bonds, mortgages, general real estate investments, and stocks, as well as the loss in market value of these investments.

How to Obtain More Information. We encourage both existing and prospective Owners to read and understand our financial statements. We prepare our financial statements on a statutory basis. Our financial statements, which are presented in conformity with accounting practices prescribed or permitted by the Vermont Department of Financial Regulation—as well as the financial statements of the Separate Account (on a consolidated basis)—are located in the SAI. For a free copy of the SAI, call or write us at our Home Office. In addition, the SAI is available on the SEC's website at http://www.sec.gov.

The General Account

You may allocate some or all of your Net Premiums, and transfer some or all of the Accumulated Value of your Policy to our General Account. We bear the full investment risk for all amounts allocated or transferred to the General Account. We credit interest on Net Premiums and Accumulated Value allocated to the General Account at rates we declare. These rates will not be less than 3%. The principal, after deductions, is also guaranteed.

We own the assets in the General Account, and use these assets to support our insurance and annuity obligations other than those funded by Separate Account investments. These assets are subject to National Life’s general liabilities from business operations.

We have not registered the General Account with the SEC, and the staff of the SEC has not reviewed the disclosure in this prospectus relating to the General Account. Disclosures regarding the General Account, however, are subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of statements made in the prospectus.

We may credit the non-loaned Accumulated Value in the General Account with current rates in excess of the 3% minimum guarantee, but we are not obligated to do so. We have no specific formula for determining specific interest rates. Because we anticipate changing the current interest rate from time to time, at our sole discretion, allocations to the General Account made at different times are likely to be credited with different current interest rates. We will declare an interest rate each month to apply to amounts allocated or transferred to the General Account in that month. We may declare a new current interest rate on such amounts and accrued interest thereon at any time (which may be a different current interest rate than the current interest rate on new allocations to the General Account on that date). We will determine any interest credited on the amounts in the General Account in excess of the minimum guaranteed rate of 3% per year at our sole discretion. You assume the risk that interest credited may not exceed the guaranteed minimum rate. Amounts allocated to the General Account will not share in the investment performance of our General Account.

Amounts deducted from the non-loaned Accumulated Value in the General Account for Withdrawals, Policy loans, transfers to the Separate Account, Monthly Deduction or other charges are, for the purpose of crediting interest, accounted for on a last in, first out (“LIFO”) method.

Transfers from the General Account. We allow only one transfer in each Policy Year from the amount of non-loaned Accumulated Value in the General Account to any or all of the subaccounts of the Separate Account. The amount you transfer from the General Account may not exceed the greater of 25% of the value of the non-loaned Accumulated Value in such account at the time of transfer, or $5,000. We will make the transfer as of the Valuation Day we receive your written or telephone request at our Home Office, specified on the cover page of this prospectus, in good form.

Because of these General Account transfer restrictions, it will take several years to transfer all of your Accumulated Value in the General Account to the subaccounts of the Separate Account. You should carefully consider whether the General Account meets your investment criteria.

THE SEPARATE ACCOUNT AND THE PORTFOLIOS

The Separate Account

The Separate Account is a separate investment account established under Vermont law to which we allocate assets to support the benefits payable under the Policies, other policies we currently issue, and other variable life insurance policies we may issue in the future. We own the Separate Account's assets, and we are obligated to pay all amounts we promise to pay under the Policies.

The Separate Account's assets are held separate from our other assets and are not part of our General Account. Income, gains and losses, whether or not realized, from assets allocated to the Separate Account will be credited or charged against the Separate Account without regard to our other income, gains or losses. Income, gains, and losses credited to, or charged against, a subaccount reflect the subaccount's own investment performance and not the investment performance of our other assets. As a result, the portion of the Separate Account's assets equal to the reserves and other liabilities under the Policies (and other policies) supported by the Separate Account will not be exposed to liabilities arising out of any other business that we may conduct. If the Separate Account's assets exceed the required reserves and other liabilities, we may transfer the excess to our General Account.

The subaccounts of the Separate Account purchase and redeem shares of the portfolios at net asset value. Any dividend and capital gain distributions from a portfolio are reinvested at net asset value in shares of that portfolio.

If investment in one or more portfolios is no longer possible, in our judgment becomes inappropriate for the purposes of the Policy, or for any reason, at our sole discretion, we may substitute another portfolio without your consent. The substituted portfolio may have different fees and expenses. Substitution may be made with respect to existing investments or the investment of future premiums, or both. However, no such substitution will be made without any necessary approval of the SEC. Furthermore, we may close subaccounts to allocations of premiums or Accumulated Value, or both, at any time in our sole discretion. Portfolios which sell their shares to the subaccounts under participation agreements also may terminate these agreements and discontinue offering their shares to the subaccounts.

We reserve the right to make other structural and operational changes affecting the Separate Account. See "Addition, Deletion, or Substitution of Investments."

We have claimed an exclusion from the definition of the term "Commodity Pool Operator" under the Commodity Exchange Act (the "CEA") with respect to the Separate Account. Therefore, we are not subject to registration or regulation as a Commodity Pool Operator under the CEA with respect to the separate accounts.

The Portfolios

The subaccounts of the Separate Account invest in shares of certain portfolios. Each portfolio is registered with the SEC as an open-end management investment company.

Each portfolio's assets are held separate from the assets of the other portfolios, and each portfolio has investment objectives and policies that are different from those of the other portfolios. Thus, each portfolio operates as a separate investment portfolio, and the income or losses of one portfolio generally have no effect on the investment performance of any other portfolio. You should know that during extended periods of low interest rates and partly as a result of insurance charges, the yields of the Fidelity Variable Insurance Fund V Government Money Market Portfolio ("Fidelity Money Market Portfolio") in which a subaccount of our Separate Account invests ("Money Market Subaccount") may also become extremely low and possibly negative. There is no assurance that the Fidelity Money Market Portfolio will be able to maintain a stable net asset value per share.

The following table provides certain information on each portfolio, including its portfolio type, and its investment adviser (and sub-adviser, if applicable). There is no assurance that any of the portfolios will achieve their investment objective(s). Certain portfolios may employ hedging strategies to provide for downside protection during a sharp decline in the equity markets. The cost of those hedging strategies could limit the upside participation by such portfolios in rising equity markets relative to other portfolios. Please consult your registered representative. You can find detailed information about the portfolios, including a description of risks and expenses, in the prospectuses for the portfolios. You should read these prospectuses carefully and keep them for future reference.

Fund	Type of Fund	Investment Adviser	Subadviser
The Alger Portfolios:			
Capital Appreciation Portfolio - Class O	Growth Equity	Fred Alger Management, Inc.	None

Large Cap Growth Portfolio - Class O	Large Growth Equity	Fred Alger Management, Inc.	None
Small Cap Growth Portfolio - Class O	Small Growth Equity	Fred Alger Management, Inc.	None
AB Variable Products Series Fund, Inc.:			
International Growth – Class A	International Equity	AllianceBernstein L.P.	None
International Value – Class A	International Equity	AllianceBernstein L.P.	None
Small/Mid Cap Value – Class A	Small Mid Value Equity	AllianceBernstein L.P.	None
Value – Class A	Large Value Equity	AllianceBernstein L.P.	None
American Century Variable Portfolios, Inc.:			
VP Inflation Protection Portfolio - Class I	Fixed Income	American Century Investment Management, Inc.	None
VP Value Portfolio - Class I	Mid Cap Value Equity	American Century Investment Management, Inc.	None
Deutsche Variable Series II:			
Deutsche Small Mid Cap Value VIP - Class B	Small Cap Value	Deutsche Investment Management Americas, Inc.	Deutsche Asset Management International GmbH (DeAMi)
Deutsche Investments VIT Funds:			
Small Cap Index VIP - Class A	Small Index Equity	Deutsche Investment Management Americas, Inc.	Northern Trust Investments, Inc.
Fidelity® Variable Insurance Products			
VIP Contrafund® Portfolio - Initial Class	Large Growth Equity	Fidelity Management & Research Company (FMR)	FMR Co., Inc. (FMRC) and other affiliates of FMR
VIP Equity-Income Portfolio - Initial Class	Large Value Equity	Fidelity Management & Research Company (FMR)	FMR Co., Inc. (FMRC) and other affiliates of FMR
VIP Growth Portfolio - Initial Class	Large Growth Equity	Fidelity Management & Research Company (FMR)	FMR Co., Inc. (FMRC) and other affiliates of FMR
VIP High Income Portfolio - Initial Class	Below Investment Grade Bond	Fidelity Management & Research Company (FMR)	FMR Co., Inc. (FMRC) and other affiliates of FMR
VIP Index 500 Portfolio - Initial Class	Index Equity	Fidelity Management & Research Company (FMR)	Geode Capital Management, LLC (Geode®) and FMR Co., Inc. (FMRC)
VIP Investment Grade Bond Portfolio - Initial Class	Investment Grade Bond	Fidelity Management & Research Company (FMR)	FMR Co., Inc. (FMRC) and other affiliates of FMR
VIP Mid Cap Portfolio - Initial Class	Mid Cap Blend	Fidelity Management & Research Company (FMR)	FMR Co., Inc. (FMRC) and other affiliates of FMR
VIP Government Money Market Portfolio - Service Class	Money Market	Fidelity Management & Research Company (FMR)	Fidelity Investments Money Management, Inc.

			(FIMM) and other affiliates of FMR
VIP Overseas Portfolio - Initial Class	International Equity	Fidelity Management & Research Company (FMR)	FMR Co., Inc. (FMRC) and other affiliates of FMR
VIP Value Strategies Portfolio - Initial Class	Value Equity	Fidelity Management & Research Company (FMR)	FMR Co., Inc. (FMRC) and other affiliates of FMR
Franklin Templeton Variable Insurance Products Trust			
Templeton Foreign VIP Fund - Class 2	Foreign	Templeton Investment Counsel, LLC	None
Franklin Global Real Estate VIP Fund - Class 2	Sector Equity	Franklin Advisors, Inc.	None
Franklin Mutual Shares VIP Fund - Class 2	Mid Cap Value	Franklin Mutual Advisors, LLC	None
Franklin Small Cap Value VIP Fund - Class 2	Small Cap Value	Franklin Advisory Services, LLC	None
Franklin Small-Mid Cap Growth VIP Fund - Class 2	Small-Mid Cap Growth	Franklin Advisors, Inc.	None
Franklin U.S. Government VIP Fund - Class 1	Government Bond	Franklin Advisors, Inc.	None
Neuberger Berman Advisers Management Trust			
Short Duration Bond Portfolio - I Class	Short-Term	Neuberger Berman Investment Advisers LLC	None
Mid Cap Growth Portfolio - I Class	Mid-Cap Growth Equity	Neuberger Berman Investment Advisers LLC	None
Mid Cap Growth Portfolio - S Class	Mid-Cap Growth Equity	Neuberger Berman Investment Advisers LLC	None
Large Cap Value Portfolio - I Class	Large Value	Neuberger Berman Investment Advisers LLC	None
Sustainable Equity Portfolio - I Class	Mid Large Value Equity Sustainable	Neuberger Berman Investment Advisers LLC	None
Oppenheimer Variable Account Funds			
Capital Income Fund/VA - Service	Hybrid Equity and Debt	OppenheimerFunds, Inc.	None
Main Street Small Cap Fund/VA - Service	Small Value Equity	OppenheimerFunds, Inc.	None
Global Strategic Income Fund/VA - Service	Bond	OppenheimerFunds, Inc.	None
Touchstone Variable Strategic Trust			
TVST Balanced Fund	Hybrid Equity and Debt	Touchstone Advisors, Inc.	Fort Washington Investment Advisors, Inc.
TVST Bond Fund	Investment- Grade Bond	Touchstone Advisors, Inc.	Fort Washington Investment Advisors, Inc.
TVST Common Stock Fund	Large Blend Equity	Touchstone Advisors, Inc.	Fort Washington Investment Advisors, Inc.
TVST Small Company	Small Growth Equity	Touchstone Advisors, Inc.	Fort Washington Investment Advisors, Inc.
T. Rowe Price Equity Series, Inc.			
Equity Income Portfolio II - Class II shares	Large Value	T. Rowe Price Associates, Inc.	None
Blue Chip Growth Portfolio II - Class II shares	Large Growth	T. Rowe Price Associates, Inc.	None

Health Sciences Portfolio II - Class II shares	Sector Equity	T. Rowe Price Associates, Inc.	None
Personal Strategy Balanced Portfolio	Blend	T. Rowe Price Associates, Inc.	None
Van Eck VIP Trust			
Unconstrained Emerging Markets Bond Fund - Initial Class	Unconstrained Emerging Markets Bond	Van Eck Associates Corporation	None
Emerging Markets Fund - Initial Class	Foreign Equity	Van Eck Associates Corporation	None
Global Hard Assets Fund - Initial Class	Global Sector Equity	Van Eck Associates Corporation	None

These portfolios are not available for purchase directly by the general public, and are not the same as other mutual fund portfolios with very similar or nearly identical names that are sold directly to the public. However, the investment objectives and policies of certain portfolios are very similar to the investment objectives and policies of other portfolios that are or may be managed by the same investment adviser or manager. Nevertheless, the investment performance of the portfolios may be lower or higher than the investment performance of these other, publicly available portfolios. There can be no assurance, and we make no representation, that the investment performance of any of the portfolios available under the Policy will be comparable to the investment performance of any other portfolio, even if the other portfolio has the same investment adviser or manager, the same investment objectives and policies, and a very similar name.

National Life may receive compensation from the investment adviser of a portfolio or its affiliates in connection with administration or other services provided with respect to such portfolio and its availability under the Policies, which may include answering Owners' questions about the portfolios, providing prospectuses, shareholder reports and other portfolio documents, providing portfolios and their boards information about the Policies and their operations and/or collecting voting instructions for portfolio shareholder proposals. The amount of this compensation is based on a percentage of the assets on which the fees are based of the portfolio attributable to the Policies. These percentages differ, and some advisers (or affiliates) may pay us more than others. In 2017, the percentages on assets on which the fees are based ranged from 0.05% to 0.35%, and the dollar amounts received ranged from $0.21 to $529.24 per adviser/affiliate (this includes payments received in 2017 for services rendered in 2016). The availability of these types of arrangements creates an incentive for us to seek and offer portfolios (and classes of shares of such portfolios) that pay us to provide these services. The payments we receive as compensation for providing these services may be used by us for any corporate purpose, including payment of expenses (i) that we and our affiliates incur in promoting, issuing, marketing and administering the Policies, and (ii) that we incur, in our role as intermediary, in promoting, marketing and administering a portfolio. National Life may profit from these payments. For more information on the compensation we receive, see "Contractual Arrangement between National Life and the Portfolios' Investment Advisors or Distributors" in the SAI.

Our affiliate, Equity Services, Inc. ("ESI"), the principal underwriter for the Policies, will receive 12b-1 fees deducted from certain portfolio assets pursuant to a 12b-1 plan. The 12b-1 plan is described in more detail in each portfolio's prospectus. Because 12b-1 fees are paid out of a portfolio's assets on an ongoing basis, over time they will increase the cost of an investment in portfolio shares.

We select the portfolios offered through this Policy based on several criteria, including asset class coverage, the strength of the adviser's or subadviser's reputation and tenure, brand recognition, performance, fees and the capability and qualification of each investment firm. Another factor we consider during the selection process is whether the portfolio's adviser or sub-adviser are one of our affiliates or whether the portfolio, its adviser, its sub-adviser(s), or an affiliate will compensate us or our affiliates, as described above and in the SAI under "Contractual Arrangements Between National Life And The Portfolios' Investment Advisors Or Distributors." We review the portfolios periodically and may remove a portfolio or limit its availability to new premium payments and/or transfers of Accumulated Value if we determine that the portfolio no longer meets one or more of the selection criteria, and/or if the portfolio has not attracted significant allocations from Owners.

You bear the risk of any decline in the Accumulated Value of your Policy resulting from the performance of the portfolios you have chosen.

Owners, through their indirect investment in the portfolios, bear the costs of investment advisory or management fees that the portfolios pay to their respective investment advisers, and in some cases, sub-advisers (see the portfolios' prospectuses for more information). As described above, an investment adviser or sub-adviser to a portfolio, or its affiliates, may make payments to us and/or certain of our affiliates. These payments may be derived, in whole or in part, from the advisory (and in some cases, subadvisory) or other fees deducted from portfolio assets.

Conflicts of Interest. The portfolios may also be available to registered separate accounts offering variable annuity and variable life products of other participating insurance companies, as well as to the Separate Account and other separate accounts of National Life. Although we do not anticipate any disadvantages to this, there is a possibility that a material conflict may arise between the interest of the Separate Account and one or more of the other separate accounts participating in the underlying portfolios. A conflict may occur due to a change in law affecting the operations of variable life and variable annuity separate accounts, differences in the voting instructions of the Owners and those of other companies, or some other reason. In the event of conflict, we will take any steps necessary to protect Owners and Beneficiaries, including withdrawal of the Separate Account from participation in the underlying portfolio(s) involved in the conflict.

Addition, Deletion or Substitution of Investments. Where permitted by applicable law, we may make certain changes to the structure or operation of the Separate Account, if we feel such an action is reasonably necessary. In doing so we would comply with all applicable laws, including approval of Owners, if so required. These changes include, among others:

1) making changes in the form of the Separate Account, if in our judgment such changes would serve the interests of Owners or would be appropriate in carrying out the purposes of the Policies, for example:

    a) operating the Separate Account as a management company under the 1940 Act;
    b) deregistering the Separate Account under the 1940 Act if registration is no longer required;
    c) combining or substituting separate accounts;
    d) transferring the assets of the Separate Account to another separate account or to the General Account;
    e) making changes necessary to comply with, obtain or continue any exemptions from the 1940 Act; or
    f) making other technical changes in the Policy to conform with any action described herein;

2) if in our judgment a portfolio no longer suits the investment goals of the Policy, or if tax or marketing conditions so warrant, substituting shares of another investment portfolio for shares of such portfolio (the new portfolio may have higher fees and expenses than the one it replaced);

3) eliminating, combining or substituting subaccounts and establishing new subaccounts, if in our judgment marketing needs, tax considerations, or investment conditions so warrant (the new subaccounts may not be available in all classes of Policies);

4) transferring assets from a subaccount to another subaccount or separate account if the transfer in our judgment would best serve interests of Owners or would be appropriate in carrying out the purposes of the Policies; and

5) modifying the provisions of the Policies to comply with applicable laws.

If you have Accumulated Value in the subaccount that will be eliminated, we will give you at least 30 days notice before the elimination, and will request that you name the subaccount or subaccounts (or the General Account) to which the Accumulated Value in the subaccount to be eliminated should be transferred. If you do not name a new subaccount, then we will use the Money Market Subaccount. If the underlying portfolio in which the subaccount to be eliminated invests is affiliated with us, we will not eliminate that subaccount without first obtaining a substitution order from the SEC. If in the future we impose a transfer charge or establish limits on the number of transfers or free transfers, no charge will be made for this transfer, and it will not count toward any limit on transfers or free transfers.

Voting Portfolio Shares. Even though we are the legal owner of the portfolio shares held in the Separate Account, and have the right to vote on all matters submitted to shareholders of the portfolios, we will vote our shares only as Owners instruct, as long as such action is required by law.

Before a vote of a portfolio's shareholders occurs, you will receive voting materials. We will ask you to instruct us on how to vote and to return your proxy to us in a timely manner. You will have the right to instruct us on the number of full and fractional portfolio shares that corresponds to the amount of Accumulated Value you have in the subaccount investing in that portfolio (as of a date set by the portfolio). The number of portfolio shares attributable to each Owner is determined by dividing the Owner's interest in each subaccount by the net asset value of the portfolio corresponding to the subaccount.

If we do not receive voting instructions on time from some Owners, we will vote those shares "for" or "against" the proposal or abstain from voting on the proposal in the same percentages as the voting instructions we received on time. This means that a small number of Owners may control how we vote. Should federal securities laws, regulations, or interpretations change, we may elect to vote portfolio shares in our own right. If required by state insurance officials, or if permitted under federal regulation, we may disregard certain voting instructions of Owners.

If we ever disregard voting instructions, we will send you a summary in the next annual report to Owners advising you of the action and the reasons we took this action.

Net Investment Return of the Separate Account. The chart below is included to comply with Part 54, Section 54.9 of the Codes, Rules and Regulations of the State of New York. The chart shows the year-by-year net investment returns of the subaccounts of the Separate Account for each of the last ten years, or since the inception of the subaccount if less than ten years, through December 31, 2017.

Investor Select Statement of Net Investment Returns

	Subaccount Effective Date	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Touchstone TVST											
Balanced	10/27/17	2.52%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bond	10/27/17	0.65%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Common Stock	10/27/17	2.97%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Small Company	10/27/17	5.16%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alger American											
Capital Appreciation Portfolio - Class O Shares	12/01/00	31.08%	-3.19%	6.19%	13.75%	35.19%	18.30%	-0.30%	14.03%	51.10%	-45.13%
Large Cap Growth Portfolio - Class O Shares	03/13/96	28.46%	-3.79%	1.72%	10.99%	35.08%	9.87%	-0.35%	13.39%	47.57%	-46.15%
Small Cap Growth Portfolio - Class O Shares	03/13/96	28.73%	-8.79%	-3.32%	0.44%	34.26%	12.50%	-3.18%	25.29%	45.51%	-46.60%
AB VPS											
International Growth Fund - Class A shares	12/01/08	35.02%	-2.31%	-1.87%	-1.19%	13.60%	15.54%	-15.85%	12.90%	39.58%	16.36%
International Value Fund - Class A shares	12/01/08	25.42%	-2.07%	2.59%	-6.21%	23.00%	14.53%	-19.25%	4.59%	34.68%	15.10%
Small/Mid Cap Value Fund - Class A shares	12/01/08	13.15%	4.28%	-5.49%	9.20%	38.06%	18.75%	-8.39%	26.91%	42.86%	21.42%
Value Fund - Class A shares	12/01/08	13.57%	0.57%	-6.95%	11.10%	36.85%	15.73%	-3.50%	11.81%	21.12%	13.63%
American Century VP											
Inflation Protection Fund	05/01/04	3.92%	3.69%	-2.28%	3.58%	-8.21%	7.55%	12.09%	5.38%	10.46%	-1.28%
International Fund	05/01/04	31.21%	-3.48%	0.76%	-5.51%	22.41%	21.16%	-12.04%	13.29%	33.76%	-44.82%
Value Fund	08/03/98	8.75%	2.35%	-3.88%	13.08%	31.73%	14.58%	1.01%	13.42%	19.86%	-26.78%
Deutsche Variable Series II											
Small Mid Cap Value VIP - Class B shares	05/01/04	10.13%	0.88%	-2.21%	5.09%	34.70%	13.38%	-6.33%	22.66%	29.28%	-33.67%
Small Cap Index VIP - Class A shares	12/01/08	14.33%	-1.58%	-4.60%	4.74%	38.64%	16.25%	-4.41%	26.39%	26.57%	20.03%
Fidelity® VIP											
Contrafund® Portfolio - Initial Class	05/01/97	21.88%	-1.30%	0.67%	11.94%	31.29%	16.42%	-2.53%	17.22%	35.71%	-42.51%
Equity-Income Portfolio - Initial Class	03/13/96	12.89%	2.22%	-3.96%	8.72%	28.15%	17.31%	0.97%	15.15%	30.21%	-42.65%
Growth Portfolio - Initial Class	03/13/96	35.13%	-4.27%	7.17%	11.30%	36.34%	14.69%	0.20%	24.17%	28.29%	-47.17%
High Income Portfolio - Initial Class	03/13/96	6.93%	2.42%	-3.63%	1.16%	5.95%	14.23%	4.03%	13.82%	43.96%	-24.98%
Index 500 Portfolio - Initial Class	05/01/97	21.71%	1.33%	1.33%	13.57%	32.24%	15.92%	2.04%	15.02%	26.61%	-37.00%
Investment Grade Bond Portfolio - Initial Class	12/01/00	4.22%	3.02%	-0.60%	5.83%	-1.78%	5.90%	7.33%	7.80%	15.72%	-3.25%

Mid Cap Portfolio - Initial Class	05/01/04	20.81%	-0.27%	-1.39%	6.29%	36.23%	14.83%	-10.61%	28.83%	40.09%	-39.44%
Government Money Market	05/01/11	0.58%	0.01%	0.01%	0.01%	0.01%	0.04%	0.01%	0.00%	0.00%	1.89%
Overseas Portfolio - Initial Class	03/13/96	30.28%	-3.83%	3.62%	-8.08%	30.44%	20.74%	-17.16%	13.11%	26.53%	-43.80%
Value Strategies Portfolio - Initial Class	12/01/08	19.36%	-1.44%	-2.99%	6.80%	30.49%	27.28%	-8.81%	26.63%	57.59%	21.05%
Franklin Templeton											
Foreign Securities Fund - Class 2 shares	05/01/04	16.69%	-1.44%	-6.49%	-11.13%	22.97%	18.23%	-10.63%	8.41%	37.04%	-40.38%
Mutual Global Discovery Securities Fund - Class 1 shares	12/01/08	8.88%	-2.02%	-3.39%	5.98%	27.95%	13.63%	-2.73%	12.24%	23.63%	4.00%
Mutual Shares Securities Fund - Class 2 shares	05/01/04	8.35%	0.42%	-4.94%	7.12%	28.26%	14.24%	-1.04%	11.19%	26.05%	-37.11%
Small Cap Value Securities Fund - Class 2 shares	05/01/04	10.65%	5.15%	-7.39%	0.57%	36.24%	18.39%	-3.76%	28.22%	29.16%	-33.02%
Small-Mid Cap Growth Securities Fund - Class 2 shares	05/01/04	21.40%	-3.11%	-2.66%	7.47%	38.15%	10.85%	-4.83%	27.62%	43.57%	-42.49%
US Government Fund - Class 1 shares	12/01/08	1.66%	1.49%	0.71%	3.64%	-1.99%	2.12%	5.96%	5.56%	3.34%	1.70%
Neuberger Berman AMT											
Mid-Cap Growth Portfolio - I Class	05/01/04	25.29%	-3.74%	1.28%	7.58%	32.61%	12.41%	0.47%	29.10%	31.60%	-43.37%
Large Cap Value Portfolio - I Class	08/03/98	13.36%	3.56%	-11.80%	9.85%	31.14%	16.60%	-11.36%	15.67%	56.07%	-52.39%
Short Duration Bond Portfolio - I Class	05/01/04	0.89%	0.76%	0.18%	0.61%	0.62%	4.61%	0.29%	5.28%	13.33%	-13.43%
Socially Responsive Portfolio - I Class	12/01/08	18.43%	0.61%	-0.46%	10.38%	37.60%	10.98%	-3.08%	22.85%	31.43%	10.99%
Oppenheimer											
Conservative Balanced/VA - Service shares	12/01/08	8.95%	1.61%	0.57%	8.02%	12.83%	12.10%	0.38%	12.68%	21.60%	9.11%
Main Street Small Cap/VA - Service shares	12/01/08	13.91%	-0.24%	-6.09%	11.65%	40.62%	17.67%	-2.38%	23.06%	36.88%	21.29%
Global Strategic Income/VA - Service shares	12/01/08	6.04%	1.60%	-2.49%	2.49%	-0.37%	13.15%	0.65%	14.77%	18.41%	5.56%
T. Rowe Price											
Blue Chip Growth Portfolio - Class II shares	05/01/04	35.82%	-5.63%	10.80%	8.84%	40.85%	17.91%	1.36%	16.00%	41.79%	-42.65%
Equity Income Portfolio - Class II shares	05/01/04	15.73%	2.66%	-7.11%	7.10%	29.41%	16.92%	-1.02%	14.74%	25.25%	-36.26%
Health Sciences Portfolio - Class II shares	05/01/04	27.31%	-12.24%	12.47%	31.22%	50.51%	31.00%	10.39%	15.31%	31.35%	-29.17%
Personal Strategy Balanced Portfolio - Class I shares	12/01/08	17.41%	0.80%	-0.05%	5.20%	17.93%	15.14%	-0.32%	13.71%	32.12%	9.31%
VanEck VIP Trust											
Emerging Markets - Initial Class	12/01/08	51.03%	-1.63%	-13.99%	-0.41%	12.02%	29.81%	-25.74%	26.84%	113.17%	12.43%
Unconstrained Emerging Markets Bond - Initial Class	12/01/08	12.24%	4.06%	-13.09%	2.18%	-9.17%	5.55%	8.14%	6.20%	5.98%	6.67%
Global Hard Assets - Initial Class	12/01/08	-1.70%	10.97%	-33.45%	-19.10%	10.53%	3.39%	-16.45%	29.23%	57.54%	12.21%

The net investment returns reflect investment income and capital gains and losses less investment management fees and other expenses for the portfolios. The returns do not reflect the cost of insurance charge, the Premium Tax

Charge, the Monthly Administrative Charge, the charge for any optional benefits, or potential Surrender Charges, all of which will significantly reduce the returns.

Returns are not annualized for periods under one year.

THE POLICY

We describe our basic Policy below. There may be differences in your Policy from the one described in this prospectus because of the requirements of the state where we issued your Policy. The most common differences include differences in the amounts you may borrow and exchange rights. We describe these variations and others below and in the SAI. In addition, optional riders may not be available in all states. Your registered representative may also provide you with additional information about state variations.

The Company represents that all material features of the Policy (including material state variations thereof as approved as of the date of the prospectus) are described in the prospectus.

Purchasing a Policy

To purchase a Policy, you must apply to us through a licensed National Life agent who is also a registered representative of ESI or a broker/dealer having a Selling Agreement with ESI. If you do not pay the Minimum Initial Premium with your written application, it must be paid when the Policy is issued. If the premium paid is less than the Minimum Initial Premium, the balance of the Minimum Initial Premium must be received within five days at our home office, or all premiums will be refunded. Premium payments made prior to Policy issue are deposited into the Money Market Subaccount; if a Policy is issued, the Owner will earn the interest earned in the Money Market Subaccount from the date of deposit. Policies are issued after all required information is submitted and underwriting has been completed.

The Minimum Face Amount of a Policy under our rules is generally $50,000; however, exceptions may be made for employee benefit plans. We may revise our rules from time to time to specify a different Minimum Face Amount for subsequently issued policies. A Policy will be issued only on Insureds who have an Issue Age of 85 or less and who provide us with satisfactory evidence of insurability. Acceptance is subject to our underwriting rules. We may reject an application for any reason permitted by law. A tax-favored arrangement, including qualified pension plans, should carefully consider the costs and benefits of the Policy (such as asset diversification) before purchasing a Policy because the tax-favored arrangement itself provides for tax-sheltered growth.

Important Information About Procedures for Opening a New Account. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account (i.e., purchase a Policy), we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

From the time the application for a Policy is signed until the time the Policy is issued, you can, subject to our underwriting rules, obtain temporary insurance protection, pending issuance of the Policy, if you are able to answer “no” to the health questions of the receipt & temporary life insurance agreement and submit (a) a complete application including any medical questionnaire required, and (b) payment of the Minimum Initial Premium.

The amount of coverage under the receipt & temporary life insurance agreement is the lesser of the Face Amount applied for or $1,000,000 ($100,000 in the case of proposed Insureds age 70 or over). Coverage under the agreement will end on the earliest of:

(a) the 90th day from the date of the agreement;
(b) the date that insurance takes effect under the Policy;
(c) the date a Policy, other than as applied for, is offered to you;
(d) three days (five days in New York) from the date we mail a notice of termination of coverage;
(e) the time you first learn that we have terminated the temporary life insurance; or
(f) the time you withdraw the application for life insurance.

We do the insurance underwriting, determine a proposed Insured’s Rate Class, and determine whether to accept or reject an application for a Policy. We will refund any premiums paid if a Policy ultimately is not issued or will refund the applicable amount if the Policy is returned under the free look provision.

Replacement of Existing Insurance. It may not be in your best interest to surrender, lapse, change or borrow from existing life insurance policies or annuity contracts in connection with the purchase of the Policy. You should compare your existing insurance and the Policy carefully. You should replace your existing insurance only when you determine that the Policy is better for you. You may have to pay a surrender charge on your existing insurance, and the Policy will impose a new Surrender Charge period. You should talk to your insurance agent or tax adviser to make sure the exchange will be tax-free. If you surrender your existing policy for cash and then buy the Policy, you may have to pay a tax, including possibly a penalty tax, on the surrender. Because we will not issue the Policy until we have received an initial premium from your existing insurance company, the issuance of the Policy could be delayed.

Tax Free "Section 1035" Exchanges. You can generally exchange one life insurance policy for another in a "tax-free exchange" under Section 1035 of the Code. Before making an exchange, you should compare both policies carefully. Remember that if you exchange another policy for the one described in this prospectus, you might have to pay a surrender charge on your old policy. There will be a new Surrender Charge period for this Policy and other charges might be higher (or lower) and the benefits may be different. If the exchange does not qualify for Section 1035 treatment, you may have to pay federal income and penalty taxes on the exchange. You should not exchange another policy for this one unless you determine, after knowing all the facts, that the exchange is in your best interest. You should be aware that your insurance agent will generally earn a commission if you buy this Policy through an exchange or otherwise. See "Federal Tax Considerations-Exchanges".

Ownership and Beneficiary Rights. The Policy belongs to the Owner named in the application. The Owner is the Insured unless a different Owner is named in the application or thereafter changed. While the Insured is living, the Owner is entitled to exercise any of the rights stated in the Policy or otherwise granted by us. If the Insured and Owner are not the same, and the Owner dies before the Insured, these rights will vest in the estate of the Owner, unless otherwise provided. The principal rights of the Owner include selecting and changing the Beneficiary, changing the Owner, and assigning the Policy. The principal right of the Beneficiary is the right to receive the insurance proceeds under the Policy. Changing the Owner and assigning the Policy may have tax consequences.

Canceling a Policy (Free Look Right). The Policy provides for a "free-look" period, during which you may cancel the Policy and receive a refund. This free-look period ends 10 days after you receive the Policy, or any longer period provided by state law. To cancel your Policy, you must return the Policy to us (at our Home Office) or to our agent within the free look period with a written request for cancellation. In most states, you will receive a refund of any premiums you have paid. In some states, the refund will be the Accumulated Value on the date of the cancellation plus all charges deducted by us prior to that date. The date of cancellation will be the date you return the Policy (in good order).

During this period, your premiums will be allocated as described under "Allocation of Net Premiums" below.

Specialized Uses of the Policy. Because the Policy provides for an accumulation of cash value as well as a Death Benefit, the Policy can be used for various individual and business financial planning purposes. Purchasing the Policy in part for such purposes entails certain risks. See "Summary of the Principal Risks of Purchasing a Policy." Because the Policy is designed to provide benefits on a long-term basis, before purchasing a Policy for a specialized purpose you should consider whether the long-term nature of the Policy is consistent with your purpose. Using a Policy for a specialized purpose may have tax consequences. See "Federal Income Tax Considerations."

For Policies that are intended to be used in multiple employer welfare benefit plans established under § 419A(f)(6) of the Internal Revenue Code, you should be aware that there is a risk that the intended tax consequences of such a plan may not be realized. The courts and the Internal Revenue Service ("IRS") have raised questions about certain of these arrangements under existing law, and the IRS has issued regulations under section 419A(f)(6). In addition, the IRS requires that plans substantially similar to those plans listed as abusive tax shelters pursuant to section 6011 must be disclosed to the IRS. We do not guarantee any particular tax consequences of any use of the Policies, including but not limited to use in these so-called "§ 419 plans." We recommend that you seek independent advice on tax consequences. In the case of Policies owned by these § 419 plans, if the Owner surrenders the Policy, National Life will permit the Insured to reinstate the Policy, with the Insured as Owner, subject to its normal reinstatement rules, within six months of the surrender.

Also, this Policy may be used with certain tax-qualified retirement plans. The Policy includes attributes such as tax deferral on accumulated earnings. Qualified retirement plans provide their own tax deferral benefits; the purchase of the Policy does not provide additional tax deferral benefits beyond those provided in the qualified plan. Accordingly, if you are purchasing this Policy through a qualified plan, you should consider purchasing this Policy for its Death Benefit and other non-tax related benefits. In addition, life insurance in retirement plans may be subject to various requirements that are beyond the scope of this prospectus. Please consult a tax advisor for information specific to your circumstances to determine whether the Policy is an appropriate investment for you.

<u>Premiums</u>

Minimum Initial Premium. No insurance will take effect until the Minimum Initial Premium is paid, and the health and other conditions of the Insured described in the application must not have changed.

Amount and Timing of Premiums. Each premium payment must be at least $50. You have considerable flexibility in determining the amount and frequency of premium payments, within the limits discussed below.

You will at the time of application select a Planned Periodic Premium schedule, based on a periodic billing mode of annual, semi-annual, or quarterly payments. You may request us to send a premium reminder notice at the specified interval. You may change the Planned Periodic Premium frequency and amount. Also, under an Automatic Payment Plan, you can select a monthly payment schedule pursuant to which premium payments will be automatically deducted from a bank account or other source, rather than being "billed." We may allow, in certain situations, Automatic Payment Plan payments of less than $50. We may require that Automatic Payment Plans be set up for at least the Minimum Monthly Premium.

You are not required to pay the Planned Periodic Premiums in accordance with the specified schedule. You may pay premiums whenever you like, and in any amount (subject to the $50 minimum and the limitations described in the next section). Payment of the Planned Periodic Premiums will not, however, guarantee that the Policy will remain in force. Instead, the Duration of the Policy depends upon the Policy's Cash Surrender Value. Thus, even if you pay the Planned Periodic Premiums, the Policy will lapse whenever the Cash Surrender Value is insufficient to pay the Monthly Deduction and any other charges due under the Policy and if a Grace Period expires without an adequate payment by you.

During the Policy Protection Period, however, the Policy will not enter a Grace Period if the Accumulated Value less any debt is greater than the Monthly Deduction due and the cumulative premiums paid since the Policy's Date of Issue less any Withdrawals and less any debt are greater than or equal to the cumulative Minimum Monthly Premiums due since the Policy's Date of Issue. The Policy Protection Period corresponds to the first five Policy Years. The Policy also will not enter a Grace Period if you have elected, have met the exercise conditions, and have exercised the overloan protection rider. The Policy Protection Period functions independently from the overloan protection rider. The Policy Protection Period covers the first 5 Policy Years, and the overloan protection rider cannot be exercised until 15 Policy Years have passed.

Any payments you make while there is an outstanding Policy loan will be applied as premium payments rather than loan repayments unless you notify us in writing that the amount is to be applied as a loan repayment.

Under Death Benefit Option A, until the applicable percentage of Accumulated Value exceeds the Face Amount, higher premium payments will generally result in a lower Net Amount at Risk. This will produce lower cost of insurance charges against the Policy. Conversely, lower premium payments in this situation will result in a higher Net Amount at Risk, which will result in higher cost of insurance charges under the Policy.

Under Death Benefit Option B, until the applicable percentage of Accumulated Value exceeds the Face Amount plus the Accumulated Value, the level of premium payments will not affect the Net Amount at Risk. However, both the Accumulated Value and Death Benefit will be higher if premium payments are higher, and lower if premium payments are lower.

Under either Death Benefit Option, if the Unadjusted Death Benefit is the applicable percentage of Accumulated Value, then higher premium payments will result in a higher Net Amount at Risk, and higher cost of insurance charges. Lower premium payments will result in a lower Net Amount at Risk, and lower cost of insurance charges.

Under either Death Benefit option, if the Unadjusted Death Benefit is the applicable percentage of Accumulated Value, then higher premium payments will result in a higher Net Amount at Risk, and higher cost of insurance charges. Lower premium payments will result in a lower Net Amount at Risk, and lower cost of insurance charges.

In order to meet the federal definition of life insurance under the Internal Revenue Code of 1986, as amended, section 7702 of the Code defines two alternative testing procedures. These are the guideline premium test and the cash value accumulation test. See "Federal Tax Considerations - Tax Status of the Policy". The Policy must qualify under either the GPT or the CVAT. When you purchase a Policy, you must choose the test under which your Policy will qualify. You may not change your choice while the Policy is in force. Under both testing procedures, there is a minimum Death Benefit required at all times equal to your Accumulated Value multiplied by some pre-determined factor. The factors used to determine the minimum Death Benefit depend on the testing procedure chosen and vary by age. The factors used for the GPT and CVAT are set forth in your Policy. Under the GPT, there is also a maximum amount of premium that may be paid with respect to your Policy. You should consult with a qualified tax advisor before deciding. The CVAT is presently available only if your Policy will be classified as a Modified Endowment Contract at the time the Policy is issued. If you do not elect either the CVAT or the GPT, we will use the GPT to qualify your Policy.

For the GPT, the maximum premium limitations set forth in the Code depend in part upon the amount of the Unadjusted Death Benefit at any time. As a result, any Policy changes which affect the amount of the Unadjusted Death Benefit may affect whether cumulative premiums paid under the Policy exceed the maximum premium limitations. To the extent that any such change would result in cumulative premiums exceeding the maximum premium limitations, we will not effect the change. (See "Federal Income Tax Considerations," below).

Unless the Insured provides satisfactory evidence of insurability, we may limit the amount of any premium payment if it increases the Unadjusted Death Benefit more than it increases the Accumulated Value.

If mandated under applicable law, we may be required to reject a premium payment.

We will not accept a premium following the Policy Anniversary upon which the Insured reached the Attained Age 121.

Allocation of Net Premiums. The Net Premium equals the premium received times 1, minus the Percent of Premium Expense Charge. In your application for the Policy, you will indicate how Net Premiums should be allocated among the subaccounts of the Separate Account and/or the General Account. You may change these allocations at any time by giving us written notice at our Home Office, or if you have elected the telephone transaction privilege, by telephone instructions (see "Telephone Transaction Privilege," below); all such allocation instructions must be in good order. If you submit a premium allocation change, Portfolio Rebalancing will terminate unless you request it to continue. You must make allocations in whole number percentages of at least 1%, and the sum of the allocation percentages must be 100%. We will allocate Net Premiums as of the Valuation Date we receive the premium at our Home Office, based on the allocation percentages then in effect, except during the free look period. Please note that if you submit your Premium to your agent, we will not begin processing the Premium until we have received it from your agent's selling firm.

We will allocate any portion of the initial Net Premium and any subsequent premiums we receive before the end of the free look period which are to be allocated to the Separate Account, to the Money Market Subaccount. For this purpose, we will assume that the free look period will end 20 days after the date the Policy is issued. On the first Valuation Date following 20 days after issue of the Policy, we will allocate the amount in the Money Market Subaccount to each of the subaccounts selected in the application based on your instructions.

The values of the subaccounts will vary with their investment experience. You bear the entire investment risk. Please note that during extended periods of low interest rates, the yield on the Money Market Subaccount may become extremely low, and possibly even negative. You should periodically review your allocation percentages in light of market conditions and your overall financial objectives.

When all or a portion of a premium payment is received without a clear subaccount designation or allocated to a subaccount that is not available for investment, we may allocate the undesignated portion or the entire amount, as applicable, into the Money Market Subaccount. You may at any time after the deposit direct us to redeem or exchange the units in the Money Market Subaccount, which will be completed at the next appropriate net asset value. All transactions will be subject to any applicable fees or charges.

Transfers

You may transfer the Accumulated Value between and among the subaccounts of the Separate Account and the General Account by sending us a written transfer request, or if you have elected the telephone transaction privilege, by telephone instructions to us. (See "Telephone Transaction Privilege," below). Transfers between and among the subaccounts of the Separate Account and the General Account are made as of the Valuation Day that the request for transfer is received, in good order, at our Home Office. Please remember that a Valuation Day ends at the close of regular trading on the New York Stock Exchange, which is usually 4:00 p.m., Eastern Time. If we do not receive your transfer request before closing time on a Valuation Day, we will process your transfer request on the next succeeding Valuation Day. In general, you may transfer all or part of the amount in one of the subaccounts of the Separate Account to another subaccount and/or to the General Account.

We may limit transfers to one per month, require a minimum period between transfers, establish a maximum transfer amount, or reject a transfer request from a person acting on behalf of multiple policyholders. We may also reject a transfer request if we or a portfolio reasonably believe that the policyholder's transfer activity has or may become disruptive to the management of the portfolio in which the subaccount is invested.

The maximum amount that may be transferred from the General Account to the Separate Account is the greater of 25% of the unloaned portion of Accumulated Value in the General Account or $5,000. Only one transfer from the General Account to the Separate Account may be made in any one Policy Year. Because of these transfer restrictions, it will take you several years to transfer all of your Accumulated Value in the General Account to the subaccounts of the Separate Account. You should carefully consider whether the General Account meets your investment criteria.

Although we currently do not impose a transfer fee, we may assess a transfer fee of $25 if the number of transfers between subaccounts in the Separate Account exceeds 12 in a given Policy Year. We may charge to the Policy any fees assessed by a portfolio with respect to transfer frequency. All transfers requested during one Valuation Period are treated as one transfer transaction. If a transfer charge is adopted in the future, these types of transfers would not be subject to a transfer charge and would not count against the 12 free transfers in any Policy Year:

- transfers resulting from Policy loans,
- transfers resulting from the operation of Dollar Cost Averaging or Portfolio Rebalancing,

- transfers resulting from the exercise of the transfer rights described under "Other Transfer Rights", below, and
- the reallocation from the Money Market Subaccount following the free look period.

Under present law, transfers are not taxable transactions.

Transactions will not be processed on days that the New York Stock Exchange is customarily closed for trading. In 2016 and 2017, these days are New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day. Please remember that we must receive a transaction request in good order at our Home Office before the close of regular trading on the New York Stock Exchange, usually 4:00 p.m., Eastern Time, to process the transaction on that Valuation Day.

Telephone Transaction Privilege
If you elect the telephone transaction privilege, either on the application for the Policy or thereafter by written authorization, you may effect changes in premium allocation, transfers, and loans of up to $25,000, if your Policy is participating, and initiate or make changes in Dollar Cost Averaging or Portfolio Rebalancing by providing instructions to us at our Home Office over the telephone. We may suspend telephone transaction privileges at any time, for any reason, if we deem such suspension to be in the best interests of Owners. You may, on the application or by a written authorization, authorize your National Life agent to provide telephone instructions on your behalf.

We will employ reasonable procedures to confirm that instructions we receive by telephone are genuine. If we follow these procedures, we will not be liable for any losses due to unauthorized or fraudulent instructions. We may be liable for any such losses if we do not follow these reasonable procedures. The procedures to be followed for telephone transfers will include one or more of the following:

- requiring some form of personal identification prior to acting on instructions received by telephone,
- providing written confirmation of the transaction, and
- making a tape recording of the instructions given by telephone.

You should protect any form of personal identification used to access your account, as we may not be able to verify that the person providing instructions using such personal information is you or someone authorized by you.

Telephone transactions may not always be available. Telephone systems, whether yours, ours or your agent's, can experience outages or slowdowns for a variety of reasons. These outages or slowdowns may prevent or delay our receipt of your request. If you are experiencing problems, you should make your request in writing.

Facsimile Transaction Privilege
You may provide instructions by facsimile for all transactions, except for a death claim, by providing instructions to us (in good order) at our Home Office at a designated fax number. Contact your agent for more information. We may suspend facsimile transaction privileges at any time, for any reason, if we deem such suspension to be in the best interests of the Owners.

Facsimile transactions may not always be available. Communication systems, whether yours, ours or your agent's, can experience outages or slowdowns for a variety of reasons. These outages or slowdowns may prevent or delay our receipt of your request. If you are experiencing problems, you should make your request by mail.

Electronic Mail Transaction Privilege
You may provide transfer instructions by e-mail to our Home Office. Additionally, a National Life agent may provide transfer instructions by e-mail, to us at our Home Office, on your behalf, if you have provided the agent the appropriate authority. Contact your agent for more information. We may suspend e-mail transaction privileges at any time, for any reason, if we deem such suspension to be in the best interests of the Owners.

E-mail transactions may not always be available. Electronic systems, whether yours, ours or your agent's, can experience outages or slowdowns for a variety of reasons. These outages or slowdowns may prevent or delay our receipt of the request. If your agent experiences problems, you should make your request by mail.

Cyber Security Risk
Our variable insurance product business relies heavily on interconnected computer systems and digital data to conduct our variable product business activities. Because our variable product business is highly dependent upon the effective operation of our computer systems and those of our business partners, our business is vulnerable to disruptions from utility outages, and susceptible to operational and information security risks resulting from information systems failure (e.g., hardware and software malfunctions), and cyber-attacks. These risks include, among other things, the theft, misuse, corruption and destruction of data maintained online or digitally, interference with or denial of service, attacks on websites and other operational disruption and unauthorized release of confidential customer information. Such systems failures and cyber-attacks affecting us, any third party

administrator, the underlying funds, intermediaries and other affiliated or third-party service providers may adversely affect us and your contract value. For instance, systems failures and cyber-attacks may interfere with our processing of contract transactions, including the processing of orders from our website or with the underlying funds, impact our ability to calculate AUVs, cause the release and possible destruction of confidential customer or business information, impede order processing, subject us and/or our service providers and intermediaries to regulatory fines and financial losses and/or cause reputational damage. Cyber security risks may also impact the issuers of securities in which the underlying funds invest, which may cause the funds underlying your contract to lose value. There can be no assurance that we or the underlying funds or our service providers will avoid losses affecting your contract due to cyber-attacks or information security breaches in the future.

Disruptive Trading
Policy. The Policies are intended for long-term investment by Owners. They were not designed for the use of market timers or other investors who make similar programmed, large, frequent, or short-term transfers. Market timing and other programmed, large, frequent, or short-term transfers among the subaccounts or between the subaccounts and the General Account can cause risks with adverse effects for other Owners (and beneficiaries and portfolios). These risks include:

- the dilution of interests of long-term investors in a subaccount if purchases or transfers into or out of a portfolio are made at prices that do not reflect an accurate value for the portfolio's investments;
- an adverse effect on portfolio management, such as impeding a portfolio manager's ability to sustain an investment objective, causing a portfolio to maintain a higher level of cash than would otherwise be the case, or causing a portfolio to liquidate investments prematurely (or at an otherwise inopportune time) to pay withdrawals or transfers out of the portfolio; and
- increased brokerage and administrative expenses.

The risks and costs are borne by all Owners invested in those subaccounts, not just those making the transfers.

We have developed policies and procedures with respect to market timing and other transfers (the "Procedures") and we do not make special arrangements or grant exceptions to accommodate market timing or other potentially disruptive or harmful trading. Do not invest in this Policy if you intend to conduct market timing or other potentially disruptive trading.

Detection. We employ various means to attempt to detect and deter market timing and disruptive trading. However, despite our monitoring, we may not be able to detect or stop all harmful trading. In addition, because other insurance companies (and retirement plans) with different policies and procedures may invest in the portfolios, we cannot guarantee that all harmful trading will be detected or that a portfolio will not suffer harm from programmed, large, frequent, or short-term transfers among the subaccounts of variable products issued by these companies or retirement plans.

Deterrence. Once an Owner has been identified as a "market timer" under the Procedures, we will notify the Owner that we will not accept instructions for such market timing or other similar programmed, large, frequent or short-term transfers in the future. We also will mark the Policy on our administrative system so that the system will have to be overridden by the staff to process any transfers. We will only permit the Owner to make transfers when we believe the Owner is not "market timing."

In our sole discretion, we may revise the Procedures at any time, without prior notice, as necessary to (i) better detect and deter frequent, large, or short-term transfers that may adversely affect other Owners or portfolio shareholders, (ii) comply with state or federal regulatory requirements, or (iii) impose additional or alternate restrictions on market timers (such as dollars or percentage limits on transfers). We also reserve the right, to the extent permitted or required by applicable law, to (1) implement and administer redemption fees imposed by one or more portfolios in the future, (2) deduct redemption fees imposed by the portfolios, and (3) suspend the transfer privilege at any time we are unable to purchase or redeem shares of the portfolios. We may be required to share personal information about you with the portfolios.

We currently do not impose redemption fees on transfers. Further, for transfers between or among the subaccounts, we currently do not expressly allow a certain number of transfers in a given period or limit the size of transfers in a given period. Redemption fees, transfer limits, and other procedures or restrictions may be more or less successful than our Procedures in deterring market timing or other disruptive trading and in preventing or limiting harm from such trading.

Our ability to detect and deter such transfer activity is limited by our operational and technological systems, as well as by our ability to predict strategies employed by Owners (or those acting on their behalf) to avoid detection. Accordingly, despite our best efforts, we cannot guarantee that the Procedures will detect or deter frequent or harmful transfers by such Owners or intermediaries acting on their behalf. We apply the Procedures consistently to all Owners without waiver or exception.

Portfolio Frequent Trading Policies. The portfolios may have adopted their own policies and procedures with respect to frequent purchases and redemptions of their respective shares. The prospectuses for the portfolios describe any such policies and procedures. The frequent trading policies and procedures of a portfolio may be different, and more or less restrictive, than the frequent trading policies and procedures of other portfolios and the policies and procedures we have adopted to discourage market timing and other programmed, large, frequent, or short-term transfers. You should be aware that we may not have the operational capacity to apply the frequent trading policies and procedures of the respective portfolios that would be affected by the transfers. Accordingly, Owners and other persons who have material rights under the Policies should assume that the sole protections they may have against potential harm from frequent transfers are the protections, if any, provided by the Procedures.

Owners should be aware that we are required to provide to a portfolio or its designee, promptly upon request, certain information about the trading activity of individual Owners, and to restrict or prohibit further purchases or transfers by specific Owners identified by a portfolio as violating the frequent trading policies established for that portfolio. If we do not process a purchase because of such restriction or prohibition, we may return the premium to the Owner, place the premium in the Money Market Subaccount until we receive further instruction from the Owner and/or replace the restricted or prohibited Subaccount with the Money Market Subaccount in the Owner's default allocation until we receive further instructions from the Owner.

Omnibus Orders. Owners and other persons with material rights under the Policies also should be aware that the purchase and redemption orders received by the portfolios generally are "omnibus" orders from intermediaries such as retirement plans and separate accounts funding variable insurance policies. The omnibus orders reflect the aggregation and netting of multiple orders from individual owners of variable insurance policies and individual retirement plan participants. The omnibus nature of these orders may limit each portfolio's ability to apply its respective frequent trading policies and procedures. We cannot guarantee that the portfolio will not be harmed by transfer activity relating to the retirement plans or other insurance companies that may invest in the portfolios. These other insurance companies are responsible for their own policies and procedures regarding frequent transfer activity. If their policies and procedures fail to successfully discourage harmful transfer activity, it will affect other owners of portfolio shares, as well as the owners of all of the variable annuity or variable life insurance policies whose variable investment options correspond to the affected portfolios. In addition, if a portfolio believes that an omnibus order we submit may reflect one or more transfer requests from Owners engaged in market timing and other programmed, large, frequent, or short-term transfers, the portfolio may reject the entire omnibus order and thereby delay or prevent us from implementing your request.

As a result of our discretion to permit Owners previously identified as "market timers" to make transfers that we do not believe involve "market timing," and as a result of operational and technological limitations, differing fund procedures, and the omnibus nature of purchase and redemption orders, some Owners may still be able to engage in market timing, while other Owners bear any adverse effects of that market timing activity. To the extent we are unable to detect and deter market timing or other similar programmed, large, frequent, or short-term transfers, the performance of the subaccount and the portfolio could be adversely affected, including by (1) requiring the portfolio to maintain larger amounts of cash or cash-type securities than the portfolio's manager might otherwise choose to maintain or to liquidate portfolio holdings at disadvantageous times, thereby increasing brokerage, administrative, and other expenses and (2) diluting returns to long-term shareholders.

Other Transfer and Exchange Rights

Transfer Right for Policy. During the first two years following Policy issue, you may, on one occasion, transfer the entire Accumulated Value in the Separate Account to the General Account, without regard to any limits on transfers or free transfers, or related transfer charges, if any.

Transfer Right for Change in Investment Policy. If the investment policy of a subaccount of the Separate Account is materially changed, you may transfer the portion of the Accumulated Value in a subaccount to another subaccount or to the General Account, without regard to any limits on transfers or free transfers, or related transfer charges, if any.

Exchange Right for Connecticut, Maryland and North Carolina Residents. For eighteen months after the Date of Issue (twenty four months in North Carolina), residents of Connecticut, Maryland and North Carolina may exchange the Policy for any flexible premium adjustable benefit life insurance policy offered for sale by us, the benefits of which policy do not vary with the investment performance of a separate account. Evidence of insurability will not be required to effect this exchange. If the exchange results in an increase in the Cash Surrender Value, such increase will be payable to us. If the exchange results in a decrease in the Cash Surrender Value, the decrease will be payable to the Owner.

Change of Address Notification

To protect you from fraud and theft, National Life may verify any changes in address you request by sending a confirmation of the change to both your old and new address. National Life may also call you to verify the change of address.

Unclaimed or Abandoned Property
Every state has unclaimed property laws that generally declare life insurance policies to be abandoned after a period of inactivity of three to five years from the policy's maturity date or the date the death benefit is due and payable. For example, if the payment of a death benefit has been triggered, but, if after a thorough search, we are still unable to locate the beneficiary of the death benefit, or the beneficiary does not come forward to claim the death benefit in a timely manner, then the death benefit will be paid to the abandoned property division or unclaimed property office of the state in which the beneficiary or the policy owner last resided, as shown on our books and records, or to our state of domicile. This "escheatment" is revocable, however, and the state is obligated to pay the death benefit (without interest) if your beneficiary steps forward to claim it with the proper documentation. To prevent such escheatment, it is important that you update your Beneficiary designations, including addresses, if and as they change. Please call 1-800-732-8939 to make such changes.

AVAILABLE AUTOMATED PORTFOLIO MANAGEMENT FEATURES

We currently offer, at no charge to you, two automated portfolio management features. Only one of these features may be active for any single Policy at any time. We are not legally obligated to continue to offer these features. Although we have no current intention to do so, we may cease offering one or both of these features at any time, after providing 60 days prior written notice to all Owners who are then utilizing the features being discontinued.

Dollar Cost Averaging. This feature permits you to automatically transfer funds from the Money Market Subaccount to any other subaccounts on a monthly basis. You may elect Dollar Cost Averaging at issue by marking the appropriate box on the initial application, and completing the appropriate instructions. You may also begin a Dollar Cost Averaging program after issue by filling out similar information on a change request form and sending it to us (in good order) at our Home Office. You may discontinue Dollar Cost Averaging at any time by sending an appropriate change request form (in good order) to our Home Office.

If you elect this feature, we will take the amount to be transferred from the Money Market Subaccount and transfer to the subaccount or subaccounts designated to receive the funds, each month on the Monthly Policy Date. If you elect Dollar Cost Averaging on your application for the Policy, it will start with the Monthly Policy Date after the date that is 20 days after issue. If you begin a Dollar Cost Averaging program after the free look period is over, it will start on the next Monthly Policy Date. The minimum monthly transfer by Dollar Cost Averaging is $100, except for the transfer which reduces the amount in the Money Market Subaccount to zero. You may not use the Dollar Cost Averaging feature to transfer Accumulated Value to the General Account.

We may discontinue Dollar Cost Averaging at any time upon 60 days prior notice to all Owners then utilizing the feature. You may not elect Dollar Cost Averaging if you have elected Portfolio Rebalancing.

Portfolio Rebalancing. This feature permits you to automatically rebalance the value in the subaccounts on a semi-annual basis, based on your premium allocation percentages in effect at the time of the rebalancing. Portfolio rebalancing does not guarantee a profit or protect against a loss.

You may elect Portfolio Rebalancing at issue by marking the appropriate box on the application, or, after issue, by completing a change request form and sending it to our Home Office (in good order). You may discontinue Portfolio Rebalancing at any time by submitting an appropriate change request form to us at our Home Office (in good order). In addition, if you submit a premium allocation change, Portfolio Rebalancing will terminate unless you request it to continue.

In Policies utilizing Portfolio Rebalancing from the Date of Issue, an automatic transfer will take place which causes the percentages of the current values in each subaccount to match the current premium allocation percentages, starting with the Monthly Policy Date six months after the Date of Issue, and then on each Monthly Policy Date six months thereafter. Policies electing Portfolio Rebalancing after issue will have the first automated transfer occur as of the Monthly Policy Date on or next following the date we receive the election at our Home Office (in good order), and subsequent rebalancing transfers will occur every six months from that date.

We may discontinue Portfolio Rebalancing at any time upon 60 days prior notice to all Owners then utilizing the feature. You may not elect Portfolio Rebalancing if you have elected Dollar Cost Averaging.

ACCUMULATED VALUE

The Accumulated Value is the total amount of value held under the Policy at any time. It is equal to the sum of the Policy's values in the Separate Account and the General Account. The Accumulated Value minus any applicable

Surrender Charge, and minus any outstanding Policy loans and accrued interest, is equal to the Cash Surrender Value. There is no guaranteed minimum for the portion of the Accumulated Value in any of the subaccounts of the Separate Account. Because the Accumulated Value on any future date depends upon a number of variables, it cannot be predetermined.

The Accumulated Value and Cash Surrender Value will reflect:

- the Net Premiums paid,
- the investment performance of the portfolios you have chosen,
- the crediting of interest on non-loaned Accumulated Value in the General Account and amounts held as Collateral in the General Account,
- any transfers,
- any Withdrawals,
- any loans,
- any loan repayments,
- any loan interest charged, and
- charges assessed on the Policy.

Determination of Number of Units for the Separate Account. Amounts allocated, transferred or added to a subaccount of the Separate Account under a Policy are used to purchase units of that subaccount; units are redeemed when amounts are deducted, transferred or withdrawn. The number of units a Policy has in a subaccount equals the number of units purchased minus the number of units redeemed up to such time. For each subaccount, the number of units purchased or redeemed in connection with a particular transaction is determined by dividing the dollar amount by the unit value.

Determination of Unit Value. The value (or price) of each subaccount will reflect the investment performance of the portfolio in which the subaccount invests. Unit values will vary among subaccounts. The unit value of each subaccount was originally established at the figure shown on the Separate Account's financial statements. The unit value may increase or decrease from one Valuation Day to the next. The unit value of a subaccount is equal to the unit value on the immediately preceding Valuation Day multiplied by the Net Investment Factor for that subaccount on that Valuation Day. We determine the unit value in a subaccount at the end of each Valuation Day.

Net Investment Factor. Each subaccount of the Separate Account has its own Net Investment Factor. The Net Investment Factor measures the daily investment performance of the subaccount. The factor will increase or decrease, as appropriate, to reflect net investment income and capital gains or losses, realized and unrealized, for the securities of the underlying portfolio. To calculate the Net Investment Factor, we start with the net asset value per share of the corresponding portfolio on the current Valuation Day. We then add to that amount the per share capital gain or loss and dividend distribution of the portfolio during the current Valuation Period. We divide that amount by net asset value per share of the corresponding portfolio on the just prior Valuation Day. Finally, we subtract from that amount any tax charge for the current Valuation Period.

Calculation of Accumulated Value. The Accumulated Value is determined first on the Date of Issue and thereafter on each Valuation Day. On the Date of Issue, the Accumulated Value will be the Net Premiums received, plus any earnings prior to the Date of Issue, less any Monthly Deductions due on the Date of Issue. On each Valuation Day after the Date of Issue, the Accumulated Value will be:

1) The aggregate of the values attributable to the Policy in the Separate Account, determined by multiplying the number of units the Policy has in each subaccount of the Separate Account by such subaccount's unit value on that date; plus

2) The value attributable to the Policy in the General Account (See "The General Account," above).

DEATH BENEFIT

General. As long as the Policy remains in force, we will pay the Death Benefit of the Policy to the named Beneficiary—after receipt in good order at our Home Office of due proof of the Insured's death (and fulfillment of certain other requirements)—unless the claim is contestable in accordance with the terms of the Policy. You may choose to have the proceeds paid in cash or under one of the available settlement options. (See "Payment of Policy Benefits," below.) The Death Benefit payable will be the Unadjusted Death Benefit under the Death Benefit option that is in effect, increased by any additional benefits, and decreased by any outstanding Policy loan and accrued interest and any unpaid Monthly Deductions. Please note that payment of any amount in excess of Accumulated Value is subject to the financial strength and claims-paying ability of National Life.

If you or your Beneficiary do not select a settlement option, the proceeds are at least $10,000, and the Beneficiary is an individual, we may deposit the lump-sum payment into an interest bearing special account maintained by a financial institution and retained by us in our General Account. In that case, we will provide your Beneficiary with a "draftbook" within seven days to access those funds (by writing a "draft" for all or a portion of the Death Benefit proceeds). Your Beneficiary will receive interest on the proceeds deposited in that account. See "Payment of Policy Benefits," below.)

Policy Testing Procedures and Death Benefit Options

When you purchase your Policy, two decisions you make will affect your death benefit. These decisions relate to which alternative testing procedure to use when testing the Policy for federal tax law compliance and which death benefit you select — option A or option B.

Policy Testing Procedures. In order to meet the federal definition of life insurance under the Internal Revenue Code of 1986, as amended (the “Code”), section 7702 of the Code provides two alternative testing procedures. These are the guideline premium test (“GPT”) and the cash value accumulation test (“CVAT”). See “Federal Tax Considerations.” The Policy must qualify under either the guideline premium test or the cash value accumulation test. You cannot change the testing procedure once you have elected it.

If you chose GPT, you will be subject to premium limitations defined by the Code. These limitations can affect your ability to pay premiums and/or make changes to your Policy such as taking a withdrawal or changing your death benefit option.

The CVAT can only be chosen on policies which become a Modified Endowment Contract at issue. If you choose this test you will not be subject to additional premium limitations imposed by the Code.

Both tests define a factor which is used to calculate the Unadjusted Death Benefit. In the event that the factor multiplied by the Policy’s Accumulated Value exceeds either
a) the Face Amount under option A, or
b) the Face Amount plus the Accumulated Value under option B;
the Unadjusted Death Benefit will equal the factor multiplied by the Policy’s Accumulated Value.

Examples of this calculation can be found below.

In general, CVAT factors are greater than GPT factors. This means that if your Unadjusted Death Benefit is defined by the factor multiplied by your Accumulated Value, you will have a higher death benefit under the CVAT. A higher death benefit will cause a higher Net Amount at Risk which will in turn cause higher cost of insurance charges.

Which Death Benefit Option to Choose. If you prefer to have premium payments and favorable investment performance reflected partly in the form of an increasing Death Benefit, you may wish to choose option B. If you are satisfied with the amount of the Insured’s existing insurance coverage and prefer to have premium payments and favorable investment performance reflected to the maximum extent in the Accumulated Value, you may wish to choose option A.

Option A. The Unadjusted Death Benefit is equal to the greater of:

(a) the Face Amount of the Policy, and
(b) the Accumulated Value multiplied by a factor specified by federal income tax law, which, if you elect to have the GPT apply to the Policy, will be as shown in the table below:

Attained Age	Percentage	Attained Age	Percentage
40 and under	250%	60	130%
45	215%	65	120%
50	185%	70	115%
55	150%	75 and over	105%

If you elect to have the CVAT apply to the Policy, the factor will be as described in the Policy.

Option B. The Unadjusted Death Benefit is equal to the greater of:

(a) the Face Amount of the Policy plus the Accumulated Value, and

(b) the Accumulated Value multiplied by the same factor that applies to option A.

Examples of the options are below.

Examples
The examples below illustrate what the death benefit would be under option A and B using the GPT and the CVAT tests.

Example 1:
Illustration of Option A — For purposes of this illustration, assume that the Insured is under Attained Age 40, the GPT was elected, and there is no Policy loan outstanding.

> Under Option A, a Policy with a Face Amount of $200,000 will generally have an Unadjusted Death Benefit of $200,000. The specified percentage for an Insured under Attained Age 40 on the Policy Anniversary prior to the date of death is 250% under the GPT. Because the Unadjusted Death Benefit must be equal to or greater than 2.50 times the Accumulated Value, any time the Accumulated Value exceeds $80,000 (policy face amount (unadjusted death benefit) of 200,000 divided by the appropriate percentage per insured attained age in the above mentioned table, 2.50, yields the value of $80,000.) the Unadjusted Death Benefit will exceed the Face Amount. Each additional dollar added to the Accumulated Value will increase the Unadjusted Death Benefit by $2.50. Thus, a 35 year old Insured with an Accumulated Value of $90,000 will have an Unadjusted Death Benefit of $225,000 (2.50 x $90,000), and an Accumulated Value of $150,000 will have an Unadjusted Death Benefit of $375,000 (2.50 x $150,000). Similarly, any time the Accumulated Value exceeds $80,000, each dollar taken out of the Accumulated Value will reduce the Unadjusted Death Benefit by $2.50. If at any time, however, the Accumulated Value multiplied by the specified percentage is less than the Face Amount, the Unadjusted Death Benefit will be the Face Amount of the Policy.

Example 2:
Illustration of Option B — For purposes of this illustration, assume that the Insured is under Attained Age 40, the GPT was elected, and there is no Policy loan outstanding.

> Under Option B, a Policy with a Face Amount of $200,000 will generally have an Unadjusted Death Benefit of $200,000 plus the Accumulated Value. Thus, for example, a Policy with a $50,000 Accumulated Value will have an Unadjusted Death Benefit of $250,000 ($200,000 plus $50,000). Because the specified percentage is 250% under the GPT, the Unadjusted Death Benefit will be at least 2.50 times the Accumulated Value. As a result, if the Accumulated Value exceeds $133,333, the Unadjusted Death Benefit will be greater than the Face Amount plus the Accumulated Value. (Policy face amount plus the accumulated value of the policy divided by the appropriate percentage per insured attained age in the above mentioned table, 2.50. If the accumulated value is solved for using this formula, the accumulated value of $133,333 is the point where the unadjusted death benefit equals the accumulated value times the percentage) Each additional dollar added to the Accumulated Value above $133,333 will increase the Unadjusted Death Benefit by $2.50. An Insured with an Accumulated Value of $150,000 will have an Unadjusted Death Benefit of $375,000 (2.50 x $150,000), and an Accumulated Value of $200,000 will yield an Unadjusted Death Benefit of $500,000 (2.50 x $200,000). Similarly, any time the Accumulated Value exceeds $133,333, each dollar taken out of the Accumulated Value will reduce the Unadjusted Death Benefit by $2.50. If at any time, however, the Accumulated Value multiplied by the specified percentage is less than the Face Amount plus the Accumulated Value, the Unadjusted Death Benefit will be the Face Amount plus the Accumulated Value.

Example 3:
Illustration of Option A — For purposes of this illustration, assume that the Insured is a male age 40, the CVAT was elected, and there is no Policy loan outstanding.

> Under Option A, a Policy with a Face Amount of $200,000 will generally have an Unadjusted Death Benefit of $200,000. The specified percentage for a male Insured age 40 on the Policy Anniversary prior to the date of death is 411% under the CVAT. Because the Unadjusted Death Benefit must be equal to or greater than 4.11 times the Accumulated Value, any time the Accumulated Value exceeds $48,662 ($200,000 ÷ 4.11) the Unadjusted Death Benefit will exceed the Face Amount. Each additional dollar added to the Accumulated Value will increase the Unadjusted Death Benefit by $4.11. Thus, a 40 year old Insured with an Accumulated Value of $90,000 will have an Unadjusted Death Benefit of $369,900 (4.11 x $90,000), and an Accumulated Value of $150,000 will have an Unadjusted Death Benefit of $616,500 (4.11 x $150,000). Similarly, any time the Accumulated Value exceeds $48,662, each dollar taken out of the Accumulated Value will reduce the Unadjusted Death Benefit by $4.11. If at any time, however, the Accumulated Value multiplied by the specified percentage is less than the Face Amount, the Unadjusted Death Benefit will be the Face Amount of the Policy.

Example 4:
Illustration of Option B — For purposes of this illustration, assume that the Insured is a male age 40, the CVAT was elected, and there is no Policy loan outstanding.

> Under Option B, a Policy with a Face Amount of $200,000 will generally have an Unadjusted Death Benefit of $200,000 plus the Accumulated Value. Thus, for example, a Policy with a $50,000 Accumulated Value will have an Unadjusted Death Benefit of $250,000 ($200,000 plus $50,000). Because the specified percentage is 411% under the CVAT, the Unadjusted Death Benefit will be at least 4.11 times the Accumulated Value. As a result, if the Accumulated Value exceeds $64,309, the Unadjusted Death Benefit will be greater than the Face Amount plus the Accumulated Value. ($64,309 is calculated by solving for the Accumulated Value ("X") in the equation $200,000 *plus* X = 4.11 *multiplied by* X.) Each additional dollar added to the Accumulated Value above $64,309 will increase the Unadjusted Death Benefit by $4.11. An Insured with an Accumulated Value of $150,000 will have an Unadjusted Death Benefit of $616,500 (4.11 x $150,000), and an Accumulated Value of $200,000 will yield an Unadjusted Death Benefit of $822,000 (4.11 x $200,000). Similarly, any time the Accumulated Value exceeds $64,309, each dollar taken out of the Accumulated Value will reduce the Unadjusted Death Benefit by $4.11. If at any time, however, the Accumulated Value multiplied by the specified percentage is less than the Face Amount plus the Accumulated Value, the Unadjusted Death Benefit will be the Face Amount plus the Accumulated Value.

Change in Death Benefit Option. After the first Policy Year, you may change the Death Benefit option in effect by sending us a written request. There is no charge to change the Death Benefit option. The effective date of a change will be the Monthly Policy Date on or next following the date we receive the written request in good order at our Home Office. Only one change in Death Benefit option is permitted in any one Policy Year.

On the effective date of a change in Death Benefit option, the Face Amount is adjusted so that there will be no change in the Death Benefit or the Net Amount at Risk. In the case of a change from Option B to Option A, the Face Amount must be increased by the Accumulated Value. In the case of a change from Option A to Option B, the Face Amount must be decreased by the Accumulated Value. The change from Option A to Option B will not be allowed if it would reduce the Face Amount to less than the Minimum Face Amount.

On the effective date of the change, the Death Benefit, Accumulated Value and Net Amount at Risk (and therefore the cost of insurance charges) are unchanged. However, after the effective date of the change, the pattern of future Death Benefits, Accumulated Value, Net Amount at Risk and cost of insurance charges will be different than if the change had not been made. Also, we will recompute the Minimum Monthly Premium to reflect the change in Death Benefit option. In determining whether a change is appropriate for you, the considerations described in "Which Death Benefit Option to Choose" above will apply.

If a change in the Death Benefit option would result in cumulative premiums exceeding the maximum premium limitations under the Internal Revenue Code for life insurance, we will not effect the change. You may only change the Death Benefit option before the Insured's Attained Age 121.

A change in the Death Benefit option may have federal income tax consequences. (See "Federal Tax Considerations - Tax Treatment of Policy Benefits," below.)

How the Death Benefit May Vary. The amount of the Death Benefit may vary with the Accumulated Value. The Death Benefit under Option A will vary with the Accumulated Value whenever the specified percentage of Accumulated Value exceeds the Face Amount of the Policy. The Death Benefit under Option B will always vary with the Accumulated Value because the Unadjusted Death Benefit equals the greater of (a) the Face Amount plus the Accumulated Value and (b) the Accumulated Value multiplied by the specified percentage.

Ability to Adjust Face Amount
You may, at any time after the first Policy Year, increase or decrease the Policy's Face Amount by submitting a written application to us in good order at our Home Office. There are some limits on your ability to effect increases or decreases, which are discussed below. The effective date of an increase will be the Monthly Policy Date on or next following our approval of your request. The effective date of a decrease is the Monthly Policy Date on or next following the date that we receive your written request in good form. Employee benefit plan Policies may adjust the Face Amount in Policy Year 1. An increase or decrease in Face Amount may have federal tax consequences. Consult a tax advisor before increasing or decreasing the Face Amount. The effect of changes in Face Amount on Policy charges, as well as other considerations, is described below.

Increase. A request for an increase in Face Amount may not be for less than $25,000, or such lesser amount required in a particular state (except that the minimum for employee benefit plans is $2,000). You may not increase the Face Amount after the Insured's Attained Age 85. To obtain the increase, you must submit an application for the increase and provide evidence satisfactory to us of the Insured's insurability.

On the effective date of an increase, and taking the increase into account, the Cash Surrender Value must be at least equal to the Monthly Deductions then due. If the Cash Surrender Value is not sufficient, the increase will not take effect until you pay a sufficient additional premium payment to increase the Cash Surrender Value.

An increase in the Face Amount will generally affect the total Net Amount at Risk. This will normally increase the monthly cost of insurance charges. In addition, the Insured may be in a different Rate Class as to the increase in insurance coverage. An increase in premium payment or frequency may be appropriate after an increase in Face Amount. (See "Cost of Insurance Charge," below).

Each increase in Face Amount will begin a new period of Surrender Charges in effect for 10 years from the date of the increase. This additional Surrender Charge is based on the Face Amount of the increase only. We describe this additional Surrender Charge in detail in the "Surrender Charge" section, below.

Decrease. During the first 10 Policy Years, the amount of the Face Amount after a decrease cannot be less than 75% of the largest Face Amount in force at any time in the 12 months immediately preceding our receipt of your request for the decrease. The Face Amount after any decrease may not be less than the Minimum Face Amount, which is currently $50,000. If a decrease in the Face Amount would result in cumulative premiums exceeding the maximum premium limitations applicable for life insurance under the Internal Revenue Code, we will not allow the decrease. You may only make a Face Amount decrease before the Insured's Attained Age 121.

A decrease in the Face Amount generally will decrease the total Net Amount at Risk, which will decrease your monthly cost of insurance charges.

For purposes of determining the cost of insurance charge, any decrease in the Face Amount will reduce the Face Amount in the following order:

(a) first, the increase in Face Amount provided by the most recent increase;

(b) then, the next most recent increases, in inverse chronological order; and

(c) finally, the Initial Face Amount.

<u>Payment of Policy Benefits</u>
You may decide the form in which we pay Death Benefit proceeds. During the Insured's lifetime, you may arrange for the Death Benefit to be paid in a lump sum or under a settlement option. These choices are also available upon surrender of the Policy for its Cash Surrender Value. If you do not make an election, payment will be made in a lump sum. The Beneficiary may also arrange for payment of the Death Benefit in a lump sum or under a settlement option. If paid in a lump sum, we will ordinarily pay the Death Benefit (by sending the draftbook referred to below, unless the Beneficiary elects to receive a National Life check) to the Beneficiary within seven days after we receive proof of the Insured's death at our Home Office, and all other requirements are satisfied. If paid under a settlement option, we will apply the Death Benefit to the settlement option within seven days after we receive proof of the Insured's death at our Home Office, and all other requirements are satisfied.

We will pay interest on the Death Benefit (that interest rate will be the highest of (a) 3% per annum, (b) any higher rate we declare, or (c) any higher rate required by law) from the date of death until interest begins to accrue on the account accessed by the draftbook referred to below.

If you or your Beneficiary elects to receive proceeds in a lump sum payment, unless the Beneficiary requests a National Life check, we will place the proceeds into an interest bearing special account maintained by a financial institution and retained by us in our General Account. In that case, we will provide you or your Beneficiary with a "draftbook" to access those funds from the special account (by writing a "draft" for all or a portion of the Death Benefit proceeds). We fund the "draft" writing privileges. The interest bearing special account is not a bank account and is subject to the claims of our creditors. We may profit from amounts left in the interest bearing special account. Further, the interest bearing special account is not insured nor guaranteed by the FDIC or any other government agency. We will send the payee the "draftbook" within seven days of when we placed the proceeds into the special account, and the payee will receive any interest on the proceeds placed in that special account. There is no guaranteed interest rate credited to the proceeds placed in the special account. However, any interest credited to the special interest bearing account will be currently taxable to you or your Beneficiary in the year in which it is credited.

<u>Settlement Options</u>
There are several ways of receiving proceeds under the Death Benefit and surrender provisions of the Policy, other than in a lump sum. None of these options vary with the investment performance of the Separate Account. More detailed information concerning these settlement options is available in your Policy, upon request from our Home Office, and by referring to the SAI. Even if the Death Benefit under the Policy is excludible from income, payments

under settlement options may not be excludible in full. This is because earnings on the Death Benefit after the Insured's death are taxable and payments under the settlement options generally include such earnings. You should consult a tax adviser as to the tax treatment of payments under the settlement options.

PAYMENT OF PROCEEDS

We will normally pay proceeds of a surrender, Withdrawal, or Policy loan within seven days of when we receive your written request at our Home Office in a form satisfactory to us. However, in cases where you surrender your Policy within 30 days of making a premium payment by check or through an Automatic Payment Plan (i.e., automatic scheduled Withdrawals from a bank account), and we are unable to confirm that such payment has cleared, we may withhold an amount equal to such payment from your surrender proceeds until we are able to confirm that the payment item has cleared, but for no more than 30 days from our receipt of the payment item. You may avoid the possibility of this holdback by making premium payments by unconditional means, such as by certified check or wire transfer of immediately available funds.

We will generally determine the amount of a payment on the Valuation Day we receive at our Home Office all required documents in good order. Good order means the actual receipt by us of instructions relating to a transaction, along with all the information and supporting legal documentation we require to effect the transaction. To be in "good order," instructions much be sufficiently clear so that we do not need to exercise any discretion to follow such instructions. However, we may defer the determination or payment of such amounts if the date for determining such amounts falls within any period during which:

(1) the disposal or valuation of a subaccount's assets is not reasonably practicable because the New York Stock Exchange is closed or conditions are such that, under the SEC's rules and regulations, trading is restricted or an emergency is deemed to exist; or

(2) except for Policies issued in New York, the SEC by order permits postponement of such actions for the protection of our policyholders.

In addition, if, pursuant to SEC rules, the Fidelity Variable Insurance Products Fund V Money Market Portfolio suspends payment of redemption proceeds in connection with a liquidation of the Fund, we will delay payment of any transfer, partial surrender, surrender, loan, or death benefit from the Money Market Subaccount until the Fund is liquidated.

We also may defer the determination or payment of amounts from the General Account for up to six months. If we defer such payment for more than 30 days, we will pay interest at a rate of not less than 3% or as required by state law. For Policies issued in New York, if we do not mail or deliver the amounts owed to you within ten days of when we receive your request for payment, we will pay interest on the amount at the rate then in effect under Payment Option 1 — Payment of Interest Only, from the date of our receipt of your request for payment to the date we actually make the payment.

There are several ways of receiving proceeds under the Death Benefit and surrender provisions of the Policy, other than in a lump sum. None of these options vary with the investment performance of the Separate Account. More detailed information concerning these settlement options is available in your Policy, upon request from our Home Office, and by referring to the SAI. Even if the Death Benefit under the Policy is excludible from income, payments under settlement options may not be excludible in full. This is because earnings on the Death Benefit after the Insured's death are taxable and payments under the settlement options generally include such earnings. You should consult a tax adviser as to the tax treatment of payments under the settlement options.

If mandated under applicable law, we may be required to reject a premium payment. We may also be required to provide additional information about you or your account to government regulators. We may be required to block an Owner's account and thereby refuse to honor any request for transfers, Withdrawals, surrenders, loans or Death Benefits, until instructions are received from the appropriate regulator. If a request is received after 4:00 p.m., it will be processed on the next business day.

POLICY LOANS

General. You may at any time after the first year (and during the first year where required by law) borrow money from us using the Policy as the only security for the loan. The maximum amount you may borrow is the Policy's Cash Surrender Value on the date we receive your loan request, minus three times the Monthly Deduction for the most recent Monthly Policy Date, unless state law requires us to calculate the maximum amount you may borrow differently. These state law variations are set forth below.

State	Maximum Amount You May Borrow ("Loan Value")

Vermont Texas Maine Virginia Minnesota South Carolina Florida	The Loan Value on any day is equal to: 1. the Accumulated Value on such day; less 2. the Surrender Charge on such day, if applicable.

You may repay all or a portion of a loan and accrued interest at any time, while the Insured is alive. To take a loan, you should send a written request (in good order) to our Home Office. If you have elected the telephone transaction privilege, you may also request a loan over the telephone. We limit the amount of a Policy loan you can take by telephone to $25,000. We will normally pay loan proceeds within seven days of a valid loan request. See the "Payment of Proceeds" section above for a discussion of Policy loan disbursements.

Currently, we are extending your Policy's loan privileges to allow loans in the first Policy Year. This is more favorable to you than what is guaranteed in the Policy. We may decide to discontinue this privilege in the future without notice. First year loans are subject to all the loan requirements and restrictions as stated above.

Interest Rate Charged. We charge interest on Policy loans at the fixed rate of 5% per year. We charge interest from the date of the loan and add it to the loan balance at the end of the Policy Year. When this interest is added to the loan balance, it bears interest at the same rate.

Allocation of Loans and Collateral. When you take a Policy loan, we hold Accumulated Value in the General Account as Collateral for the Policy loan. You may specify how you would like the Accumulated Value to be taken from the subaccounts of the Separate Account to serve as Collateral. If you do not so specify, we will allocate the Policy loan to the subaccounts in proportion to the Accumulated Value in the subaccounts. If the Accumulated Value in one or more of the subaccounts is insufficient to carry out your instructions, we will not process the loan until we receive further instructions from you. Non-loaned Accumulated Value in the General Account will become Collateral for a loan only to the extent that the Accumulated Value in the Separate Account is insufficient.

The Collateral for a Policy loan will initially be the loan amount. Loan interest will be added to the Policy loan. We will take additional Collateral for the loan interest pro rata from the subaccounts of the Separate Account, and then, if the amounts in the Separate Account are insufficient, from the non-loaned portion of the General Account. At any time, the amount of the outstanding loan under a Policy equals the sum of all loans (including due and unpaid interest added to the loan balance) minus any loan repayments.

Interest Credited to Amounts Held as Collateral. As long as the Policy is in force, we will credit the amount held in the General Account as Collateral with interest at effective annual rates we declare, but not less than 3% or such higher minimum rate required under state law. We currently intend to credit the amount held in the General Account as Collateral for Policy Loans at a fixed rate of 5% per year, but this is not guaranteed.

Effect of Policy Loan. Policy loans, whether or not repaid, will have a permanent effect on the Accumulated Value and the Cash Surrender Value, and may permanently affect the Death Benefit of your Policy. The effect on the Accumulated Value and Death Benefit could be favorable or unfavorable. It will depend on whether the investment performance of the subaccounts, and the interest credited to the non-loaned Accumulated Value in the General Account, is less than or greater than the interest being credited on the amounts held as Collateral in the General Account. Compared to a Policy under which no loan is made, values under a Policy will be lower when the credited interest rate on Collateral is less than the investment experience of assets held in the Separate Account and interest credited to the non-loaned Accumulated Value in the General Account. The longer a loan is outstanding, the greater the effect a Policy loan is likely to have. The Death Benefit will be reduced by the amount of any outstanding Policy loan.

Loan Repayments. We will assume that any payments you make while there is an outstanding Policy loan are premium payments, rather than loan repayments, unless you specify in writing that a payment is a loan repayment. In the event of a loan repayment, the amount held as Collateral in the General Account will be reduced by an amount equal to the repayment, and such amount will be transferred to the subaccounts of the Separate Account and to the non-loaned portion of the General Account based on the Net Premium allocations in effect at the time of the repayment.

Lapse With Loans Outstanding. The amount of an outstanding loan under a Policy plus any accrued interest on outstanding loans is not part of Cash Surrender Value. Therefore, the larger the amount of an outstanding loan, the more likely it is that the Policy could lapse. (See "Risk of Lapse," above and " Lapse and Reinstatement," below.) In addition, if the Policy is not a Modified Endowment Contract, lapse of the Policy with outstanding loans may result in adverse federal income tax consequences. (See "Federal Tax Considerations - Tax Treatment of Policy Benefits," below.)

IRC § 1035 Exchanges of Policies with Existing Policy Loans. We will accept transfers of existing Policy loans on Policies that qualify as § 1035 exchanges. The loan will be limited to 50% of the Accumulated Value of the transfer. The Accumulation Value held as Collateral for the loan will be placed in the General Account.

Tax Considerations. Any loans taken from a Modified Endowment Contract will be treated as a taxable distribution. In addition, with certain exceptions, a 10% additional income tax penalty will be imposed on the portion of any loan taken from a Modified Endowment Contract that is included in income. (See "Federal Tax Considerations — Tax Treatment of Policy Benefits - Distributions Other Than Death Benefits from Modified Endowment Contracts," below.) The tax treatment of loans taken from Policies that are not Modified Endowment Contracts is unclear. You should consult a tax adviser before taking out a Policy loan.

SURRENDERS AND WITHDRAWALS

You may surrender your Policy for its Cash Surrender Value at any time before the death of the Insured. The Cash Surrender Value is the Accumulated Value minus any Policy loan and accrued interest and less any Surrender Charge. We will calculate the Cash Surrender Value on the Valuation Day we receive, at our Home Office, your signed written surrender request deemed by us to be in good order, and the Policy. You may not request a surrender over the telephone. If you request a surrender by facsimile, you need to include with your request a copy of your Policy. Coverage under the Policy will end on the day you mail or otherwise send your written surrender request and the Policy to us. We will ordinarily mail surrender proceeds to you within seven days of when we receive your request in good order. However, in cases where you surrender your Policy within 30 days of making a premium payment by check or through a check-o-matic payment option (i.e., automatic scheduled Withdrawals from a bank account), and we are unable to confirm that such payment has cleared, we may withhold an amount equal to such payment from your surrender proceeds until we are able to confirm that the payment item has cleared, but for no more than 30 days from our receipt of the payment item. You may avoid the possibility of this holdback by making premium payments by unconditional means, such as by certified check or wire transfer of immediately available funds. For a discussion of the payment of proceeds from a surrender request, see "Payment of Proceeds", above.

A surrender may have federal income tax consequences. (See "Federal Tax Considerations - Tax Treatment of Policy Benefits," below).

You may also withdraw a portion of your Policy's Cash Surrender Value at any time before the death of the Insured after the first Policy Anniversary, by writing us at our Home Office. If permitted under your employee benefit plans, you may make a withdrawal at any time after the first Policy Anniversary. The minimum amount which you may withdraw is $500, except for employee benefit plans, where the minimum is $100. The maximum Withdrawal is the Cash Surrender Value on the date of receipt of the Withdrawal request, minus three times the Monthly Deduction for the most recent Monthly Policy Date. A Withdrawal charge of $25 may be deducted from the amount of the Withdrawal. For a discussion of the Withdrawal charge, see "Charges and Deductions - Withdrawal Charge", below.

You may specify how you would like us to take a Withdrawal from the subaccounts of the Separate Account. If you do not so specify, we will take the Withdrawal from the subaccounts in proportion to the Accumulated Value in each subaccount. If the Accumulated Value in one or more subaccounts is insufficient to carry out your instructions, we will not process the Withdrawal until we receive further instructions from you. You may take Withdrawals from the General Account only after the Accumulated Value in the Separate Account has been exhausted.

The effect of a Withdrawal on the Death Benefit and Face Amount will vary depending upon the Death Benefit option in effect and whether the Unadjusted Death Benefit is based on the applicable percentage of Accumulated Value. (See "Death Benefit Options," above.)

Option A. A Withdrawal will reduce the Face Amount of the Policy by the amount of the Withdrawal. Examples of the effect of a Withdrawal on the Face Amount and Unadjusted Death Benefit under Option A are described as follows:

> For the purposes of the following examples, assume that the Attained Age of the Insured is under 40, the GPT was elected, and there is no indebtedness. The applicable percentage is 250% for an Insured with an Attained Age under 40.
>
> Under Option A, a Policy with a Face Amount of $300,000 and an Accumulated Value of $30,000 will have an Unadjusted Death Benefit of $300,000. Assume that you take a Withdrawal of $10,000 The Withdrawal will reduce
> the Accumulated Value to $20,000 ($30,000 - $10,000) and the Face Amount to $290,000 ($300,000 - $10,000). As a result, the Unadjusted Death Benefit following the Withdrawal will be $290,000 (i.e., a reduction of $10,000).

If the Unadjusted Death Benefit immediately prior to the Withdrawal is based on the applicable percentage of Accumulated Value, the Unadjusted Death Benefit will be reduced to equal the greater of (a) the Face Amount after deducting the amount of the Withdrawal and (b) the applicable percentage of Accumulated Value after deducting the amount of the Withdrawal.

Under Option A, a Policy with a Face Amount of $300,000 and an Accumulated Value of $150,000 will have an Unadjusted Death Benefit of $375,000 ($150,000 x 2.50). Assume that you take a Withdrawal of $10,000. The Withdrawal will reduce the Accumulated Value to $140,000 ($150,000 - $10,000) and the Face Amount to $290,000 ($300,000 - $10,000). The Unadjusted Death Benefit following the Withdrawal is equal to the greater of (a) the Face Amount, or $290,000, and (b) the applicable percentage of the Accumulated Value, or $350,000 ($140,000 x 2.50). Therefore, the Unadjusted Death Benefit will be $350,000 following the Withdrawal (i.e., a reduction of $25,000).

Option B. The Face Amount will never be decreased by a Withdrawal. A Withdrawal will, however, always decrease the Death Benefit.

If the Unadjusted Death Benefit equals the Face Amount plus the Accumulated Value, a Withdrawal will reduce the Accumulated Value by the amount of the Withdrawal and thus the Unadjusted Death Benefit will also be reduced by the amount of the Withdrawal.

For the purposes of the following examples, assume that the Attained Age of the Insured is under 40, the GPT was elected, and there is no indebtedness. The applicable percentage is 250% for an Insured with an Attained Age under 40.

Under Option B, a Policy with a Face Amount of $300,000 and an Accumulated Value of $90,000 will have an Unadjusted Death Benefit of $390,000 ($300,000 + $90,000). Assume you take a Withdrawal of $20,000. The Withdrawal will reduce

the Accumulated Value to $70,000 ($90,000 - $20,000). As a result, the Unadjusted Death Benefit will be $370,000 (i.e., a reduction of $20,000). The Face Amount is unchanged.

If the Unadjusted Death Benefit immediately prior to the Withdrawal is based on the applicable percentage of Accumulated Value, the Unadjusted Death Benefit will be reduced to equal the greater of (a) the Face Amount plus the Accumulated Value after deducting the amount of the Withdrawal and (b) the applicable percentage of Accumulated Value after deducting the amount of the Withdrawal.

Under Option B, a Policy with a Face Amount of $300,000 and an Accumulated Value of $210,000 will have an Unadjusted Death Benefit of $525,000 ($210,000 X 2.50). Assume you take a Withdrawal of $60,000. The Withdrawal will reduce the Accumulated Value to $150,000 ($210,000 - $60,000), and the Unadjusted Death Benefit to the greater of (a) the Face Amount plus the Accumulated Value, or $450,000 ($300,000 + $150,000) and (b) the applicable percentage of the Accumulated Value, or $375,000 ($150,000 X 2.50). Therefore, the Unadjusted Death Benefit will be $450,000 (i.e., a reduction of $75,000). The Face Amount is unchanged.

Any decrease in Face Amount due to a Withdrawal will first reduce the most recent increase in Face Amount, then the most recent increases, successively, and lastly, the Initial Face Amount.

Because a Withdrawal can affect the Face Amount and the Unadjusted Death Benefit as described above, a Withdrawal may also affect the Net Amount at Risk which is used to calculate the cost of insurance charge under the Policy. (See “Cost of Insurance Charge,” above.) Because a Withdrawal reduces the Accumulated Value, the Cash Surrender Value of the Policy is reduced, thereby increasing the likelihood that the Policy will lapse. (See “Lapse and Reinstatement,” below.) A request for Withdrawal may not be allowed if such Withdrawal would reduce the Face Amount below the Minimum Face Amount for the Policy. Also, if a Withdrawal would result in cumulative premiums exceeding the maximum premium limitations applicable under the Code for life insurance, we will not allow the Withdrawal.

You may request a Withdrawal only by sending a signed written request (in good order) to our Home Office; requests for partial Withdrawals may also be made to our Home Office by facsimile. You may not request a Withdrawal over the telephone. We will ordinarily pay a Withdrawal within seven days of receiving at our Home Office a valid Withdrawal request.

A Withdrawal of Cash Surrender Value may have federal income tax consequences. (See “Federal Tax Considerations - Tax Treatment of Policy Benefits,” below.)

Owners of Policies being used in qualified retirement plans should be aware that the Policy does not contain any provision for a refund of premium in the event that premiums in excess of those permitted by the "incidental insurance" rules are paid. In the event that a Withdrawal is necessary to bring a Policy into compliance with the "incidental insurance" rules, we will waive any Withdrawal charge in connection with such Withdrawal. However, such Owners should be aware that it is possible that the Cash Surrender Value of the Policy will not be sufficient to permit a Withdrawal in the amount necessary to bring the Policy into compliance.

LAPSE AND REINSTATEMENT

Lapse. If on any Monthly Policy Date the Cash Surrender Value is insufficient to cover the Monthly Deduction for the most recent Monthly Policy Date and any other charges due under the Policy, the Policy will enter a 61- day Grace Period and then could lapse.

The lapse could occur for a number of reasons, including: (1) if the investment returns on your chosen subaccounts are lower than anticipated; (2) if you do not pay premiums at the levels you planned; or (3) if you take Policy loans.

Before it lapses the Policy will enter a 61-day Grace Period unless:

1) the Policy is within the Policy Protection Period (the first five Policy Years); and
2) the Accumulated Value less any debt is greater than the Monthly Deduction for the most recent Monthly Policy Date and any other charges due; and
3) the cumulative premiums paid since the Policy's Issue Date, less any Withdrawals and less any debt are greater than or equal to the cumulative Minimum Monthly Premiums due since the Policy's Issue Date.

Another situation in which your Policy will not lapse is if you elect and exercise the overloan protection rider, subject to certain conditions.

The Policy will not enter a Grace Period solely due to the failure to make a premium payment.

The Grace Period shall be 61 days, and the Policy shall remain in force during the Grace Period. We will mail you a notice of the premium required to keep the Policy in force.

During the Policy Protection Period, the premium needed to keep the Policy in force beyond a Grace Period shall equal the greater of:

1) the premium which will be sufficient to produce an Accumulated Value, net of debt, equal to two times the Monthly Deduction due at the beginning of the Grace Period, *or*
2) an amount equal to :

   - the cumulative Minimum Monthly Premiums due at the start of the Grace Period; *plus*
   - three times the Minimum Monthly Premium in effect at the beginning of the Grace Period; *plus*
   - all Withdrawals; *plus*
   - any debt; *less*
   - all premiums paid.

However, in no case shall the premium needed to keep the Policy in force beyond a Grace Period be greater than the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due at the start of the Grace Period.

After the Policy Protection Period, the premium needed to keep the Policy in force beyond a Grace Period shall be the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due at the start of the Grace Period.

Examples:

During the Policy Protection Period

Assume the following: (a) a Policy enters a Grace Period at the beginning of the 18th month; (b) the cumulative premium paid is $2,600; (c) the Cash Surrender Value is not enough to cover deductions; (d) the Accumulated Value at the time the premium is paid to keep the Policy in force is $1,500.00; (e) at the beginning of the Grace Period the Monthly Deduction due is $75.00; (f) the Minimum Monthly Premium is $150.00; and (g) the Surrender Charge at the time the premium is paid to keep the Policy in force is $6,500.00.

In order to determine the premium needed to keep the Policy in force beyond a Grace Period, we first need to make the two calculations described above:

1). Two times the Monthly Deduction due at the beginning of the Grace Period equals $150.00 ($75.00 x 2). Therefore, the premium sufficient to produce an Accumulated Value equal to two times the Monthly Deduction is $150.00 — $1,500.00. However, this produces a negative number, and the amount of premium needed to keep the Policy in force cannot be less than $0. In this example, then, the premium sufficient to produce an Accumulated Value equal to two times the Monthly Deduction is $0.

2). An amount equal to:

- The cumulative Minimum Monthly Premiums due at the start of the Grace Period, which in this example is $2,700.00 ($150.00 x 18); *plus*
- Three times the Minimum Monthly Premium in effect at the start of the Grace Period, which in this example is $450.00 ($150.00 x 3); *plus*
- all Withdrawals, which in this example is $0; *plus*
- any debt, which in this example is $0; *minus*
- The cumulative premium paid, which in this example is $2,600.00.

The total of these amounts is $550.00 ($2,700.00 + $450.00 + $0 + $0 - $2,600.00).

Therefore, having done the first two calculations above, the premium needed to keep the Policy in force beyond a Grace Period equals $550.00 (the greater of $0 or $550.00).

However, the amount cannot be more than the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deductions due at the start of the Grace Period.

The premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due at the beginning of the Grace Period is equal to:

- three times the Monthly Deduction due at the beginning of the Grace Period, which is $225.00 ($75.00 x 3); *minus*
- the Accumulated Value at the time the premium is paid to keep the Policy in force, which is $1,500.00; *plus*
- the Surrender Charge at the time the premium is paid to keep the Policy in force, which is $6,500.00

The total of these amounts $5,225.00 ($225.00 – $1,500.00 +$6,500.00).

Therefore, the premium required to keep the Policy in force beyond a Grace Period will be $550.00. This amount is the greater of 1). or 2). and is not greater than $5,225.00 (the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due at the beginning of the Grace Period).

After the Policy Protection Period
Assume the following: (a) a Policy enters a Grace Period during the eighth Policy Year; (b) at the beginning of the Grace Period the Monthly Deduction due is $120.00; (c) the Accumulated Value at the time the premium is paid to keep the Policy in force equals $1,500.00; and (d) the Surrender Charge at the time the premium is paid to keep the Policy in force is $1,400.00.

In order to determine the premium needed to keep the Policy in force beyond a Grace Period, we need to calculate:

- Three times the Monthly Deduction due at the beginning of the Grace Period, which is $360.00 ($120.00 x 3).

The premium sufficient to produce a Cash Surrender Value equal to $360.00 (three times the Monthly Deduction due at the beginning of the Grace Period) equals:

- three times the Monthly Deduction due at the beginning of the Grace Period, which is $360.00; *minus*
- the Accumulated Value at the time the premium is paid to keep the Policy in force, which is $1,500.00; *plus*

- the Surrender Charge at the time the premium is paid to keep the Policy in force, which is $1,400.00

The total of these amounts is $260.00 ($360.00 – $1,500.00 + $1,400.00) and therefore the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due at the start of the Grace Period, is $260.00 ($360.00 – $1,500.00 + $1,400.00).

If the premium needed to keep the Policy in force is not paid by the later of the last day of the Grace Period or the 61st day after the notice of premium required to keep the Policy in force is sent, the Policy shall terminate without value. However, we will not terminate the Policy at the end of the Grace Period if a claim begins under the waiver of Monthly Deductions rider.

Reinstatement. A Policy that lapses without value may be reinstated at any time within five years (or any longer period required in a particular state) after the beginning of the Grace Period. To do so, you must submit evidence of the Insured's insurability satisfactory to us and pay a sufficient reinstatement premium. The effective date of reinstatement, unless otherwise required by state law, will be the Monthly Policy Date on or next following the date your reinstatement application is approved. The Policy will be reinstated with the same Date of Issue as it had prior to the lapse. The amount required to reinstate your Policy depends on whether or not your Policy is in the Policy Protection Period.

If reinstatement occurs during a Policy Protection Period, the required reinstatement payment shall be an amount equal to the greater of:

1) the premium which will be sufficient to produce an Accumulated Value, net of debt, equal to four times the Monthly Deduction due on the date the Grace Period began, *or*
2) an amount equal to:

   - the cumulative Minimum Monthly Premiums due at the start of the Grace Period, *plus*
   - three times the Minimum Monthly Premium due at the start of the Grace Period, *plus*
   - all Withdrawals; *plus*
   - any debt; *less*
   - all premiums paid.

However, in no case shall the reinstatement payment be more than the premium which will make the Cash Surrender Value sufficient to provide:

(a) two times the Monthly Deduction due on the date the Grace Period began; *plus*
(b) three times the Monthly Deduction due on the date of reinstatement.

If reinstatement occurs after the Policy Protection Period, the required reinstatement payment shall be an amount which will make the Cash Surrender Value sufficient to provide:

1) two times the Monthly Deduction due on the date the Grace Period began; *plus*
2) three times the Monthly Deduction due on the date of reinstatement.

The duration of a reinstated Policy will be computed without regard to the period between the final lapse date and the reinstatement date for the purpose of assigning Surrender Charges and Monthly Expense Charges.

Examples:

During the Policy Protection Period

Assume the following: (a) a Policy enters a Grace Period during the second Policy Year; (b) at the beginning of the Grace Period the Monthly Deduction due is $75.00 and the Minimum Monthly Premium is $150.00; (c) at the time of reinstatement the Monthly Deduction due is $100.00; (d) the Accumulated Value at the time of reinstatement is $1,500.00; (e) the Surrender Charge at the time of reinstatement equals $6,500.00; and (f) the total premiums paid equals $3,000.00.

In order to determine the required reinstatement payment, we first need to make the two calculations described above:

1). To determine the premium which will be sufficient to produce an Accumulated Value equal to four times the Monthly Deduction due at the beginning of the Grace Period, one must multiply the Monthly Deduction due at the beginning of the Grace Period by four, which is $300.00 ($75.00 x 4).

Based on the assumptions above, the premium required to produce an Accumulated Value equal to four times the Monthly Deduction due at the beginning of the Grace Period is $300.00 (four times the Monthly Deduction due at the beginning of the Grace Period) *minus* $1,500.00 (the Accumulated Value at the time of reinstatement). However, this produces a negative number, and the amount of the reinstatement payment cannot be less than $0. Therefore, the reinstatement payment required to produce an Accumulated Value equal to four times the Monthly Deduction due at the beginning of the Grace Period is equal to $0.

2). An amount equal to:

- The cumulative Minimum Monthly Premiums due at the start of Grace Period, which is $2,700.00 ($150.00 x 18); *plus*
- Three times the Minimum Monthly Premium in effect at the start of the Grace Period, which is $450.00 ($150.00 x 3); *plus*
- all Withdrawals, which is $0; *plus*
- any debt, which is $0; *less*
- all total premiums paid, which is $3,000.00.

The total of these amounts is $150.00 ($2,700.00 + $450.00 + $0 +$0 – $3,000.00).

Therefore, having done the first two calculations above, the reinstatement payment equals $150.00 (the greater of $150.00 and $0).

However, in no case shall the reinstatement payment be more than the premium which will make the Cash Surrender Value sufficient to provide:

- Two times the Monthly Deduction due at the beginning of the Grace Period, which is $150.00 ($75.00 x 2); *plus*
- Three times the Monthly Deduction due on the date of reinstatement, which is $300.00 ($100.00 x 3).

The premium sufficient to produce a Cash Surrender Value equal to $450.00 ($150.00 + $300.00) on the date of reinstatement equals:

- two times the Monthly Deduction due at the beginning of the Grace Period, which is $150.00 *plus;*
- three times the Monthly Deduction due on the date of reinstatement, which is $300,00; *minus*
- four times the Monthly Deduction due at the beginning of the Grace Period, which is $300.00; *plus*
- the Surrender Charge at the time of reinstatement, which is $6,500.00.

The total of these amounts is $5,300.00 ($150.00 + $300.00 –$300.00 + $6,500.00)).

Therefore, the reinstatement payment required to keep the Policy in force will be $150.00. This amount is the greater of 1). or 2). and is not greater than $5,300.00 (the premium sufficient to produce a Cash Surrender Value equal to two times the Monthly Deduction due at the beginning of the Grace Period plus three times the Monthly Deduction due on the date of reinstatement).

After the Policy Protection Period

Assume the following: (a) a Policy enters a Grace Period during the eighth Policy Year; (b) at the beginning of the Grace Period the Monthly Deduction due is $120.00; (c) at the time of reinstatement the Monthly Deduction due is $130.00; (d) the Accumulated Value at the time of reinstatement is $1,500.00; and (e) the Surrender Charge at the time of reinstatement is $1,400.00.

In order to determine the reinstatement payment to keep the Policy in force beyond a Grace Period, one must calculate:

The reinstatement payment that will make the Cash Surrender Value sufficient to provide:

- Two times the Monthly Deduction due at the beginning of the Grace Period, which is $240.00 ($120.00 x 2); *plus*
- Three times the Monthly Deduction due on the date of reinstatement, which is $390.00 ($130.00 x 3).

The premium sufficient to produce a Cash Surrender Value equal to $530.00 ($240.00 + $390.00) equals:

- two times the Monthly Deduction due at the beginning of the Grace Period, which is $240.00; *plus*
- three times the Monthly Deduction due on the date of reinstatement, which is $390.00; *minus*
- the Accumulated Value at the time of reinstatement, which is $1,500.00; *plus*
- the Surrender Charge at the time of reinstatement, which is $1,400.00.

The total of these amounts is $530.00 ($240.00 + $390.00 – $1,500.00 + $1,400.00).

However, if the calculations above produce a negative number, the amount of reinstatement payment will be $0.

Upon reinstatement, the Accumulated Value of the Policy at the time of final lapse will be restored along with the Accumulated Value available for deductions at the time that the Grace Period began, the schedule of Surrender Charges for the policy months following the date the Grace Period began shall become the schedule of Surrender Charges for the policy months following the date of reinstatement, the schedule of Monthly Expense Charges for the policy months following the date the Grace Period began shall become the schedule of Monthly Expense Charges for the policy months following the date of reinstatement and the months remaining in the Policy Protection Period at the time of final lapse will be restored.

Reduced Paid-Up Benefit Provision for Residents of Certain States. In Massachusetts, Florida, Wisconsin and Wyoming, the Owner of the Policy may, by written request to us, elect to apply the Cash Surrender Value to purchase paid-up life insurance. The amount of insurance and its value going forward will be based on a 3% interest rate and the mortality table stated in the data section of the Policy.

In New York, the Owner of the Policy may, by written request to us, elect to continue the Policy as paid-up life insurance. All or a portion of the Cash Surrender Value will be applied to purchase paid-up insurance and the rest will be paid out as cash. The cash payout is determined such that the amount of cash received plus the Face Amount of your new paid-up insurance does not exceed the Death Benefit in force at the time this option is elected. The amount of insurance and its value going forward will be calculated based on 3% interest rate and the mortality table stated in the data section of the Policy.

CHARGES AND DEDUCTIONS

We deduct the charges described below from your premium payments or your Policy Value. Certain of the charges depend on a number of variables. The charges are for the services and benefits provided, costs and expenses incurred and risks assumed by us under the Policy. We intend to profit from these charges.

Services and benefits we provide include:

- the Death Benefits, cash and loan benefits provided by the Policy;
- the funding choices, including Net Premium allocations, dollar-cost averaging programs, and automatic asset rebalancing programs;
- the administration of various elective options under the Policy (including any riders); and
- the distribution of various reports to Owners.

Costs and Expenses we incur include:

- those associated with underwriting applications and changes in Face Amount and any rider;
- various overhead and other expenses associated with providing the services and benefits provided by the Policy (and any rider);
- sales and marketing expenses;
- other costs of doing business, such as complying with federal and state regulatory requirements.

Risks we assume include the risks that:

- Insureds may die sooner than estimated, resulting in the payment of greater Death Benefits than expected; and
- the costs of providing the services and benefits under the Policy (and any riders) will exceed the charges deducted.

We use all of the charges we deduct to pay aggregate Policy costs and expenses, including a profit to us, that we incur in providing the services and benefits under the Policy and assuming the risks associated with the Policy.

Percent of Premium Expense Charge
We will deduct 6% from each premium payment prior to allocation of Net Premiums. This may be used to cover state premium taxes, the federal DAC Tax, and certain sales and marketing expenses. We may profit from this charge and may use the charge for any lawful purpose. The federal DAC Tax is a tax attributable to certain "policy acquisition expenses" under Internal Revenue Code Section 848. Section 848 in effect accelerates the realization of income we receive from the Policies, and therefore the payment of federal income taxes on that income. The economic consequence of Section 848 is, therefore, an increase in the tax burden borne by us that is attributable to the Policies.

Surrender Charge
We impose a Surrender Charge which may be used to cover the costs associated with the sale of a Policy (including commissions paid to broker/dealers) if the Policy is surrendered or lapses at any time before the end of the tenth Policy Year following issue or a Face Amount increase. We may profit from this charge and may use the charge for any lawful purpose. In addition to varying by the Policy Year following issue (or the Policy Year after a Face Amount increase), the amount of the surrender charge varies by the Insured's issue age, sex, and rating as either a smoker or as a non-smoker. The amount of the Surrender Charge ranges from a maximum of $54.38 per $1,000 of initial or increased Face Amount (based on an Insured who is a female smoker, age 61, during the first Policy Year) to a minimum of $1.35 per $1,000 of initial or increased Face Amount (based on an Insured who is a female nonsmoker, age 0, during the tenth Policy Year).

The first year Surrender Charges are presented in Appendix B to this prospectus for all states except New York, in Appendix C to this prospectus for New York and in Appendix D to this prospectus for Pennsylvania. Appendix B, C and D express the Surrender Charge as a dollar amount per $1,000 of Initial Face Amount. First year Surrender Charges range from $11.22 per $1,000 of Initial Face Amount for a female Issue Age of 0 in Pennsylvania to $54.38 per $1,000 of Initial Face Amount for a female smoker age 61 in a state other than New York and Pennsylvania. There will be a Surrender Charge associated with the Initial Face Amount as well as with each subsequent Face Amount increase. Each such portion of the Surrender Charge will have a duration of ten Policy Years as measured from the issue date of the corresponding Face Amount. Each portion of the Surrender Charge will be level during each Policy Year and decrease every year through year ten. Surrender Charges in all states except New York decrease linearly by Policy Year until the end of the tenth Policy Year with some rounding. The Surrender Charge schedule applicable to policies issued in New York is amortized such that the surrender charge is zero beginning in policy year 11. New York surrender charges are limited to an expense allowance over 10 years; the second limit is calculated as the same expense allowance less the cumulative renewal Monthly Expense Charges due through the end of the Policy Year. There will be no reduction in Surrender Charges upon a decrease in Face Amount.

Monthly Deductions
We will deduct charges from the Accumulated Value on the Date of Issue and on each Monthly Policy Date. The Monthly Deduction consists of five components:

1. the cost of insurance charge;
2. the Monthly Policy Fee;
3. the Monthly Expense Charge;
4. the Monthly Account Value Charge; and
5. the cost of any additional benefits provided by rider. The monthly charges will be specified in the applicable rider.

Because portions of the Monthly Deduction (such as the cost of insurance charge) vary from month to month, the Monthly Deduction will also vary. We will take the Monthly Deduction on a pro rata basis from the subaccounts of the Separate Account and the General Account, unless you have requested at the time of application, or later request in writing, that we take the Monthly Deduction from the Money Market Subaccount. If we cannot take a Monthly Deduction from the Money Market Subaccount, where you have so asked, we will take the amount of the deduction in excess of the Accumulated Value available in the Money Market Subaccount on a pro rata basis from Accumulated Value in the subaccounts of the Separate Account and the General Account.

Cost of Insurance Charge. We will deduct a monthly cost of insurance charge from the Accumulated Value on the Date of Issue and each Monthly Policy Date until the Insured reaches Attained Age 121 as part of the Monthly Deduction. The cost of insurance charge is intended to be the primary charge for the Death Benefit provided by your Policy. We calculate the monthly cost of insurance charge by multiplying the applicable cost of insurance rate or rates by the Net Amount at Risk for each policy month. Because both the Net Amount at Risk and the variables that determine the cost of insurance rate—including, but not limited to, the age of the Insured at the time the Policy is issued, sex, Rate Class and the Duration of the Policy—may vary, the cost of insurance charge will likely be different from month to month. The guaranteed cost of insurance may range from $90.91 to $0.02 per $1,000 of Net

Amount at Risk per month. The current cost of insurance charges range from $28.30 to $0.01 per $1,000 of Net Amount at Risk per month.

We may profit from this charge and may use the charge for any lawful purpose.

Net Amount at Risk. The Net Amount at Risk on any Monthly Policy Date is approximately the amount by which the Unadjusted Death Benefit on that Monthly Policy Date exceeds the Accumulated Value. It measures the amount National Life would have to pay in excess of the Policy's value if the Insured died. The actual calculation uses the Unadjusted Death Benefit divided by 1.00246627, to take into account assumed monthly earnings at an annual rate of 3%. We calculate the Net Amount at Risk separately for the Initial Face Amount and any increases in Face Amount. In determining the Net Amount at Risk for each increment of Face Amount, we first consider the Accumulated Value part of the Initial Face Amount. If the Accumulated Value exceeds the Initial Face Amount, we consider it as part of any increases in Face Amount in the order such increases took effect.

Any change in the Net Amount at Risk will affect the total cost of insurance charges paid by the Owner.

Guaranteed Maximum Cost of Insurance Rates. The guaranteed maximum cost of insurance rates will be set forth in your Policy, and will be based on factors including, but not limited to:

- the Insured's Attained Age,
- the Insured's sex,
- the Insured's Rate Class, and
- the 2001 Commissioners Standard Ordinary (M/F) Smoker/Nonsmoker U ANB Mortality Tables.

For Policies issued in states which require "unisex" policies or in conjunction with employee benefit plans, the guaranteed maximum cost of insurance rate will be based on the 2001 Commissioners Standard Ordinary (80) Smoker/Nonsmoker U ANB Mortality Tables, which are gender blended tables. There is no maturity date for the Policy.

Current Cost of Insurance Rates and How They are Determined. The actual cost of insurance rates used ("current rates") will depend on factors including, but not limited to:

- the Insured's Issue Age,
- the Insured's sex,
- the Insured's Rate Class, and
- the Policy's Duration.

We periodically review the adequacy of our current cost of insurance rates and may adjust their level. However, the current rates will never exceed guaranteed maximum cost of insurance rates. Any such modification will be made on a class basis based on the classes initially identified when Policies are issued.

We use separate cost of insurance rates for the Initial Face Amount and any increases in Face Amount. For the Initial Face Amount we use the Insured's Issue Age, sex and Rate Class on the Date of Issue. For each subsequent increase in Face Amount, we use the Insured's Issue Age, sex, and Rate Class at the time of the increase. Cost of Insurance rates vary by the Policy's Duration. If the Unadjusted Death Benefit is calculated as the Accumulated Value times the specified percentage, we use the cost of insurance rate associated with the Initial Face Amount for the amount of the Unadjusted Death Benefit in excess of the total Face Amount for Option A, and in excess of the total Face Amount plus the Accumulated Value for Option B.

We may also issue Policies on a guaranteed or simplified issue basis, where minimal or no medical underwriting is required prior to issuance of a Policy. Current cost of insurance rates for Policies issued on these bases may be higher than current cost of insurance rates for healthy Insureds who undergo medical underwriting.

Rate Class. The Rate Class of the Insured will affect both the guaranteed and current cost of insurance rates. We currently place Insureds into the following Rate Classes:

- elite preferred nonsmoker,
- preferred nonsmoker,
- standard nonsmoker,
- preferred smoker,
- standard smoker, and
- substandard.

Smoker and substandard classes reflect higher mortality risks. In an otherwise identical Policy, an Insured in an elite, preferred or standard class will have a lower cost of insurance rate than an Insured in a substandard class with higher mortality risks. Nonsmoking Insureds will generally incur lower cost of insurance rates than Insureds who are classified as smokers.

Insureds with Issue Ages less than 20 will be placed in the standard nonsmoker class. If the Insured is a known smoker a substandard rating will be added to the Policy.

Monthly Policy Fee. The Monthly Policy Fee is intended to reimburse us for administrative expenses associated with the Policy. We may profit from this charge and may use the charge for any lawful purpose. We will deduct a Monthly Policy Fee of $7.50 from the Accumulated Value on the Date of Issue and each Monthly Policy Date until the Insured reaches Attained Age 121 as part of the Monthly Deduction.

Monthly Expense Charge. The Monthly Expense Charge is intended to compensate us for administrative expenses and for the insurance coverage provided by the Policy. We may profit from this charge and may use the charge for any lawful purpose, including covering distribution expenses. During the first ten Policy Years and for ten years following an increase in Face Amount, we will deduct a Monthly Expense Charge from the Accumulated Value on the Date of Issue and each Monthly Policy Date as part of the Monthly Deduction. The Monthly Expense Charge is calculated as an amount per thousand of insurance which is determined based on the Initial Face Amount plus any increase in Face Amount. The Monthly Expense Charge rate varies based on the Issue Age, sex, and Rate Class of the Insured and the Initial Face Amount of the Policy.

The Monthly Expense Charge rates will vary with the Initial Face Amount of the Policy in the following bands:

those with Initial Face Amounts less than $250,000;
those with Initial Face Amounts between $250,000 and $999,999, inclusive; and
those with Initial Face Amounts of $1,000,000 and greater.

On both a current and guaranteed basis the Monthly Expense Charge will apply during the first ten years following the Date of Issue for the Monthly Expense Charge associated with the Initial Face Amount and during the first ten years following each increase in Face Amount for the Monthly Expense Charge associated with each increase in Face Amount. The guaranteed Monthly Expense Charge varies between $2.81 per $1,000 of Face Amount and $0.08 per $1,000 of Face Amount. Appendix E shows the Monthly Expense Charge per $1,000 for each Issue Age, sex, and Rate Class.

There will be no reduction in the Monthly Expense Charge upon a decrease in Face Amount.

Monthly Account Value Charge. We reserve the right to deduct a Monthly Account Value Charge as part of the Monthly Deduction. We currently do not plan to assess a charge of this type. The maximum charge we could charge in the future is 0.04% of Accumulated Value each month. We may profit from this charge and may use the charge for any lawful purpose.

Optional Benefit Charges. The Monthly Deduction will include charges for any additional benefits added to the Policy. We discuss the charges for the riders below. The monthly charges are also specified in the applicable rider and in the “Fee Table” section above. An explanation of what is provided in consideration for each rider can be found in the description of each rider, either in the “Optional Benefits” section below or in the SAI.

We will deduct a charge for the waiver of monthly deductions rider on the Date of Issue of the Policy and on each Monthly Policy Date after that date until the Insured reaches Attained Age 65. The charge ranges from $0.27 to $0.05 per month, multiplied by the Monthly Deduction.

We will deduct the charge for the accidental death benefit rider on the Date of Issue of the Policy and on each Monthly Policy Date after that date until the Insured reaches Attained Age 70. The charge ranges from $0.18 to $0.02 per month per $1,000 of the accidental death benefit.

We will deduct the charge for the guaranteed insurability option rider on the Date of Issue of the Policy and on each Monthly Policy Date after that date until the Insured reaches Attained Age 40. The charge ranges from $0.16 to $0.02 per month times the option amount.

We will deduct the charge for the accelerated care rider on the Date of Issue of the Policy and on each Monthly Policy Date after that date until the Insured reaches Attained Age 121. The guaranteed charge ranges from $4.32 to $0.03 per $1,000 of Net Amount at Risk per month, plus between $0.92 and $0.0007 per dollar of Monthly Deduction.

We will deduct the charge for the chronic care protection rider on the Date of Issue of the Policy and on each Monthly Policy Date after that date until the Insured reaches Attained Age 121. The charge ranges from $4.34 to $0.01 per $1,000 of rider Face Amount per month.

We will deduct the charge for the balance sheet benefit rider on the Date of Issue of the Policy and on each Monthly Policy Date after that date during the first ten Policy Years and during the first ten Policy Years following an increase in the Face Amount. The charge ranges from $0.12 to $0.02 per $1,000 of Face Amount per month.

We will deduct the charge for the children's term rider on the Date of Issue of the Policy and on each Monthly Policy Date after that date until the Policy Anniversary following the last covered dependent child's 23rd birthday. The charge is $0.46 per $1,000 of rider Face Amount while the rider is in force regardless of the number of children covered.

We will deduct the charge for the other insured rider on the Date of Issue of the Policy and on each Monthly Policy Date after that date until the youngest covered other Insured reaches Attained Age 100. The charge ranges from $38.71 to $0.01 per $1,000 of rider Face Amount per month for each other Insured.

We will deduct the charge for the waiver of specified premium rider on the Date of Issue of the Policy and on each Monthly Policy Date after that date until the Insured reaches Attained Age 65. The charge ranges from $0.07 to $0.03 per dollar of waiver benefit per month.

In addition, we will deduct the charge for the overloan protection rider when you exercise the rider. The charge ranges from 4.20% to 0.87% of Accumulated Value.

Withdrawal Charge
Although we do not currently assess such a charge, we may assess on each Withdrawal a charge of $25. If assessed, we will deduct this Withdrawal charge from the Withdrawal amount. The Withdrawal charge is intended to reimburse us for administrative costs associated with processing a Withdrawal.

Transfer Fee
Although we do not currently assess such a charge, we may assess a transfer fee of $25 if the number of transfers exceeds 12 in a given Policy Year. We may also pass through any fees charged by a portfolio as a result of the transfer, including a short-term trading or redemption fee. The transfer fee is intended to reimburse us for administrative costs associated with processing a transfer.

Loan Interest Spread
A loan interest spread is assessed by crediting a lower rate on Accumulated Value held as loan collateral than the rate charged on the outstanding loan. The maximum amount of loan interest spread is 2% of the amount held as Collateral. We currently plan to offer zero spread loans. A loan interest spread is not a fee.

Projection Report Charge
Although we do not currently assess such a charge, we may impose a charge (not to exceed $25) for preparing each projection report you request, after the initial projection report. This report will project future values and future Death Benefits for the Policy. We will notify you in advance of the amount of the charge. You may elect to pay the charge in advance. If not paid in advance, we will deduct this charge from the subaccounts of the Separate Account and/or the General Account in proportion to their Accumulated Values on the date of the deduction.

Subaccount Tax Charge
We may deduct a subaccount tax charge for taxes and amounts set aside as a reserve for taxes in determining the value of a unit value for each of the subaccounts in the event such a tax is levied on that subaccount in the future. This charge is currently not assessed.

Other Charges
The Separate Account purchases shares of the portfolios at net asset value. The net asset value of those shares reflects management fees and expenses already deducted from the assets of the portfolios. Historical expense ratio information for the portfolios is presented in the "Fee Tables" section, above. More detailed information is contained in the portfolios' prospectuses which accompany this prospectus.

We sell the Policies through registered representatives of broker dealers. These registered representatives are also appointed and licensed as our insurance agents. We pay commissions to the broker-dealers for selling the Policies. You do not directly pay these commissions. We do. We intend to recoup commissions and other sales expenses through fees and charges imposed under the Policies.

OPTIONAL BENEFITS

You may add additional benefits to your Policy by purchasing optional riders. Election of any of these riders involves an additional cost. The riders are subject to the restrictions and limitations set forth in the applicable Policy riders. The following riders are available under the Policy.

- Accelerated Benefit Rider
- Accidental Death Benefit Rider
- Balance Sheet Benefit Rider
- Children's Term Rider
- Guaranteed Insurability Option Rider
- Other Insured Rider
- Overloan Protection Rider
- Qualified Plan Exchange Privilege Rider
- Waiver of Monthly Deductions Rider
- Waiver of Specified Premium Rider

Any one of these riders may not be available in your state and the terms of the rider may vary by state. We describe certain of the riders below. More information about these riders and others not available on policies issued after September 19, 2011 is available from your agent and in the Statement of Additional Information.

Accelerated Care Rider
Under the optional accelerated care rider, we will make periodic partial prepayments to you of all or a portion of your Death Benefit if the Insured becomes "chronically ill". This rider was available only at Policy issue, and only for Policies issued prior to September 19, 2011. This rider is not available under Policies issued on and after September 19, 2011.

Chronic Care Protection Rider
The optional chronic care protection rider provides benefits to pay for expenses incurred by an Insured for qualified long-term care services beyond the date on which payments under an accelerated care rider would terminate because the entire Death Benefit of the Policy has been accelerated. This rider was available only at Policy issue, and only for Policies issued prior to September 19, 2011. This rider is not available under Policies issued on and after September 19, 2011.

Accelerated Benefit Rider
This rider provides an accelerated Death Benefit prior to the death of the Insured in certain circumstances where a terminal illness or chronic illness creates a need for access to the Death Benefit. Accelerated Death Benefits paid under this rider are discounted. There is no cost for this rider.

Overloan Protection Rider
If you elect the overloan protection rider, we will guarantee that the Policy will not lapse if you meet the conditions to exercise the rider, and do exercise the rider before the Policy lapses. There is no charge for electing the rider, but you will be charged if the rider is exercised. See Appendix F for more information about the rider.

Availability. This rider is available only if the GPT is elected for determining compliance with the federal definition of life insurance.

Mechanics of the Rider. As described in your rider, the rider may be exercised if all the following conditions are met:

3) the Attained Age of the Insured is greater than or equal to 75; and
4) the Policy to which the rider is attached has been in force for at least fifteen years from the Policy Date of Issue; and
5) outstanding debt on the Policy must exceed the total Face Amount of the Policy; and
6) the outstanding debt divided by the excess of the Accumulated Value over the Surrender Charge exceeds 0.95.

We will send you a notification when these conditions have been met. The rider must be exercised within sixty days of the date we mail notification. If it is not, the rider will terminate.

Other Effects of Exercise. All values from the Separate Account will be transferred to the General Account. No further transfers from the General Account to the Separate Account may be made. No additional premiums may be paid into the Policy. Withdrawals will no longer be allowed. Monthly Deductions will cease. Any additional benefit riders whose monthly cost was included in the Monthly Deductions will terminate. The Policy Death Benefit Options will be switched to Option A if Option B is in effect. No adjustments will be made to the Policy Face Amount. No further change in Death Benefit Option and no further loans will be permitted.

Other Possible Products. Features similar to the overloan protection rider are available in other products that do not offer subaccount options, including National Life's Ultra Select and AssurePlus Protector policies. If you do not plan on making use of the subaccounts offered in Investor Select, then another non-variable universal life policy may be more cost effective for you.

Termination. This rider will terminate on the earliest of:

- the date that your Policy terminates or matures (depending on the state of issue);
- 60 days following our mailing of notification that the conditions for exercising this rider have been met; or
- the Monthly Policy Date following the receipt of your request to terminate this rider.

If the overloan protection rider is in force at the time your Policy lapses, you may reinstate the rider when you reinstate your Policy.

Tax matters. With the overloan protection rider, this Policy may be purchased with the intention of accumulating cash value on a tax-free basis for some period (such as, until retirement) and then periodically borrowing from the Policy without allowing the Policy to lapse. Anyone contemplating the purchase of the Policy with the intention of pursuing this strategy or otherwise exercising the "overloan protection" provided under the rider should be aware that, among other risks, it has not been ruled on by the IRS or the courts and it may be subject to challenge by the IRS, because it is possible that the loans will be treated as taxable distributions when the rider causes the Policy to convert into a fixed Policy. You should consult a tax advisor before exercising the Overloan Protection Rider.

Balance Sheet Benefit Rider
We offer an optional balance sheet benefit rider, which can be used to increase the Cash Surrender Value of the Policy during periods when Surrender Charges apply. There is a monthly cost for the rider that will reduce the Policy's Accumulated Value and long term Cash Surrender Value relative to a similar Policy without the rider. Thus, careful consideration should be given before electing this rider.

Children's Term Rider
We offer an optional children's term rider that provides term insurance for the Face Amount of the rider on all of the Insured's dependent children.

Other Insured Rider
We offer an optional other insured rider that provides annual renewable term insurance on up to five other Insureds.

Qualified Plan Exchange Privilege Rider
The qualified plan exchange privilege rider permits the Insured under a Policy owned by a Qualified Pension Plan (qualified pension and profit sharing plans that have met all the requirements under Internal Revenue Code Section 401) to purchase a new life insurance policy without providing evidence of insurability, subject to the terms of the rider, when the original Policy is surrendered by the Plan. There is no charge for this rider.

Waiver of Specified Premium Rider
If you elect the waiver of specified premium rider, we will pay the specified waiver benefit as a premium into the Policy on a monthly basis if the Insured becomes totally disabled, subject to certain conditions.

FEDERAL TAX CONSIDERATIONS

The following summary provides a general description of the federal tax considerations associated with the Policy and does not purport to be complete or to cover all tax situations. This discussion is not intended as tax advice. Counsel or other competent tax advisors should be consulted for more complete information. This discussion is based upon our understanding of the present federal income tax laws. No representation is made as to the likelihood of continuation of the present federal income tax laws or as to how they may be interpreted by the Internal Revenue Service.

Tax Status of the Policy
In order to qualify as a life insurance contract for federal income tax purposes and to receive the tax treatment normally accorded life insurance contracts under federal tax law, a life insurance policy must satisfy certain requirements which are set forth in the Internal Revenue Code. Guidance as to how these requirements are to be applied is limited. Nevertheless, National Life believes that a Policy issued on the basis of a standard Rate Class should satisfy the applicable requirements. There is less guidance, however, with respect to a policy issued on a substandard basis (i.e., a Rate Class involving higher than standard mortality risk) and it is not clear whether such a policy will in all cases satisfy the applicable requirements particularly if you pay the full amount of premiums permitted under the Policy. In addition, in the case of the accelerated death benefit rider, the accelerated care rider, or the chronic care protection rider, the tax qualification consequences of continuing the Policy after a distribution is

made are unclear. If it is subsequently determined that a Policy does not satisfy the applicable requirements, National Life may take appropriate steps to bring the Policy into compliance with such requirements and National Life reserves the right to modify the Policy as necessary in order to do so.

In some circumstances, owners of variable contracts who retain excessive control over the investment of the underlying separate account assets may be treated as the owners of those assets and may be subject to tax on income produced by those assets. Although published guidance does not address certain aspects of the Policies, National Life believes that the owner of a Policy should not be treated as the owner of the underlying assets. While National Life believes that the Policy does not give Owners investment control over Separate Account assets, we reserve the right to modify the Policy as necessary to prevent the Owner from being treated as the owner of the Separate Account assets supporting the Policy.

In addition, the Code requires that the investments of the Separate Account be "adequately diversified" in order for the policy to be treated as a life insurance contract for federal income tax purposes. It is intended that the Separate Account, through the portfolios, will satisfy these diversification requirements.

The following discussion assumes that the Policy will qualify as a life insurance contract for federal tax purposes.

Tax Treatment of Policy Benefits

In General. National Life believes that the Death Benefit under a Policy should generally be excludible from the gross income of the Beneficiary. Federal, state and local estate, inheritance, transfer, and other tax consequences of ownership or receipt of Policy proceeds depend on the circumstances of each Owner or Beneficiary. A tax advisor should be consulted on these consequences.

Depending on the circumstances, the exchange of a Policy, an increase or decrease of a Policy's Face Amount, a change in the Policy's Death Benefit Option (e.g., a change from Death Benefit Option A to Death Benefit Option B or vice versa), a Policy loan, a Withdrawal, a surrender, a change in ownership, or an assignment of the Policy may have federal income tax consequences. A tax advisor should be consulted before effecting any of these Policy changes.

Generally, as long as you are not subject to the federal corporate Alternative Minimum Tax, you will not be deemed to be in constructive receipt of the Accumulated Value, including increments thereof, until there is a distribution. The tax consequences of distributions from, and loans taken from or secured by a Policy depend upon whether the Policy is classified as a "Modified Endowment Contract". Whether a Policy is or is not a Modified Endowment Contract, upon a complete surrender or lapse of a Policy, if the amount received plus the amount of indebtedness exceeds the total investment in the Policy, the excess will generally be treated as ordinary income subject to tax.

Modified Endowment Contracts. Under the Internal Revenue Code, certain life insurance contracts are classified as Modified Endowment Contracts, with less favorable tax treatment than other life insurance contracts. Due to the flexibility of the Policy as to premiums and benefits, the individual circumstances of each Policy will determine whether it is classified as a Modified Endowment Contract. In general a Policy will be classified as a Modified Endowment Contract if the amount of premiums paid into the Policy causes the Policy to fail the "7-pay test." A Policy will fail the 7-pay test if at any time in the first seven Policy Years, the amount paid in the Policy exceeds the sum of the level premiums that would have been paid at that point under a Policy that provided for paid-up future benefits after the payment of seven level annual payments. A Policy issued in a tax-free exchange for a Modified Endowment Contract will also be treated as a Modified Endowment Contract.

If there is a reduction in the benefits under the Policy during the first seven years, the 7-pay test will have to be reapplied as if the Policy had originally been issued at the reduced Face Amount. If there is a "material change" in the Policy's benefits or other terms, the Policy may have to be retested as if it were a newly issued Policy. A material change may occur, for example, when there is an increase in the Death Benefit which is due to the payment of an unnecessary premium. Unnecessary premiums are premiums paid into the Policy which are not needed in order to provide a Death Benefit equal to the lowest Death Benefit that was payable in the first seven Policy Years. To prevent your Policy from becoming a Modified Endowment Contract, it may be necessary to limit premium payments or to limit reductions in benefits. A current or prospective Owner should consult a tax advisor to determine whether a Policy transaction will cause the Policy to be classified as a Modified Endowment Contract.

Distributions Other Than Death Benefits from Modified Endowment Contracts. Policies classified as Modified Endowment Contracts are subject to the following tax rules:

> (1) All distributions other than death benefits from a Modified Endowment Contract, including distributions upon surrender and withdrawals, will be treated first as distributions of gain taxable as ordinary income and as tax-free recovery of the Owner's investment in the Policy only after all gain has been distributed.

(2) Loans taken from or secured by a Policy classified as a Modified Endowment Contract are treated as distributions and taxed accordingly.

(3) A 10 percent additional income tax is imposed on the amount subject to tax except where the distribution or loan is made when the Owner has attained age 59½ or is disabled, or where the distribution is part of a series of substantially equal periodic payments for the life (or life expectancy) of the Owner or the joint lives (or joint life expectancies) of the Owner and the Owner's Beneficiary or designated Beneficiary.

If a Policy becomes a Modified Endowment Contract, all distributions that occur during the Policy Year in which the Policy becomes a Modified Endowment Contract and all subsequent distributions will be taxed as distributions from a Modified Endowment Contract. In addition, distributions from a Policy within two years before it becomes a Modified Endowment Contract may be taxed in this manner. This means that a distribution made from a Policy that is not a Modified Endowment Contract could later become taxable as a distribution from a Modified Endowment Contract.

Distributions Other Than Death Benefits from Policies that are not Modified Endowment Contracts. Distributions other than death benefits from a Policy that is not classified as a Modified Endowment Contract are generally treated first as a recovery of the Owner's investment in the Policy and only after the recovery of all investment in the Policy as taxable income. However, certain distributions which must be made in order to enable the Policy to continue to qualify as a life insurance contract for federal income tax purposes if Policy benefits are reduced during the first 15 Policy Years may be treated in whole or in part as ordinary income subject to tax.

Loans from or secured by a Policy that is not classified as a Modified Endowment Contract are generally not treated as distributions. However, the tax consequences associated with loans (like the loans permitted under the Policy) with little or no interest rate spread (e.g., wash loans) are less clear and a tax advisor should be consulted about such loans.

Finally, neither distributions from nor loans from or secured by a Policy that is not a Modified Endowment Contract are subject to the 10 percent additional income tax.

Investment in the Policy. Your investment in the Policy is generally your aggregate premium payments. When a distribution is taken from the Policy, your investment in the Policy is reduced by the amount of the distribution that is tax-free, plus, in the case of a Modified Endowment Contract, an outstanding indebtedness that has been subject to tax.

Policy Loans. In general, interest paid on any loan under a Policy will not be deductible. If a Policy loan is outstanding when a Policy is canceled or lapses, the amount of the outstanding indebtedness to the extent it has not been previously taxed, will be added to the amount distributed and will be taxed accordingly. Before taking out a Policy loan, you should consult a tax adviser as to the tax consequences.

Overloan Protection Rider. Anyone contemplating the purchase of the Policy with the overloan protection rider should be aware that the tax consequences of the overloan protection rider have not been ruled on by the IRS or the courts and it is possible that the IRS could assert that the outstanding loan balance should be treated as a taxable distribution when the overloan protection rider causes the Policy to be converted into a fixed Policy. You should consult a tax adviser as to the tax risks associated with the overloan protection rider. See Appendix F for more information about the rider.

Withholding. To the extent that Policy distributions are taxable, they are generally subject to withholding for the recipient's federal income tax liability. Recipients can generally elect, however, not to have tax withheld from distributions.

Exchanges. Generally, there are no tax consequences when you exchange one life insurance policy for another, so long as the same person is being insured (a change of the Insured is a taxable event). Paying additional premiums under the new policy may cause it to be treated as a modified endowment contract. The new policy may also lose any "grandfathering" privilege, where you would be exempt from certain legislative or regulatory changes made after your original policy was issued, if you exchange your policy. Distributions made as part of an exchange, or for a certain period before and after an exchange, may be treated as earnings regardless of the status of the policy. You should consult with a tax advisor if you are considering exchanging any life insurance policy.

Life Insurance Purchases by Nonresident Aliens and Foreign Corporations. The discussion above provides general information regarding U.S. federal income tax consequences to life insurance purchasers that are U.S. citizens or residents. Purchasers that are not U.S. citizens or residents will generally be subject to U.S. federal withholding tax on taxable distributions from life insurance policies at a 30% rate, unless a lower treaty rate applies. In addition, such purchasers may be subject to state and/or municipal taxes and taxes that may be imposed by the purchaser's country of citizenship or residence. Additional withholding may occur with respect to entity purchases (including foreign corporations, partnerships and trusts) that are not U.S. residents. Prospective purchasers are advised to consult with a qualified tax adviser regarding U.S. state, and foreign taxation with respect to a life insurance policy purchase. The Policy is not for sale outside of the U.S.

Life Insurance Purchases by Residents of Puerto Rico. In Rev. Rul. 2004-75, 2004-31 I.R.B. 109, the Internal Revenue Service announced that income received by residents of Puerto Rico under life insurance or annuity contracts issued by a Puerto Rico branch of a United States life insurance company is U.S.-source income that is generally subject to United States Federal income tax.

Multiple Policies. All Modified Endowment Contracts that are issued by National Life (or its affiliates) to the same Owner during any calendar year are treated as one Modified Endowment Contract for purposes of determining the amount includible in the Owner's income when a taxable distribution occurs.

Business Uses of the Policy. Businesses can use the Policy in various arrangements, including nonqualified deferred compensation or salary continuance plans, split dollar insurance plans, executive bonus plans, tax exempt and nonexempt welfare benefit plans, retiree medical benefit plans and others. The tax consequences of such plans may vary depending on the particular facts and circumstances. If you are purchasing the Policy for any arrangement the value of which depends in part on its tax consequences, you should consult a qualified tax adviser. In recent years, moreover, Congress has adopted rules relating to life insurance owned by businesses and the IRS has issued guidance regarding split dollar insurance. Any business contemplating the purchase of a new Policy or a change in an existing Policy should consult a tax adviser.

Employer-owned life insurance contracts. Pursuant to section 101(j) of the Code, unless certain eligibility, notice and consent requirements are satisfied, the amount excludible as a death benefit payment under an employer-owned life insurance contract will generally be limited to the premiums paid for such contract (although certain exceptions may apply in specific circumstances). An employer-owned life insurance contract is a life insurance contract owned by an employer that insures an employee of the employer and where the employer is a direct or indirect beneficiary under such contact. It is the employer's responsibility to verify the eligibility of the intended Insured under employer-owned life insurance contracts and to provide the notices and obtain the consents required by section 101(j). These requirements generally apply to employer-owned life insurance contracts issued or materially modified after August 17, 2006. A tax adviser should be consulted by anyone considering the purchase or modification of an employer-owned life insurance contract.

Non-Individual Owners and Business Beneficiaries of Policies. If a Policy is owned or held by a corporation, trust or other non-natural person, this could jeopardize some (or all) of such entity's interest deduction under Code Section 264, even where such entity's indebtedness is in no way connected to the Policy. In addition, if a business (other than a sole proprietorship) is directly or indirectly a Beneficiary of a Policy, this Policy could be treated as held by the business for purposes of the Section 264(f) entity-holder rules. Therefore, it would be advisable to consult with a qualified tax advisor before any non-natural person is made an Owner or holder of a Policy, or before a business (other than a sole proprietorship) is made a Beneficiary of a Policy.

Split Dollar Arrangements. The IRS and the Treasury Department have issued guidance that substantially affects split-dollar arrangements. Consult a qualified tax adviser before entering into or paying additional premiums with respect to such arrangements.

Additionally the Sarbanes-Oxley Act of 2002 (the "Act") prohibits, with limited exceptions, publicly traded companies, including non-U.S. companies that have securities listed on exchanges in the United States, from extending, directly or through a subsidiary, many types of personal loans to their directors or executive officers. It is possible that this prohibition may be interpreted as applying to split-dollar life insurance policies for directors and executive officers of such companies, because such insurance arguably can be viewed as involving a loan from the employer for at least some purposes.

Although the prohibition on loans is generally effective as of July 30, 2002, there is an exception for loans outstanding as of the date of enactment, as long as there is no material modification to the loan terms and the loan is not renewed after July 30, 2002. Any affected business contemplating the payment of a premium on an existing Policy, or the purchase of a new Policy, in connection with a split-dollar life insurance arrangement should consult legal counsel.

Alternative Minimum Tax. There may be an indirect tax upon the income in the Policy or the proceeds of a Policy under the federal corporate alternative minimum tax, if the Owner is subject to that tax.

Tax Shelter Regulations. Purchasers of the Policy that are corporations should consult a tax advisor about the treatment of the Policy under Treasury Regulations applicable to corporate tax shelters.

Estate, Gift and Generation-Skipping Transfer Taxes. The transfer of the Policy or designation of a Beneficiary may have federal, state, and/or local transfer and inheritance tax consequences, including the imposition of gift, estate, and generation-skipping transfer taxes. For example, when the Insured dies, the death proceeds will generally be includable in the Owner's estate for purposes of federal estate tax if the Insured owned the Policy. If the Owner was not the Insured, the fair market value of the Policy would be included in the Owner's estate upon the Owner's death. The Policy would not be includable in the Insured's estate if the Insured neither retained incidents of ownership at death nor had given up ownership within three years before death.

Moreover, under certain circumstances, the Code may impose a "generation skipping transfer ("GST") tax" when all or part of a life insurance Policy is transferred to, or a Death Benefit is paid to, an individual two or more generations younger than the Owner. Regulations issued under the Code may require us to deduct the tax from your Policy, or from any applicable payment, and pay it directly to the IRS.

Qualified tax advisers should be consulted concerning the estate and gift tax consequences of Policy ownership and distributions under federal, state and local law. The individual situation of each Owner or Beneficiary will determine the extent, if any, to which federal, state, and local transfer and inheritance taxes may be imposed and how ownership or receipt of Policy proceeds will be treated for purposes of federal, state and local estate, inheritance, generation skipping and other taxes.

The potential application of these taxes underscores the importance of seeking guidance from a qualified adviser to help ensure that your estate plan adequately addresses your needs and those of your beneficiaries under all possible scenarios.

Medicare Tax on Investment Income. A [3.8%] tax may be applied to some or all of the taxable portion of some distributions (such as payments under certain settlement options) from life insurance contracts to individuals whose income exceeds certain threshold amounts ($200,000 for filing single, $250,000 for married filing jointly, and $125,000 for married filing separately). Please consult a tax advisor for more information.

Tax Consequences Associated with Accelerated Death Benefit, Accelerated Care and Chronic Care Protection Riders. For a discussion of the tax consequences associated with these riders, see the detailed discussion for each of these riders in the SAI.

Continuation Beyond Age 100. The tax consequences of continuing the Policy beyond the Insured's 100th year are unclear. You should consult a tax adviser if you intend to keep the Policy in force beyond the Insured's 100th year.

Foreign Tax Credits. We may benefit from any foreign tax credits attributable to taxes paid by certain portfolios to foreign jurisdictions to the extent permitted under federal tax law.

Possible Tax Law Changes

Although the likelihood of legislative changes is uncertain, there is always the possibility that the tax treatment of the Policy could change by legislation or otherwise. Consult a tax adviser with respect to legislative developments and their effect on the Policy.

Possible Charges for National Life's Taxes

At the present time, National Life makes no charge for any federal, state or local taxes (other than the charge for state premium taxes and the DAC Tax) that may be attributable to the subaccounts or to the policies. National Life reserves the right to charge the subaccounts for any future taxes or economic burden National Life may incur.

LEGAL MATTERS

National Life and its affiliates, like other life insurance companies, are involved from time to time in lawsuits, arbitrations and regulatory proceedings. In some cases, substantial damages and/or penalties have been sought. National Life believes that at the present time, there are no pending or threatened lawsuits or legal or regulatory proceedings that are reasonably likely to have a material adverse impact on the Separate Account, on the ability of National Life to meet its obligations under the Policies, or on the ability of ESI to perform its obligations under the distribution agreement for the Policies, described below.

DISTRIBUTION OF THE POLICIES

We have entered into a distribution agreement with ESI, our affiliate, for the distribution and sale of the Policies. Pursuant to this agreement, ESI serves as principal underwriter for the Policies. ESI sells the Policies through its registered representatives. ESI has also entered into selling agreements with other broker-dealers who in turn sell the Policies through their registered representatives. ESI is registered as a broker-dealer with the SEC under the Securities Exchange Act of 1934, as well as with the securities commissions in the states in which it operates, and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA").

ESI's registered representatives who sell the Policy are registered with FINRA and with the states in which they do business. More information about ESI and its registered representatives is available at www.finra.org or by calling 1-800-289-9999. You also can obtain an investor brochure from FINRA through its BrokerCheck program.

National Life pays ESI commissions and other forms of compensation for sales of the Policies. The maximum commissions payable to ESI are: during the first Policy Year, 50% of the premiums paid up to a target amount (which is a function of Face Amount, and which is used primarily to determine commission payments) and 3% of the premiums paid in excess of that amount; and for Policy Years 2 through 10, 4% of the premiums paid up to the target amount and 3% of premiums paid in excess of that amount. For Policy Year 11 and after, commissions payable to ESI will be 1.5% of all premiums paid. For premiums received in the year following an increase in Face Amount and attributable to the increase, the maximum commissions that National Life will pay to ESI will be 48.5% up to the target amount for the increase. The commission schedule will vary from the above if the Owner chooses to include the balance sheet benefit rider in the Policy, but in this case the present value of total commissions will not exceed the above schedule.

National Life general agents, who may also be registered as principals with ESI, also receive compensation on Policies sold through ESI registered representatives. National Life general agents may also receive fees from ESI relating to sales of the Policies by broker-dealers other than ESI, where the selling registered representative has a relationship with such general agent's National Life agency; such compensation may be as much as 14% of the first year premium up to the target amount.

Most retail broker-dealers, other than ESI, will receive commission during the first Policy Year of 85% of the premiums paid up to the target amount and 4% of the premiums paid in excess of that amount. In the case of a few retail broker-dealers, ESI has negotiated a higher commission of 90% of first year premiums up to the target amount. For Policy Years 2 through 10, the maximum gross dealer concession will be 4% of the premiums paid. For Policy Year 11 and after, the commission will be 1.5% of all premiums paid. For premiums received in the year following an increase in Face Amount and attributable to the increase, the maximum broker-dealer commission will be 50% up to the target amount for the increase. A portion of the payments made to selling broker-dealers firms by ESI may be passed on to their registered representatives in accordance with their internal compensation arrangements. Those arrangements may also include other types of cash and non-cash compensation and other benefits. You may ask your registered representative for further information about what your registered representative and the selling firm for which he or she works may receive in connection with your purchase of a Policy.

National Life may provide loans to unaffiliated broker-dealers who sell the Policy. Those unaffiliated broker-dealers may in turn provide loans to their registered representatives, to finance business development. National Life may then provide further loans to the broker-dealers, or may forgive outstanding loans based on specified business criteria, including sales of the Policies.

From time to time we may offer specific sales incentives to selling broker-dealers. The selling broker-dealers, on their own accord, may pass through some or all of these incentives to their registered representatives. These incentives may take the form of cash bonuses for reaching certain sales levels or for attaining a high ranking among registered representatives based on sales levels. These incentive programs may also include sales of National Life's or their affiliates' other products. To the extent, if any, that such bonuses are attributable to the sale of variable products, including the Policies, such bonuses will be paid through the agent's broker-dealer.

National Life, ESI and/or their affiliates may contribute amounts to various non-cash and cash incentives paid by ESI to its registered representatives the amounts of which may be based in whole or in part on the sales of the Policies, including (1) sponsoring educational programs, (2) contributing to sales contests and/or promotions in which participants receive prizes such as travel, merchandise, hardware and/or software; (3) paying for occasional meals, lodging and/or entertainment; (4) making cash payments in lieu of business expense reimbursements; (5) making loans and forgiving such loans and/or (6) health and welfare benefit programs.

Commissions and other incentives or payments described above are not charged directly to Policy Owners or to the Separate Account. However, commissions and other incentives or payments described above are reflected in the fees and charges that you do pay directly or indirectly.

Deutsche, Fidelity, Franklin Templeton and T. Rowe Price make payments to ESI under their 12b-1 plans in consideration of services provided by ESI in selling or servicing shares of these funds. In each case these payments amount to no greater than 0.25% of Separate Account assets invested in the particular fund.

See "Distribution of the Policies" in the Statement of Additional Information for more information about compensation paid for the sale of the Policies.

OTHER POLICY PROVISIONS

Incontestability. The Policy will be incontestable after it has been in force during the Insured's lifetime for two years from the Date of Issue (or such other date as required by state law). Similar incontestability will apply to an increase in Face Amount or reinstatement after it has been in force during the Insured's lifetime for two years from its effective date.

Before such times, however, we may contest the validity of the Policy (or changes) based on material misstatements in the initial or any subsequent application.

Misstatement of Age and Sex. If the Insured's age or sex was stated incorrectly in the application or any supplemental application, we will adjust the Face Amount to the amount that would have been payable at the correct age and sex based on the most recent Monthly Deduction before the date we received proof to our satisfaction of such misstatement. If the Insured's age has been overstated or understated, we will calculate future Monthly Deductions based on the Insured's correct age and sex. If the Insured has died, we will adjust the Face Amount as of the last Monthly Policy Date prior to the Insured's death.

HOUSEHOLDING AND DELIVERY OF DOCUMENTS

To eliminate duplicate mailings and reduce expenses, we may mail only one copy of the prospectus, prospectus supplements, annual and semi-annual reports, or any other required documents to your household, including the prospectuses or summary prospectuses for the portfolios, even if more than one Owner lives there. If you would like an additional copy or if would like to continue to receive your own copy of any of these documents, you may call us toll-free at 1-800-732-8939 or write us at our Home Office.

FINANCIAL STATEMENTS

The financial statements of National Life and of the Separate Account are included in the Statement of Additional Information. The financial statements of National Life should be distinguished from the financial statements of the Separate Account and should be considered only as bearing upon National Life's general financial strength and claims paying ability, and its ability to meet its obligations under the Policies. In addition to General Account allocations, General Account assets are used to pay benefits that exceed your Accumulated Value under the Policy. National Life's General Account assets principally consist of fixed-income securities, including corporate bonds, mortgage-backed/asset-backed securities, and mortgage loans on real estate. National Life and its affiliates enter into equity derivative contracts (futures and options) to hedge exposures embedded in their equity indexed insurance products, and may enter into other types of derivatives transactions from time to time. All of National Life's General Account investments are exposed to various investment risks. National Life's financial statements include a further discussion of risks associated with General Account investments.

GLOSSARY

Accumulated Value	The sum of the Policy's values in the Separate Account and the General Account.
Attained Age	The Issue Age of the Insured plus the number of full Policy Years which have passed since the Date of Issue.
Automatic Payment Plan	Monthly payment schedule pursuant to which premium payments will be automatically deducted from a bank account or other source, rather than being "billed."
Beneficiary	The person(s) or entity(ies) designated to receive all or some of the Death Benefit when the Insured dies. The Beneficiary is designated in the application or if subsequently changed, as shown in the latest change filed with National Life. The interest of any Beneficiary who dies before the Insured shall vest in the Owner unless otherwise stated.
Cash Surrender Value	The Accumulated Value minus any applicable Surrender Charge, and minus any outstanding Policy loans and accrued interest on such loans.
Collateral	The portion of the Accumulated Value in the General Account which secures the amount of any Policy loan.
DAC Tax	A tax attributable to specified Policy acquisition expenses under Internal Revenue Code Section 848.
Date of Issue	The date on which the Policy is issued, which is set forth in the Policy. It is used to determine Policy Years, policy months and Monthly Policy Dates, as well as to measure suicide and contestable periods.
Death Benefit	The Policy's Unadjusted Death Benefit, plus any relevant additional benefits provided by a supplementary benefit rider, less any outstanding Policy loan and accrued interest, and less any unpaid Monthly Deductions .
Dollar Cost Averaging	Permits you to automatically transfer funds from the Money Market Subaccount to any other subaccounts on a monthly basis
Duration	The number of full years the insurance has been in force; for the Initial Face Amount, measured from the Date of Issue; for any increase in Face Amount, measured from the effective date of such increase.
Face Amount	The Initial Face Amount plus any increases in Face Amount and minus any decreases in Face Amount.
General Account	The account which holds the assets of National Life which are available to support its insurance and annuity obligations.
Grace Period	A 61-day period measured from the date on which notice of pending lapse is sent by National Life, during which the Policy will not lapse and insurance coverage continues. To prevent lapse, the Owner must during the Grace Period make a premium payment which is determined as follows. During the Policy Protection Period, the premium needed to keep the Policy in force beyond a Grace Period shall equal the greater of 1) the premium which will be sufficient to produce an Accumulated Value, net of debt, equal to three times the Monthly Deduction due at the beginning of the Grace Period, or 2) an amount equal to the sum of • the cumulative Minimum Monthly Premiums due at the start of the Grace

Period; plus
- three times the Minimum Monthly Premium in effect at the beginning of the Grace Period; plus
- all Withdrawals; plus
- any debt; less
- all premiums paid,

but not more than the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due at the start of the Grace Period.

The premium needed to keep the Policy in force beyond a Grace Period which ends after the Policy Protection Period shall be the premium sufficient to produce a Cash Surrender Value equal to three times the Monthly Deduction due at the start of the Grace Period.

Home Office — National Life's Home Office at National Life Drive, Montpelier, Vermont 05604; 1-800-732-8939 (toll-free telephone).

Initial Face Amount — The Face Amount of the Policy on the Date of Issue. The Face Amount may be increased or decreased after the first Policy Year.

Insured — The person upon whose life the Policy is issued.

Issue Age — The age of the Insured at his or her birthday nearest the Date of Issue. The Issue Age is stated in the Policy.

Minimum Face Amount — The Minimum Face Amount is generally $50,000. However, exceptions may be made in employee benefit plan cases.

Minimum Guarantee Premium — The sum of the Minimum Monthly Premiums in effect on each Monthly Policy Date since the Date of Issue (including the current month), plus all Withdrawals and outstanding Policy loans and accrued interest.

Minimum Initial Premium — The minimum premium required to issue a Policy. It is equal to the Minimum Monthly Premium.

Minimum Monthly Premium — The monthly amount used to determine the Minimum Guarantee Premium. This amount, which includes any substandard charges and any applicable rider charges, is determined separately for each Policy, based on the requested Initial Face Amount, and the Issue Age, sex and Rate Class of the Insured, and the Death Benefit option and any optional benefits selected. It is stated in each Policy.

Monthly Account Value Charge — A monthly charge up to 0.04% of Policy Value per month included in the Monthly Deduction.

Monthly Deduction — The amount deducted from the Accumulated Value on each Monthly Policy Date. It includes the Monthly Policy Fee, the cost of insurance charge, the Monthly Expense Charge, the Monthly Account Value Charge, and the monthly cost of any benefits provided by riders.

Monthly Expense Charge — The Monthly Expense Charge is computed as the product of the original Face Amount of the Policy and the appropriate Monthly Expense Charge rate. A separate Monthly Expense Charge will apply to each increase in Face Amount. The Monthly Expense Charge rate varies based on the Issue Age, sex, and Rate Class of the Insured and the Face Amount of the Policy at Issue.

Monthly Policy Date — The day in each calendar month which is the same day of the month as the Date of Issue, or the last day of any month having no such date, except that whenever the Monthly Policy Date would otherwise fall on a date other than a Valuation Day, the Monthly Policy Date will be deemed to be the next Valuation Day.

Monthly Policy Fee	A charge of $7.50 per month included in the Monthly Deduction, which is intended to reimburse National Life for ordinary administrative expenses.
Net Amount at Risk	The amount by which the Unadjusted Death Benefit exceeds the Accumulated Value.
Net Premium	The remainder of a premium after the deduction of the Percent of Premium Expense Charge.
Owner	The person(s) or entity(ies) entitled to exercise the rights granted in the Policy.
Planned Periodic Premium	The premium amount which the Owner plans to pay at the frequency selected. The Owner may request a reminder notice and may change the amount of the Planned Periodic Premium. The Owner is not required to pay the designated amount.
Policy Anniversary	The same day and month as the Date of Issue in each later year.
Policy Protection Period	The first 60 months following the Date of Issue during which this Policy remains continuously in force is referred to as the Policy Protection Period. An increase in coverage does not initiate a new Policy Protection Period.
Policy Year	A year that starts on the Date of Issue or on a Policy Anniversary.
Portfolio Rebalancing	Permits you to automatically rebalance the value in the subaccounts on a semi-annual basis, based on your premium allocation percentages in effect at the time of the rebalancing.
Percent of Premium Expense Charge	A charge deducted from each premium payment. This may be used to cover the cost of state and local premium taxes, the federal DAC Tax, and certain sales and marketing expenses.
Rate Class	The classification of the Insured for cost of insurance purposes. The Rate Classes are: elite preferred nonsmoker; preferred nonsmoker; standard nonsmoker; preferred smoker; standard smoker; juvenile; and substandard.
Separate Account	National Variable Life Insurance Account.
Surrender Charge	The amount deducted from the Accumulated Value of the Policy upon lapse or surrender during the first ten Policy Years or the first ten years following an increase in coverage. The Surrender Charge is shown in the Policy.
Unadjusted Death Benefit	Under Option A, the greater of the Face Amount or the applicable percentage of the Accumulated Value on the date of death; under Option B, the greater of the Face Amount plus the Accumulated Value on the date of death, or the applicable percentage of the Accumulated Value on the date of death. The Death Benefit option is selected at time of application but may be later changed.
Valuation Day	A Valuation Day is each day that the New York Stock Exchange is customarily open for trading, except for any day on which trading is restricted by directive of the Securities and Exchange Commission. A Valuation Day ends at the close of regular trading on the New York Stock Exchange, which is usually 4:00 p.m. Eastern Time.
Valuation Period	The time between two successive Valuation Days. Each Valuation Period includes a Valuation Day and any non-Valuation Day or consecutive non-Valuation Days immediately preceding it.

Withdrawal A payment made at the request of the Owner pursuant to the right in the Policy to withdraw a portion of the Cash Surrender Value of the Policy. The Withdrawal charge will be deducted from the Withdrawal amount.

APPENDIX A: Illustration of Death Benefits, Accumulated Values and Cash Surrender Values

The following tables illustrate how the Death Benefits, Accumulated Values and Cash Surrender Values of a Policy may change with the investment experience of the Separate Account. The tables show how the Death Benefits, Accumulated Values and Cash Surrender Values of a Policy issued to an Insured of a given age, sex and Rate Class would vary over time if the investment return on the assets held in each portfolio were a uniform, gross, annual rate of 0%, 6% and 8%. These gross rates of return do not include the deduction of the charges and expenses of the underlying Portfolios.

The tables on the following pages illustrate a Policy issued to a male Insured, Age 45 in the Standard Nonsmoker Rate Class with a Face Amount of $250,000, Death Benefit Option A (pages A-2 to A-4) or Death Benefit Option B (pages A-5 to A-7), GPT, and Planned Periodic Premiums of $3,000 (pages A-2 to A-4) or $4,000 (pages A-5 to A-7), paid at the beginning of each Policy Year. The Death Benefits, Accumulated Values and Cash Surrender Values would be lower if the Insured was in a smoker or substandard class because the cost of insurance charges are higher for these classes. Also, the values would be different from those shown if the gross annual investment returns averaged 0%, 6% and 8% over a period of years, but fluctuated above and below those averages during individual Policy Years. The net annual rate of return shown in the tables is the gross annual rate reduced to reflect the average investment advisory fee and average operating expenses of the portfolios before reimbursement.

The second column of the tables shows the amount to which the premiums would accumulate if an amount equal to those premiums were invested to earn interest, after taxes, at 5% compounded annually. The columns shown under the heading “Guaranteed” assume that throughout the life of the Policy, the Monthly Deductions are based on the maximum level permitted under the Policy; the columns under the heading “Current” assume that throughout the life of the Policy, the Monthly Deductions are based on the rates currently in effect.

The amounts shown in all tables reflect an averaging of certain other asset charges described below that may be assessed under the Policy, depending on how premiums are allocated. The total of the asset charges reflected in the Current and Guaranteed illustrations is 0.82%. This total charge is based on an assumption that an Owner allocates the Policy values equally among the Subaccounts of the Separate Account.

These asset charges reflect an investment advisory fee of 0.66%, which represents a simple average of the fees incurred by the Portfolios during 2017, 0.06% for 12b-1 fees, which represents the simple average of the 12b-1 fees incurred by the Portfolios in 2017, and expenses of 0.12%, which is based on a simple average of the actual expenses incurred by the Portfolios during 2016. These expenses have not been adjusted to take into account expense reimbursement arrangements. If the reimbursement arrangements were reflected, the Accumulated Values and Cash Surrender Values of a Policy which allocates Policy values equally among the Subaccounts would be higher than those shown in the following tables. For information on portfolio expenses, see the prospectuses for the portfolios accompanying this prospectus.

The tables illustrate the Policy values that would result based upon the hypothetical investment rates of return if premiums are paid and allocated as indicated, no amounts are allocated to the General Account, and no Policy loans are made. The tables are also based on the assumption that the Owner has not requested an increase or decrease in the Face Amount, that no Withdrawals have been made and no transfers have been made in any Policy Year.

Please note: Actual returns will fluctuate over time and likely will be both positive and negative. The actual values under the Policy could be significantly different from those shown even if actual returns averaged 0%, 6% and 8%, but fluctuated over and under those averages throughout the years shown. Depending on the timing and degree of fluctuation, the actual values could be substantially less than those shown, and may, under certain circumstances, result in the lapse of the Policy unless the Owner pays more than the stated premium.

Upon request, by calling 1-800-732-8939 or sending an email to LifeCustomerService@nationallifegroup.com, National Life will provide a comparable illustration based upon the proposed Insured’s Age and Rate Class, the Death Benefit Option, Face Amount, Planned Periodic Premiums and riders requested.

Investor Select does not have a maturity date, except where required by state law. Guaranteed COI’s are assessed through Attained Age 121.

NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

$250,000 FACE AMOUNT	MALE INSURED ISSUE AGE 45	STANDARD
DEATH BENEFIT OPTION A	ANNUAL PREMIUM $3,000	NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 0%
(NET ANNUAL RATE OF RETURN -0.82%)

	Premiums	Guaranteed			Current		
End of Policy Year	Accumulated at 5% Interest Per Year	Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	3,150	1,238	0	250,000	1,720	0	250,000
2	6,458	2,404	0	250,000	3,398	0	250,000
3	9,930	3,499	0	250,000	5,004	0	250,000
4	13,577	4,554	0	250,000	6,569	1,317	250,000
5	17,406	5,541	1,038	250,000	8,094	3,592	250,000
6	21,426	6,460	2,707	250,000	9,551	5,799	250,000
7	25,647	7,312	4,312	250,000	10,941	7,941	250,000
8	30,080	8,071	5,821	250,000	12,265	10,015	250,000
9	34,734	8,737	7,237	250,000	13,495	11,995	250,000
10	39,620	9,254	8,504	250,000	14,663	13,913	250,000
15	67,972	14,003	14,003	250,000	23,626	23,626	250,000
20	104,158	13,462	13,462	250,000	29,280	29,280	250,000
25	150,340	4,111	4,111	250,000	30,587	30,587	250,000
30	209,282				23,319	23,319	250,000
35	284,509				1,356	1,356	250,000
40	380,519						
45	503,055						
50	659,446						
55	859,045						
60	1,113,789						
65	1,438,914						
70	1,853,865						
75	2,383,459						

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

It is emphasized that the hypothetical investment results are illustrative only and should not be deemed a representation of past or future investment results. Actual investment results may be more or less than those shown. The death benefit, accumulated value and cash surrender value for a policy would be different from those shown if actual rates of investment return applicable to the policy averaged 0%, 6% or 8% over a period of years, but also fluctuated above or below that average throughout individual policy years. The death benefit, accumulated value and cash surrender value would also be different from those shown, depending on the investment allocations made to the subaccounts of the separate account and the different rates of return of the subaccounts if the actual rates of investment return applicable to the policy averaged 0%, 6%, or 8%, but varied above or below that average for particular subaccounts. No representations can be made that these hypothetical rates of return can be achieved for any one year or sustained over any period of time.

NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

$250,000 FACE AMOUNT	MALE INSURED ISSUE AGE 45	STANDARD
DEATH BENEFIT OPTION A	ANNUAL PREMIUM $3,000	NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 6%
(NET ANNUAL RATE OF RETURN 5.13%)

End of Policy Year	Premiums Accumulated at 5% Interest Per Year	Guaranteed Accumulated Value	Guaranteed Cash Surrender Value	Guaranteed Death Benefit	Current Accumulated Value	Current Cash Surrender Value	Current Death Benefit
1	3,150	1,355	0	250,000	1,854	0	250,000
2	6,458	2,716	0	250,000	3,773	0	250,000
3	9,930	4,084	0	250,000	5,731	0	250,000
4	13,577	5,488	236	250,000	7,762	2,509	250,000
5	17,406	6,902	2,400	250,000	9,869	5,367	250,000
6	21,426	8,327	4,575	250,000	12,028	8,275	250,000
7	25,647	9,764	6,764	250,000	14,242	11,242	250,000
8	30,080	11,186	8,936	250,000	16,516	14,266	250,000
9	34,734	12,591	11,091	250,000	18,826	17,326	250,000
10	39,620	13,924	13,174	250,000	21,203	20,453	250,000
15	67,972	24,458	24,458	250,000	39,026	39,026	250,000
20	104,158	32,607	32,607	250,000	59,114	59,114	250,000
25	150,340	34,277	34,277	250,000	81,642	81,642	250,000
30	209,282	22,354	22,354	250,000	105,185	105,185	250,000
35	284,509				129,114	129,114	250,000
40	380,519				151,041	151,041	250,000
45	503,055				166,976	166,976	250,000
50	659,446				165,724	165,724	250,000
55	859,045				81,968	81,968	250,000
60	1,113,789						
65	1,438,914						
70	1,853,865						
75	2,383,459						

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

It is emphasized that the hypothetical investment results are illustrative only and should not be deemed a representation of past or future investment results. Actual investment results may be more or less than those shown. The death benefit, accumulated value and cash surrender value for a policy would be different from those shown if actual rates of investment return applicable to the policy averaged 0%, 6% or 8% over a period of years, but also fluctuated above or below that average throughout individual policy years. The death benefit, accumulated value and cash surrender value would also be different from those shown, depending on the investment allocations made to the subaccounts of the separate account and the different rates of return of the subaccounts if the actual rates of investment return applicable to the policy averaged 0%, 6%, or 8%, but varied above or below that average for particular subaccounts. No representations can be made that these hypothetical rates of return can be achieved for any one year or sustained over any period of time.

NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

$250,000 FACE AMOUNT	MALE INSURED ISSUE AGE 45	STANDARD
DEATH BENEFIT OPTION A	ANNUAL PREMIUM $3,000	NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 8%
(NET ANNUAL RATE OF RETURN 7.11%)

End of Policy Year	Premiums Accumulated at 5% Interest Per Year	Guaranteed			Current		
		Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	3,150	1,395	0	250,000	1,898	0	250,000
2	6,458	2,824	0	250,000	3,901	0	250,000
3	9,930	4,291	0	250,000	5,988	0	250,000
4	13,577	5,828	575	250,000	8,194	2,941	250,000
5	17,406	7,412	2,909	250,000	10,529	6,027	250,000
6	21,426	9,045	5,293	250,000	12,974	9,222	250,000
7	25,647	10,733	7,733	250,000	15,538	12,538	250,000
8	30,080	12,451	10,201	250,000	18,231	15,981	250,000
9	34,734	14,202	12,702	250,000	21,035	19,535	250,000
10	39,620	15,932	15,182	250,000	23,988	23,238	250,000
15	67,972	29,599	29,599	250,000	46,483	46,483	250,000
20	104,158	43,503	43,503	250,000	75,596	75,596	250,000
25	150,340	54,842	54,842	250,000	114,205	114,205	250,000
30	209,282	59,017	59,017	250,000	166,395	166,395	250,000
35	284,509	41,161	41,161	250,000	243,530	243,530	255,707
40	380,519				356,027	356,027	373,828
45	503,055				508,439	508,439	533,861
50	659,446				720,614	720,614	727,820
55	859,045				1,024,017	1,024,017	1,034,257
60	1,113,789				1,446,866	1,446,866	1,461,334
65	1,438,914				2,037,398	2,037,398	2,057,771
70	1,853,865				2,862,107	2,862,107	2,890,729
75	2,383,459				4,013,860	4,013,860	4,053,999

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

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NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

$250,000 FACE AMOUNT	MALE INSURED ISSUE AGE 45	STANDARD
DEATH BENEFIT OPTION B	ANNUAL PREMIUM $4,000	NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 0%
(NET ANNUAL RATE OF RETURN -0.82%)

	Premiums	Guaranteed			Current		
End of Policy Year	Accumulated at 5% Interest Per Year	Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	4,200	2,161	0	252,161	2,652	0	252,652
2	8,610	4,235	0	254,235	5,252	0	255,252
3	13,241	6,223	220	256,223	7,772	1,769	257,772
4	18,103	8,155	2,903	258,155	10,240	4,988	260,240
5	23,208	10,003	5,500	260,003	12,659	8,157	262,659
6	28,568	11,767	8,015	261,767	14,999	11,246	264,999
7	34,196	13,449	10,449	263,449	17,260	14,260	267,260
8	40,106	15,021	12,771	265,021	19,442	17,192	269,442
9	46,312	16,482	14,982	266,482	21,518	20,018	271,518
10	52,827	17,777	17,027	267,777	23,516	22,766	273,516
15	90,630	26,059	26,059	276,059	36,360	36,360	286,360
20	138,877	28,417	28,417	278,417	45,222	45,222	295,222
25	200,454	21,668	21,668	271,668	48,893	48,893	298,893
30	279,043	1,777	1,777	251,777	42,934	42,934	292,934
35	379,345				22,620	22,620	272,620
40	507,359						
45	670,741						
50	879,262						
55	1,145,393						
60	1,485,052						
65	1,918,552						
70	2,471,820						
75	3,177,946						

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

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NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

$250,000 FACE AMOUNT	MALE INSURED ISSUE AGE 45	STANDARD
DEATH BENEFIT OPTION B	ANNUAL PREMIUM $4,000	NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 6%
(NET ANNUAL RATE OF RETURN 5.13%)

End of Policy Year	Premiums Accumulated at 5% Interest Per Year	Guaranteed			Current		
		Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	4,200	2,334	0	252,334	2,841	0	252,841
2	8,610	4,715	0	254,715	5,797	0	255,797
3	13,241	7,145	1,142	257,145	8,843	2,840	258,843
4	18,103	9,656	4,404	259,656	12,015	6,762	262,015
5	23,208	12,222	7,720	262,222	15,318	10,816	265,318
6	28,568	14,846	11,094	264,846	18,730	14,977	268,730
7	34,196	17,530	14,530	267,530	22,255	19,255	272,255
8	40,106	20,246	17,996	270,246	25,900	23,650	275,900
9	46,312	22,996	21,496	272,996	29,639	28,139	279,639
10	52,827	25,720	24,970	275,720	33,509	32,759	283,509
15	90,630	43,850	43,850	293,850	59,708	59,708	309,708
20	138,877	60,405	60,405	310,405	89,386	89,386	339,386
25	200,454	70,822	70,822	320,822	121,898	121,898	371,898
30	279,043	68,367	68,367	318,367	152,797	152,797	402,797
35	379,345	37,545	37,545	287,545	175,797	175,797	425,797
40	507,359				175,997	175,997	425,997
45	670,741				125,760	125,760	375,760
50	879,262						
55	1,145,393						
60	1,485,052						
65	1,918,552						
70	2,471,820						
75	3,177,946						

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

It is emphasized that the hypothetical investment results are illustrative only and should not be deemed a representation of past or future investment results. Actual investment results may be more or less than those shown. The death benefit, accumulated value and cash surrender value for a policy would be different from those shown if actual rates of investment return applicable to the policy averaged 0%, 6% or 8% over a period of years, but also fluctuated above or below that average throughout individual policy years. The death benefit, accumulated value and cash surrender value would also be different from those shown, depending on the investment allocations made to the subaccounts of the separate account and the different rates of return of the subaccounts if the actual rates of investment return applicable to the policy averaged 0%, 6%, or 8%, but varied above or below that average for particular subaccounts. No representations can be made that these hypothetical rates of return can be achieved for any one year or sustained over any period of time.

NATIONAL LIFE
INVESTOR SELECT FLEXIBLE PREMIUM ADJUSTABLE VARIABLE LIFE INSURANCE

$250,000 FACE AMOUNT — MALE INSURED ISSUE AGE 45 — STANDARD
DEATH BENEFIT OPTION B — ANNUAL PREMIUM $4,000 — NONSMOKER

ASSUMING HYPOTHETICAL GROSS ANNUAL RATE OF RETURN 8%
(NET ANNUAL RATE OF RETURN 7.11%)

		Guaranteed			Current		
End of Policy Year	Premiums Accumulated at 5% Interest Per Year	Accumulated Value	Cash Surrender Value	Death Benefit	Accumulated Value	Cash Surrender Value	Death Benefit
1	4,200	2,392	0	252,392	2,904	0	252,904
2	8,610	4,880	0	254,880	5,984	0	255,984
3	13,241	7,470	1,468	257,470	9,220	3,218	259,220
4	18,103	10,200	4,948	260,200	12,656	7,404	262,656
5	23,208	13,049	8,546	263,049	16,305	11,803	266,305
6	28,568	16,023	12,271	266,023	20,152	16,400	270,152
7	34,196	19,132	16,132	269,132	24,210	21,210	274,210
8	40,106	22,354	20,104	272,354	28,495	26,245	278,495
9	46,312	25,695	24,195	275,695	32,992	31,492	282,992
10	52,827	29,102	28,352	279,102	37,746	36,996	287,746
15	90,630	52,485	52,485	302,485	70,968	70,968	320,968
20	138,877	78,218	78,218	328,218	113,663	113,663	363,663
25	200,454	102,804	102,804	352,804	167,984	167,984	417,984
30	279,043	120,432	120,432	370,432	233,234	233,234	483,234
35	379,345	115,690	115,690	365,690	307,821	307,821	557,821
40	507,359	57,547	57,547	307,547	382,332	382,332	632,332
45	670,741				434,764	434,764	684,764
50	879,262				422,464	422,464	672,464
55	1,145,393				273,910	273,910	523,910
60	1,485,052				27,232	27,232	277,232
65	1,918,552						
70	2,471,820						
75	3,177,946						

The Death Benefit may, and the Accumulated Values and Cash Surrender Values will, differ if premiums are paid in different amounts or frequencies.

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APPENDIX B: First Year Surrender Charge

(Annual rates per $1,000 of Face Amount)

	Male		Female	
Issue Age	**NS**	**S**	**NS**	**S**
0	14.11	n/a	13.59	n/a
1	14.21	n/a	13.69	n/a
2	14.33	n/a	13.80	n/a
3	14.47	n/a	13.93	n/a
4	14.62	n/a	14.06	n/a
5	14.78	n/a	14.20	n/a
6	14.95	n/a	14.34	n/a
7	15.12	n/a	14.49	n/a
8	15.30	n/a	14.64	n/a
9	15.48	n/a	14.80	n/a
10	15.68	n/a	14.96	n/a
11	15.88	n/a	15.14	n/a
12	16.09	n/a	15.31	n/a
13	16.30	n/a	15.50	n/a
14	16.53	n/a	15.69	n/a
15	16.76	n/a	15.89	n/a
16	16.99	n/a	16.09	n/a
17	17.23	n/a	16.30	n/a
18	17.47	n/a	16.52	n/a
19	17.72	n/a	16.75	n/a
20	17.97	19.85	16.98	18.76
21	18.25	20.20	17.24	19.09
22	18.54	20.56	17.49	19.43
23	18.84	20.94	17.77	19.78
24	19.15	21.34	18.05	20.15
25	19.48	21.75	18.35	20.54
26	19.83	22.17	18.65	20.92
27	20.18	22.58	18.97	21.33
28	20.53	23.03	19.29	21.75
29	20.91	23.50	19.64	22.19
30	21.31	23.98	20.00	22.65
31	21.72	24.47	20.36	23.13
32	22.15	25.02	20.75	23.63
33	22.61	25.58	21.16	24.15
34	23.09	26.18	21.58	24.72
35	23.59	26.81	22.03	25.29
36	24.10	27.42	22.48	25.89
37	24.64	28.10	22.95	26.50
38	25.20	28.81	23.43	27.14
39	25.78	29.55	23.94	27.81
40	26.41	30.33	24.47	28.53
41	27.05	31.13	25.03	29.25
42	27.76	31.99	25.61	30.02
43	28.46	32.87	26.21	30.85
44	29.21	33.82	26.86	31.71
45	30.02	34.81	27.54	32.61
46	30.85	35.86	28.26	33.59
47	31.75	36.94	29.01	34.60
48	32.68	38.07	29.78	35.66
49	33.67	39.30	30.61	36.79
50	34.75	40.61	31.50	37.97
51	35.84	42.00	32.43	39.22
52	37.01	43.50	33.39	40.53

53	38.28	45.07	34.43	41.91
54	39.63	46.76	35.48	43.34
55	41.07	48.54	36.64	44.79
56	42.53	50.36	37.84	46.34
57	44.08	52.29	39.11	47.94
58	45.72	53.55	40.45	49.62
59	47.50	53.22	41.86	51.36
60	49.56	52.70	43.35	53.12
61	51.50	52.28	44.86	54.38
62	53.58	51.86	46.49	54.04
63	53.46	51.35	48.25	53.70
64	53.12	50.83	50.14	53.34
65	52.77	50.32	51.93	52.93
66	52.23	49.54	53.71	52.54
67	51.68	48.79	53.89	51.96
68	51.12	48.57	53.38	51.31
69	50.56	48.24	52.86	50.63
70	50.00	48.05	52.35	49.87
71	49.49	47.84	51.79	49.11
72	49.16	47.61	51.22	48.42
73	48.85	47.49	50.66	47.99
74	48.67	47.26	50.09	47.86
75	48.48	47.02	49.53	47.70
76	48.21	46.69	49.14	47.54
77	47.93	46.37	48.96	47.33
78	47.77	45.97	48.69	47.10
79	47.61	45.55	48.39	46.81
80	47.42	45.06	48.05	46.51
81	47.17	44.47	47.89	46.18
82	46.85	43.77	47.72	45.77
83	46.41	42.79	47.46	45.08
84	45.88	41.60	47.08	44.09
85	45.25	40.03	46.54	42.67

Unisex policies will have Surrender Charges and Monthly Expense Charges that are higher than those for females above but lower than those for males.

APPENDIX C: First Year Surrender Charge New York

(Annual rates per $1,000 of Face Amount)

	Male		Female	
Issue Age	NS	S	NS	S
0	11.95	n/a	11.54	n/a
1	12.01	n/a	11.61	n/a
2	12.10	n/a	11.69	n/a
3	12.20	n/a	11.78	n/a
4	12.32	n/a	11.88	n/a
5	12.45	n/a	11.98	n/a
6	12.58	n/a	12.09	n/a
7	12.71	n/a	12.21	n/a
8	12.86	n/a	12.32	n/a
9	13.01	n/a	12.45	n/a
10	13.17	n/a	12.58	n/a
11	13.33	n/a	12.71	n/a
12	13.50	n/a	12.85	n/a
13	13.68	n/a	13.00	n/a
14	13.86	n/a	13.15	n/a
15	14.05	n/a	13.31	n/a
16	14.25	n/a	13.48	n/a
17	14.44	n/a	13.65	n/a
18	14.64	n/a	13.83	n/a
19	14.85	n/a	14.02	n/a
20	15.06	16.77	14.21	15.76
21	15.29	17.07	14.42	16.05
22	15.54	17.39	14.64	16.35
23	15.79	17.73	14.87	16.66
24	16.06	18.08	15.12	16.98
25	16.35	18.44	15.37	17.33
26	16.64	18.82	15.63	17.67
27	16.95	19.19	15.90	18.04
28	17.25	19.60	16.19	18.42
29	17.59	20.02	16.49	18.82
30	17.94	20.45	16.81	19.24
31	18.31	20.91	17.12	19.68
32	18.69	21.41	17.47	20.14
33	19.11	21.93	17.84	20.62
34	19.54	22.49	18.22	21.15
35	20.00	23.08	18.62	21.68
36	20.46	23.66	19.03	22.24
37	20.96	24.30	19.45	22.81
38	21.48	24.98	19.89	23.41
39	22.02	25.68	20.36	24.05
40	22.60	26.43	20.85	24.73
41	23.20	27.20	21.37	25.42
42	23.87	28.02	21.91	26.16
43	24.53	28.87	22.47	26.95
44	25.24	29.80	23.07	27.79
45	26.01	30.76	23.72	28.66
46	26.81	31.77	24.40	29.61
47	27.66	32.83	25.11	30.59
48	28.56	33.94	25.85	31.62
49	29.52	35.14	26.64	32.73
50	30.56	36.43	27.49	33.89
51	31.62	37.81	28.39	35.11
52	32.77	39.30	29.32	36.41

53	34.01	40.85	30.32	37.76
54	35.34	42.53	31.34	39.17
55	36.75	43.49	32.47	40.61
56	38.19	43.28	33.64	42.14
57	39.73	43.10	34.88	43.74
58	41.36	42.87	36.19	44.36
59	43.12	42.60	37.57	44.17
60	43.74	42.14	39.04	43.90
61	43.46	41.78	40.53	43.66
62	43.18	41.41	42.15	43.38
63	42.90	40.95	43.89	43.09
64	42.63	40.50	44.49	42.78
65	42.35	40.04	44.18	42.44
66	41.87	39.32	43.74	42.11
67	41.39	38.64	43.29	41.59
68	40.91	38.48	42.85	41.00
69	40.42	38.21	42.41	40.38
70	39.93	38.08	41.96	39.68
71	39.49	37.92	41.47	38.98
72	39.21	37.75	40.97	38.35
73	38.96	37.68	40.48	37.97
74	38.85	37.50	39.98	37.88
75	38.71	37.30	39.48	37.76
76	38.50	37.03	39.15	37.66
77	38.27	36.75	39.03	37.49
78	38.15	36.38	38.83	37.30
79	38.03	35.98	38.59	37.06
80	37.88	35.53	38.30	36.80
81	37.66	34.95	38.19	36.50
82	37.36	34.27	38.06	36.11
83	36.95	33.32	37.85	35.44
84	36.44	32.15	37.51	34.47
85	35.82	30.58	37.00	33.06

Unisex policies will have Surrender Charges and Monthly Administrative Charges that are higher than those for females above but lower than those for males.

APPENDIX D: First Year Surrender Charge Pennsylvania

(Annual rates per $1,000 of Face Amount)

NS = Nonsmoker S = Smoker

	Male		Female	
Issue Age	NS	S	NS	S
0	11.56	n/a	11.22	n/a
1	11.60	n/a	11.27	n/a
2	11.66	n/a	11.33	n/a
3	11.74	n/a	11.40	n/a
4	11.84	n/a	11.47	n/a
5	11.94	n/a	11.55	n/a
6	12.05	n/a	11.64	n/a
7	12.16	n/a	11.73	n/a
8	12.29	n/a	11.83	n/a
9	12.41	n/a	11.93	n/a
10	12.55	n/a	12.04	n/a
11	12.69	n/a	12.15	n/a
12	12.84	n/a	12.27	n/a
13	13.00	n/a	12.39	n/a
14	13.16	n/a	12.52	n/a
15	13.33	n/a	12.65	n/a
16	13.49	n/a	12.79	n/a
17	13.66	n/a	12.93	n/a
18	13.83	n/a	13.09	n/a
19	14.00	n/a	13.25	n/a
20	14.19	15.82	13.42	14.83
21	14.39	16.10	13.60	15.10
22	14.60	16.39	13.79	15.37
23	14.83	16.70	14.00	15.66
24	15.07	17.02	14.22	15.96
25	15.32	17.36	14.44	16.28
26	15.59	17.72	14.67	16.60
27	15.86	18.06	14.92	16.94
28	16.14	18.43	15.18	17.29
29	16.44	18.83	15.45	17.67
30	16.76	19.23	15.74	18.08
31	17.10	19.67	16.04	18.49
32	17.46	20.15	16.36	18.93
33	17.84	20.64	16.70	19.39
34	18.25	21.18	17.06	19.90
35	18.68	21.75	17.43	20.41
36	19.12	22.31	17.82	20.95
37	19.59	22.94	18.21	21.51
38	20.08	23.60	18.63	22.09
39	20.60	24.28	19.07	22.71
40	21.16	25.02	19.54	23.38
41	21.74	25.78	20.04	24.06
42	22.38	26.59	20.56	24.79
43	23.03	27.43	21.10	25.58
44	23.72	28.35	21.69	26.41
45	24.46	29.30	22.32	27.27
46	25.24	30.31	22.98	28.22
47	26.08	31.36	23.68	29.20
48	26.96	32.46	24.40	30.24
49	27.91	33.66	25.18	31.35
50	28.94	34.95	26.02	32.51
51	29.98	36.33	26.90	33.75
52	31.13	37.82	27.83	35.05

53	32.36	39.38	28.82	36.41
54	33.68	41.07	29.83	37.82
55	35.09	42.86	30.95	39.27
56	36.52	44.67	32.11	40.80
57	38.05	46.61	33.34	42.39
58	39.68	48.61	34.65	44.07
59	41.44	50.72	36.02	45.80
60	43.50	52.70	37.48	47.55
61	45.43	52.28	38.96	49.45
62	47.52	51.86	40.57	51.43
63	49.75	51.35	42.30	53.53
64	52.13	50.83	44.18	53.34
65	52.77	50.32	45.95	52.93
66	52.23	49.54	47.72	52.54
67	51.68	48.79	49.65	51.96
68	51.12	48.57	51.74	51.31
69	50.56	48.24	52.86	50.63
70	50.00	48.05	52.35	49.87
71	49.49	47.84	51.79	49.11
72	49.16	47.61	51.22	48.42
73	48.85	47.49	50.66	47.99
74	48.67	47.26	50.09	47.86
75	48.48	47.02	49.53	47.70
76	48.21	46.69	49.14	47.54
77	47.93	46.37	48.96	47.33
78	47.77	45.97	48.69	47.10
79	47.61	45.55	48.39	46.81
80	47.42	45.06	48.05	46.51
81	47.17	44.47	47.89	46.18
82	46.85	43.77	47.72	45.77
83	46.41	42.79	47.46	45.08
84	45.88	41.60	47.08	44.09
85	45.25	40.03	46.54	42.67

Unisex policies will have Surrender Charges and Monthly Expense Charges that are higher than those for females above but lower than those for males.

APPENDIX E: Monthly Expense Charge Per $1,000 of Initial Face Amount

EPNS = Elite Preferred Nonsmoker
PNS = Preferred Nonsmoker
SNS = Standard Nonsmoker
PS = Preferred Smoker
SS = Standard Smoker

Issue	Male					Female				
Age	EPNS	PNS	SNS	PS	SS	EPNS	PNS	SNS	PS	SS
0	N/A	N/A	0.0935	N/A	N/A	N/A	N/A	0.0788	N/A	N/A
1	N/A	N/A	0.0954	N/A	N/A	N/A	N/A	0.0804	N/A	N/A
2	N/A	N/A	0.0973	N/A	N/A	N/A	N/A	0.0820	N/A	N/A
3	N/A	N/A	0.0992	N/A	N/A	N/A	N/A	0.0836	N/A	N/A
4	N/A	N/A	0.1012	N/A	N/A	N/A	N/A	0.0853	N/A	N/A
5	N/A	N/A	0.1032	N/A	N/A	N/A	N/A	0.0870	N/A	N/A
6	N/A	N/A	0.1053	N/A	N/A	N/A	N/A	0.0887	N/A	N/A
7	N/A	N/A	0.1074	N/A	N/A	N/A	N/A	0.0905	N/A	N/A
8	N/A	N/A	0.1095	N/A	N/A	N/A	N/A	0.0923	N/A	N/A
9	N/A	N/A	0.1117	N/A	N/A	N/A	N/A	0.0941	N/A	N/A
10	N/A	N/A	0.1139	N/A	N/A	N/A	N/A	0.0960	N/A	N/A
11	N/A	N/A	0.1162	N/A	N/A	N/A	N/A	0.0979	N/A	N/A
12	N/A	N/A	0.1185	N/A	N/A	N/A	N/A	0.0999	N/A	N/A
13	N/A	N/A	0.1209	N/A	N/A	N/A	N/A	0.1019	N/A	N/A
14	N/A	N/A	0.1233	N/A	N/A	N/A	N/A	0.1039	N/A	N/A
15	N/A	N/A	0.1258	N/A	N/A	N/A	N/A	0.1060	N/A	N/A
16	N/A	N/A	0.1283	N/A	N/A	N/A	N/A	0.1081	N/A	N/A
17	N/A	N/A	0.1309	N/A	N/A	N/A	N/A	0.1103	N/A	N/A
18	N/A	N/A	0.1335	N/A	N/A	N/A	N/A	0.1125	N/A	N/A
19	N/A	N/A	0.1362	N/A	N/A	N/A	N/A	0.1148	N/A	N/A
20	0.1349	0.1359	0.1389	0.1593	0.1607	0.1148	0.1152	0.1171	0.1259	0.1270
21	0.1366	0.1376	0.1406	0.1617	0.1631	0.1161	0.1165	0.1183	0.1272	0.1283
22	0.1384	0.1394	0.1424	0.1641	0.1655	0.1190	0.1198	0.1205	0.1289	0.1296
23	0.1402	0.1412	0.1442	0.1666	0.1680	0.1200	0.1210	0.1219	0.1307	0.1315
24	0.1420	0.1430	0.1460	0.1691	0.1705	0.1218	0.1228	0.1231	0.1330	0.1342
25	0.1438	0.1448	0.1478	0.1716	0.1731	0.1235	0.1245	0.1251	0.1336	0.1350
26	0.1456	0.1466	0.1496	0.1742	0.1757	0.1265	0.1275	0.1279	0.1389	0.1401
27	0.1495	0.1505	0.1535	0.1792	0.1832	0.1295	0.1305	0.1307	0.1407	0.1440
28	0.1549	0.1559	0.1589	0.1847	0.1877	0.1314	0.1324	0.1339	0.1454	0.1487
29	0.1583	0.1593	0.1623	0.1919	0.1934	0.1353	0.1363	0.1368	0.1498	0.1531
30	0.1644	0.1653	0.1672	0.1976	0.2015	0.1383	0.1388	0.1396	0.1550	0.1566
31	0.1717	0.1717	0.1723	0.2055	0.2108	0.1425	0.1435	0.1450	0.1604	0.1622
32	0.1760	0.1770	0.1780	0.2133	0.2173	0.1458	0.1474	0.1478	0.1649	0.1684
33	0.1800	0.1811	0.1841	0.2228	0.2268	0.1470	0.1480	0.1509	0.1709	0.1741
34	0.1892	0.1903	0.1906	0.2334	0.2354	0.1522	0.1532	0.1552	0.1754	0.1773
35	0.1957	0.1958	0.1971	0.2428	0.2439	0.1572	0.1588	0.1594	0.1800	0.1841
36	0.2058	0.2068	0.2074	0.2575	0.2608	0.1600	0.1612	0.1642	0.1874	0.1908
37	0.2169	0.2170	0.2171	0.2711	0.2733	0.1680	0.1690	0.1720	0.1974	0.1998
38	0.2241	0.2251	0.2281	0.2857	0.2878	0.1782	0.1786	0.1801	0.2071	0.2101
39	0.2362	0.2372	0.2407	0.3013	0.3047	0.1855	0.1861	0.1882	0.2190	0.2200
40	0.2468	0.2478	0.2523	0.3162	0.3203	0.1938	0.1943	0.1969	0.2236	0.2288
41	0.2606	0.2631	0.2658	0.3361	0.3414	0.2037	0.2041	0.2054	0.2388	0.2429
42	0.2722	0.2732	0.2762	0.3542	0.3604	0.2139	0.2149	0.2155	0.2521	0.2566

Monthly Expense Charges shown assume an Initial Face Amount less than $250,000. Higher Initial Face Amounts will result in lower Monthly Expense Charges per $1,000 of Initial Face Amount.

Issue	Male					Female				
Age	EPNS	PNS	SNS	PS	SS	EPNS	PNS	SNS	PS	SS
43	0.2898	0.2902	0.2930	0.3734	0.3838	0.2246	0.2266	0.2274	0.2625	0.2692
44	0.3026	0.3036	0.3085	0.3945	0.4031	0.2352	0.2363	0.2386	0.2788	0.2827
45	0.3181	0.3201	0.3227	0.4123	0.4252	0.2426	0.2436	0.2484	0.2915	0.2991
46	0.3330	0.3364	0.3384	0.4368	0.4462	0.2545	0.2582	0.2591	0.3066	0.3110
47	0.3482	0.3492	0.3527	0.4601	0.4706	0.2687	0.2703	0.2716	0.3212	0.3271
48	0.3658	0.3658	0.3693	0.4839	0.4959	0.2824	0.2833	0.2863	0.3352	0.3446
49	0.3795	0.3830	0.3851	0.5046	0.5195	0.2925	0.2950	0.2986	0.3507	0.3588
50	0.3952	0.3952	0.3996	0.5294	0.5441	0.3035	0.3045	0.3096	0.3639	0.3751
51	0.4142	0.4165	0.4229	0.5523	0.5692	0.3145	0.3179	0.3214	0.3786	0.3899
52	0.4356	0.4364	0.4445	0.5781	0.5941	0.3279	0.3307	0.3350	0.3915	0.4040
53	0.4533	0.4535	0.4639	0.6071	0.6233	0.3406	0.3431	0.3451	0.4042	0.4187
54	0.4734	0.4744	0.4838	0.6294	0.6487	0.3553	0.3583	0.3630	0.4247	0.4365
55	0.4947	0.4965	0.5035	0.6533	0.6740	0.3624	0.3683	0.3723	0.4437	0.4611
56	0.5228	0.5266	0.5332	0.6877	0.7100	0.3724	0.3809	0.3847	0.4646	0.4833
57	0.5491	0.5554	0.5633	0.7224	0.7423	0.3824	0.3935	0.3971	0.4896	0.5092
58	0.5803	0.5835	0.5940	0.7552	0.7789	0.3924	0.4061	0.4095	0.5161	0.5355
59	0.6082	0.6121	0.6234	0.7940	0.8239	0.4024	0.4187	0.4219	0.5426	0.5682
60	0.6154	0.6176	0.6263	0.8634	0.9002	0.4125	0.4312	0.4342	0.5837	0.6143
61	0.6623	0.6647	0.6740	0.9207	0.9619	0.4365	0.4563	0.4595	0.6183	0.6550
62	0.7092	0.7118	0.7217	0.9879	1.0270	0.4557	0.4764	0.4797	0.6583	0.7032
63	0.7561	0.7589	0.7694	1.0627	1.1071	0.4711	0.4924	0.4959	0.7037	0.7517
64	0.8030	0.8060	0.8171	1.1400	1.1866	0.4834	0.5052	0.5088	0.7500	0.8028
65	0.8499	0.8530	0.8650	1.2165	1.2654	0.5325	0.5566	0.5605	0.7981	0.8604
66	0.9277	0.9309	0.9440	1.3318	1.3854	0.6026	0.6298	0.6343	0.8512	0.9152
67	1.0055	1.0088	1.0230	1.4396	1.4985	0.6727	0.7030	0.7081	0.9400	1.0017
68	1.0833	1.0867	1.1020	1.4541	1.5239	0.7428	0.7762	0.7819	1.0395	1.0996
69	1.1611	1.1646	1.1810	1.4688	1.5648	0.8129	0.8494	0.8557	1.1442	1.2033
70	1.2389	1.2426	1.2600	1.4946	1.5847	0.8829	0.9228	0.9293	1.2539	1.3184
71	1.2916	1.2979	1.3317	1.5253	1.6073	0.9607	1.0042	1.0113	1.3606	1.4368
72	1.3329	1.3419	1.3771	1.5647	1.6376	1.0385	1.0856	1.0933	1.4577	1.5425
73	1.3677	1.3770	1.4179	1.5718	1.6475	1.1163	1.1670	1.1753	1.4780	1.6057
74	1.3719	1.3882	1.4343	1.5906	1.6732	1.1941	1.2484	1.2573	1.5010	1.6221
75	1.3794	1.3981	1.4533	1.6092	1.7031	1.2721	1.3297	1.3391	1.5376	1.6399
76	N/A	1.4151	1.4837	1.6389	1.7445	N/A	1.3520	1.3908	1.5650	1.6563
77	N/A	1.4355	1.5178	1.6677	1.7875	N/A	1.3647	1.4085	1.5800	1.6826
78	N/A	1.4667	1.5339	1.7076	1.8461	N/A	1.3822	1.4397	1.5983	1.7111
79	N/A	1.5041	1.5530	1.7557	1.9124	N/A	1.4081	1.4753	1.6166	1.7479
80	N/A	1.5202	1.5758	1.8131	1.9876	N/A	1.4413	1.5183	1.6432	1.7870
81	N/A	1.5468	1.6121	1.8914	2.0847	N/A	1.4938	1.5370	1.6892	1.8435
82	N/A	1.5753	1.6589	1.9761	2.1959	N/A	1.5155	1.5607	1.7447	1.9161
83	N/A	1.6302	1.7241	2.0961	2.3517	N/A	1.5416	1.5935	1.8196	2.0319
84	N/A	1.7020	1.8072	2.2390	2.5432	N/A	1.5826	1.6483	1.9288	2.1972
85	N/A	1.7905	1.9110	2.4234	2.8067	N/A	1.6484	1.7330	2.0824	2.4345

Monthly Expense Charges shown assume an Initial Face Amount less than $250,000. Higher Initial Face Amounts will result in lower Monthly Expense Charges per $1,000 of Initial Face Amount.

APPENDIX F: Overloan Protection Rider

Male, Nonsmoker, Attained Age = 75, Option A Death Benefit

Form 8566(0108)

20 Year Projection after Overloan Protection Rider Exercise

Crediting rate on unloaned Accumulated Value	6%
Loan Rate	5%

Policy Values before Overloan Protection Rider exercise:		**Year**	**Attained Age**	**End of Year AV**	**End of Year Outstanding Loan**	**End of Year Cash Surrender Value**	**End of Year Death Benefit**
		1	75	101,536	100,275	1,261	106,613
Face Amount	$ 75,000	2	76	106,626	105,289	1,337	111,957
Accumulated Value	$100,000	3	77	111,970	110,553	1,417	117,569
GPT Corridor Factor	1.05	4	78	117,583	116,081	1,502	123,462
Death Benefit	$105,000	5	79	123,477	121,885	1,592	129,651
Outstanding Loan	$ 95,500	6	80	129,667	127,979	1,688	136,151
		7	81	136,167	134,378	1,789	142,976
Exercise Charge Percentage	3.31%	8	82	142,994	141,097	1,897	150,143
Exercise Charge	$ 3,310	9	83	150,162	148,152	2,010	157,670
		10	84	157,691	155,559	2,131	165,575
Policy Values after Overloan Protection Rider exercise:		11	85	165,596	163,337	2,259	173,876
Face Amount	$ 75,000	12	86	173,899	171,504	2,395	182,594
Accumulated Value	$ 96,690	13	87	182,618	180,079	2,538	191,749
GPT Corridor Factor	1.05	14	88	191,774	189,083	2,690	201,363
Death Benefit	$101,690	15	89	201,390	198,538	2,852	211,459
Outstanding Loan	$ 95,500	16	90	211,488	208,465	3,023	219,947
		17	91	222,092	218,888	3,204	228,755
		18	92	233,229	229,832	3,397	237,893
		19	93	244,924	241,324	3,600	247,373
		20	94	257,206	253,390	3,816	259,778

Statement of Additional Information
Table of Contents

The Statement of Additional Information contains further information about the Policies and is incorporated by reference (legally considered to be part of this prospectus). A table of contents for the Statement of Additional Information is above. You may request a free copy of the Statement of Additional Information by writing to National Life Insurance Company, One National Life Drive, Montpelier, Vermont 05604 or by calling 1-800-732-8939. Please contact your registered representative or National Life if you have any questions or would like to request other information about the Policies such as personalized illustrations of an Insured's Death Benefit, Cash Surrender Value and Policy Values (there is no charge for the initial Policy illustration).

The Statement of Additional Information is also available at National Life's website at www.nationallifegroup.com. Information about the Policy (including the Statement of Additional Information) can also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Call 1-202-551-8090 for information on the operation of the public reference room. This information is also available on the SEC's Internet site at http://www.sec.gov, and copies may be obtained, upon payment of a duplicating fee, by writing to the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549.

You should rely only on the information contained in this prospectus. No one is authorized to provide you with information that is different.

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