

# WNL Security Builder 5 Annuity

A SINGLE-PREMIUM, TAX-DEFERRED FIXED ANNUITY ISSUED  
AND GUARANTEED BY WESTERN NATIONAL LIFE INSURANCE COMPANY

## Product Overview

### Western National Guarantees

One-Year Interest Rate Option	The initial interest rate on the single premium is guaranteed for one year and may include an interest enhancement for the first contract year only. After the initial guarantee period a new rate will be declared periodically. <sup>1</sup>
Three-Year Interest Rate Option	The initial interest rate on the single premium is guaranteed for three years and may include an interest enhancement during the first three policy years. After the initial guarantee period a new rate will be declared periodically. <sup>1</sup>
Five-Year Interest Rate Option with Market Value Adjustment (MVA)	The single premium will earn a competitive rate for five years. The single premium is subject to a market value adjustment (MVA) for one MVA term of five years. After the initial guarantee period a new rate will be declared periodically. <sup>1</sup>
Step-Up Interest Rate Option	The initial interest rate on the original purchase premium is guaranteed for one year. The initial interest rate is guaranteed to increase each year by 0.15% in policy years two through five. After the initial guarantee period a new rate will be declared periodically. <sup>1</sup>
Minimum Guaranteed Renewal Rate	Regardless of future economic conditions, your annuity is guaranteed to renew at or above the minimum interest rate, which is listed in your policy or applicable endorsement(s). <sup>2</sup>
Immediate Crediting	Interest crediting begins the day the money is deposited into the Western National account. Interest credited daily at a rate which compounds over each year to achieve this annual effective yield.
Guaranteed Rate Lock	Initial rate guaranteed for 90 days from date of signing the application on any Section 1035 exchange, direct rollover or transfer.
Free-Look Guarantee	Western National allows a 20-day (or longer in some states) "free-look" period.
Return-of-Premium Guarantee	The policyowner may return his/her annuity any time for an amount equal to the single premium paid (less any withdrawals of interest or principal), or the withdrawal value (annuity value less any early withdrawal charges), whichever value is greater. <sup>2</sup>
Tax-Qualified Distributions	Western National will make all necessary calculations to ensure IRS-required minimum distributions (RMD) are made, unless the policyowner requests otherwise. Prior to any RMD, the company will notify the owner of distribution options.
Statements	Each customer receives a welcome letter and an annual statement.

<sup>1</sup> Depending on market conditions some interest rate options may not be available at all times. Please check with your licensed representative for availability.

<sup>2</sup> This and all guarantees mentioned are subject to the claims-paying ability of the issuing insurance company.

## Amounts

\$10,000	Minimum single premium for nonqualified and tax-qualified annuities.
\$2,000	Minimum value to maintain policy.
\$250	Minimum random withdrawal amount.
\$50	Minimum systematic withdrawal amount. <sup>3</sup>
\$1,500,000	Maximum single premium amount without prior company approval. <sup>3</sup>

<sup>3</sup> By company practice, which is subject to change.

## Ages

Issue Ages	0 — 85 owner and annuitant: (nonqualified annuities and tax-qualified annuity transfers or rollovers). Maximum issue age may vary by state. Please check your policy or applicable endorsement(s). 0 — 70 owner and annuitant: (tax-qualified annuities). Up to 80 with company approval.
Maximum Annuity Age	When distribution of annuity income must begin: Nonqualified annuities: age 100, unless otherwise indicated on the application. Tax-qualified annuities: distribution must generally begin by April 1 of the year after the annuitant reaches age 70½ unless RMD requirements are being satisfied elsewhere. Distribution may be accomplished by annuitization of the contract or by taking partial withdrawals.

## Ownership

Types of Ownership	Single, joint, living trust, Roth and traditional IRAs, SEP, corporate, Keogh and minor child (UTMA/UGMA).
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## Market Value Adjustment (Applies to five-year interest rate option only)

	<p>A market value adjustment applies in the event of early and/or excess withdrawal during the five-year MVA term period. The adjustment can either increase or decrease the remaining annuity value depending on the current interest rate environment.<sup>4</sup> During a rising interest rate environment or when interest rates remain the same as time of purchase, a negative MVA will be deducted. During a declining interest rate environment, a positive MVA will be added. Should a negative adjustment apply, the amount charged will not result in your earning less than the minimum guaranteed rate.</p> <p>MVA does not apply to withdrawals representing free withdrawal amounts, premium guarantee, or death benefit.</p>
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<sup>4</sup> The five-year Constant Maturity Treasury rate reported by the federal reserve is used to measure rates.

## Withdrawals

Penalty-Free Withdrawal Privilege	After 30 days from the policy date, you may take multiple penalty-free withdrawals each year not exceeding in total the greater of (1) the accumulated interest earned or (2) up to 15% of the previous anniversary annuity value. If you do not use all of the 15% free withdrawal percentage in a policy year, you may carry over the unused portion to the next policy year up to a maximum of 20% of the previous anniversary annuity value.
Systematic Withdrawal Frequency	Monthly, quarterly, semiannually or annually. If the withdrawal amount is less than \$50, check frequency will move to the next withdrawal period.
Systematic Amount Options	1) Interest only. 2) Fixed-dollar amount (free if less than permitted free withdrawal amount).
Systematic Withdrawal	\$50 minimum amount. Systematic withdrawals are mailed by check or deposited into a designated account on the 1st, 10th or 25th day of the month payment is due. <sup>3</sup>
Random Withdrawal	\$250 minimum amount. (\$2,000 minimum value to maintain policy.) If a withdrawal reduces the value to less than \$2,000, we reserve the right to pay the entire withdrawal value and terminate the policy.

<sup>3</sup> By company practice, which is subject to change.

## Taxes, Tax Advantages & Tax-Free Transfers

Tax Deferral	Federal income taxes are deferred until the year interest is withdrawn. <sup>5</sup> There is no tax deferral if the owner is a corporation. If the owner is a trust or other entity, please consult a tax advisor regarding the tax-deferred status. The return of principal may also be taxable on tax-qualified annuities, such as traditional IRAs.
Tax-Advantaged Income	Once the policy is annuitized, part of each annuity income payment is considered a tax-free return of principal (except tax-qualified annuities, such as traditional IRAs, where the principal may also be taxable).
Pre-59½ Withdrawals	Withdrawals of taxable assets are taxed as ordinary income and, if taken prior to age 59½, may be subject to a 10% federal income tax penalty. Withdrawals reduce the annual effective yield. The penalty may be waived for death, total disability (as defined by the IRS), or if the payment is made as part of a series of substantially equal payments for the life expectancy of the owner (except tax-qualified annuities where the entire amount withdrawn may be subject to the 10% federal income tax penalty).
Tax-Free Exchange	May be used for exchanges from a life insurance or endowment contract or another annuity. <sup>6</sup> A 90-day rate lock applies. To maintain non-taxable status, the owner and annuitant must remain the same, and the owner cannot take receipt of the funds.
Tax-Qualified Plans	May be an initial tax-qualified contribution, or transfer or direct rollover of funds for IRAs, SEPs, Keoghs or 401(k)s. <sup>6</sup>

<sup>5</sup> Unless your annuity is a Roth IRA, for federal income tax purposes withdrawals are treated as earnings first, subject to ordinary income tax and as a return of principal after earnings are exhausted.

<sup>6</sup> State replacement form(s) may be required on Section 1035 exchanges, rollovers and transfers from other annuities in AR, AZ, CA, CO, DE, FL, GA (life insurance only), HI, IA, ID, IL, IN, KS, LA, MA, MD, MN, MO, MS, MT, NC, NE, NH, NM, OH, OK, OR, PA, SC, SD, TN, UT, VA (life insurance only), VT, WA, WI, and WY.

## Charges & Fees

Initial Sales Charge	None.														
Annual Fee	None.														
Withdrawal Charge Schedule	<p>Withdrawals exceeding the free amounts are subject to the following early withdrawal charge schedule for five years from the policy date:</p> <table border="1"> <thead> <tr> <th>Policy year</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6+</th> </tr> </thead> <tbody> <tr> <td>Early withdrawal charge</td> <td>7%</td> <td>7%</td> <td>6%</td> <td>5%</td> <td>3%</td> <td>0%</td> </tr> </tbody> </table> <p>(Charge is a percentage of premium withdrawn in excess of free amounts; interest earnings are withdrawn first [on a last-in, first-out basis] then premiums are withdrawn [on a first-in, first-out basis] after earnings are exhausted.)</p>	Policy year	1	2	3	4	5	6+	Early withdrawal charge	7%	7%	6%	5%	3%	0%
Policy year	1	2	3	4	5	6+									
Early withdrawal charge	7%	7%	6%	5%	3%	0%									

## Death Benefits (Before Annuity Date)

Amount	Equal to the annuity value and payable upon the death of the owner.
Spousal Beneficiaries	If the spouse is the sole beneficiary of a deceased owner, he/she may elect to become the new "owner" or receive a withdrawal.
Non-Spousal Beneficiaries	Upon the death of any owner, the beneficiary may receive either annuity income beginning within one year or a total withdrawal within five years.

## Early Withdrawal Charge Waivers (Not Available in Some States and Provisions may Vary from State to State.)

Extended Care	After the first policy year, early withdrawal charges will be waived if the owner is confined to a qualifying institution or extended care facility for 90 consecutive days or longer. In the state of Florida, this waiver is only available until the owner reaches age 86.
Terminal Illness	Early withdrawal charges will be waived upon the diagnosis of a terminal illness that will result in the death of a contract owner within one year. Written documentation from a qualified physician is required.
Activities of Daily Living	After the first contract year, withdrawal charges will be waived if the owner cannot perform two or more of the six defined activities of daily living (bathing, continence, dressing, eating, toileting and transferring) for at least 90 consecutive days. Written certification by a licensed healthcare practitioner is required.

Western National Life Insurance Company was one of the first insurance companies to develop fixed annuity products specifically for sale through banks. We are a leading provider of fixed annuities in this market, and have maintained our position by offering innovative products and valued services to help Americans achieve their financial goals.

Our products can help you live retirement on your terms.

Tax-qualified contracts such as IRAs, 401(k)s, etc., are tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the treatment by the tax-qualified retirement plan itself. However, annuities do provide other features and benefits such as income options.

Neither Western National Life Insurance Company nor its agents or representatives are authorized to give legal, tax or accounting advice. Please consult your attorney, accountant or tax advisor on specific points of interest.

The WNL Security Builder 5 Annuity is issued and guaranteed by Western National Life Insurance Company.

The WNL Security Builder 5 Annuity may not be available in all states and provisions may vary from state to state. Please refer to your policy for actual governing contractual provisions.

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put real retirement  
solutions to work  
for you

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