

FIT Retirement Series

The Evolution of Flexible Premium Annuities

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Products of the past:
One Size Fits All

SecurePlus Gold

SecurePlus Paramount 5

SecurePlus Reliance

More Upside

Upside interest crediting potential through strategies with higher caps

More Liquidity

A new emergency access rider

More Options

New indexes available

FIT Retirement Series

Give your clients **more**

All with a
0% floor
protecting
your clients'
savings
from market
downturns

Upside Potential
Downside
Protection¹

¹ Assuming no withdrawals during the surrender charge period. Rider charges continue to be deducted regardless of whether interest is credited.

Customer is at the Heart of FIT Retirement Series



- Over 10 years to retirement
- Looking to build savings
- Will self distribute

**FIT Secure
Growth**



- Over 10 years to retirement
- Wants a built-in distribution plan

**FIT Select
Income**



- Less than 10 years to retirement
- Seeking guaranteed interest plus potential of index-based interest without market risk

**FIT Rewards
Growth**



- Less than 10 years to retirement
- Looking for a guaranteed income solution for accumulated savings

**FIT Certain
Income**



New Product Features



Emergency Access Waiver



Active on FIT Retirement Series products currently in 403(b) or 457(b) status and policy is eligible for a distribution



For 403(b) Hardship or 457(b) Unforeseen Emergency distributions

- Policy must be in force for 1 year and distribution is approved by the Plan/TPA
- All withdrawal charges and MVA are waived



For separation from service or disability

- Policy must be in force for 1 year and the Policy owner must be separated from service from the plan sponsor or disabled
- Withdrawal charge and MVA are waived on
 - 20% of the Accumulation Value in years 2-4
 - 100% of the Accumulation Value in years 5+



Distribution is subject to IRS taxes and, if applicable, IRS 10% early distribution penalty

Products That Go With the Flow



Regularly scheduled contributions for as little as \$100 a month in salary reductions or bank draft.

or

Periodic or unscheduled contributions if opened with at least a minimum of \$5,000.

Market Value Adjustment (MVA)

- Reduces our risk - allows us to use higher caps and pars – more potential interest
- Only applies to withdrawals in excess of the 10% free out in first 10 policy years
 - Unless Emergency Access Waiver applies
- Can be a positive or negative adjustment

SCENARIO 1:

Decreasing Rates

- 10 Year Treasury at issue: 4%
- 10 Year Treasury at surrender: 2%
- Results in a **Positive** MVA

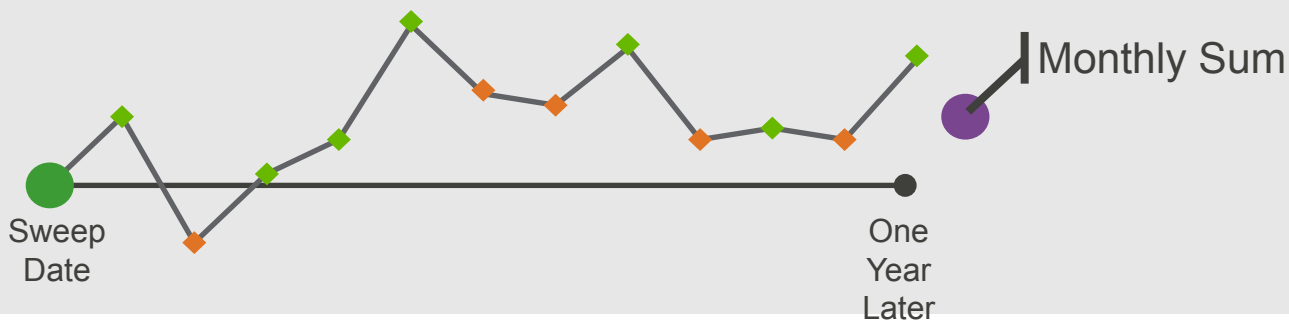
SCENARIO 2:

Increasing Rates

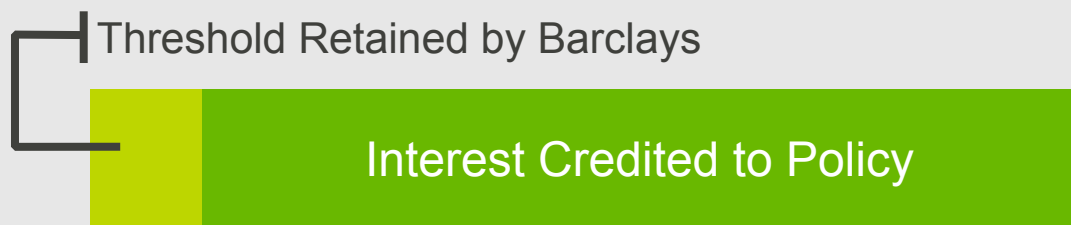
- 10 Year Treasury at issue: 4%
- 10 Year Treasury at surrender: 6%
- Results in a **Negative** MVA

More Crediting Methods with More Potential

S&P 500
Monthly Sum Cap



Barclays
Low Vol 5% – Threshold
Ticker Symbol – BXILV5E



Bank of America Merrill Lynch
GPA Index – Participation Rate
Ticker Symbol – MLEIGPA5



Indexed annuities do not directly participate in any stock or equity investments.

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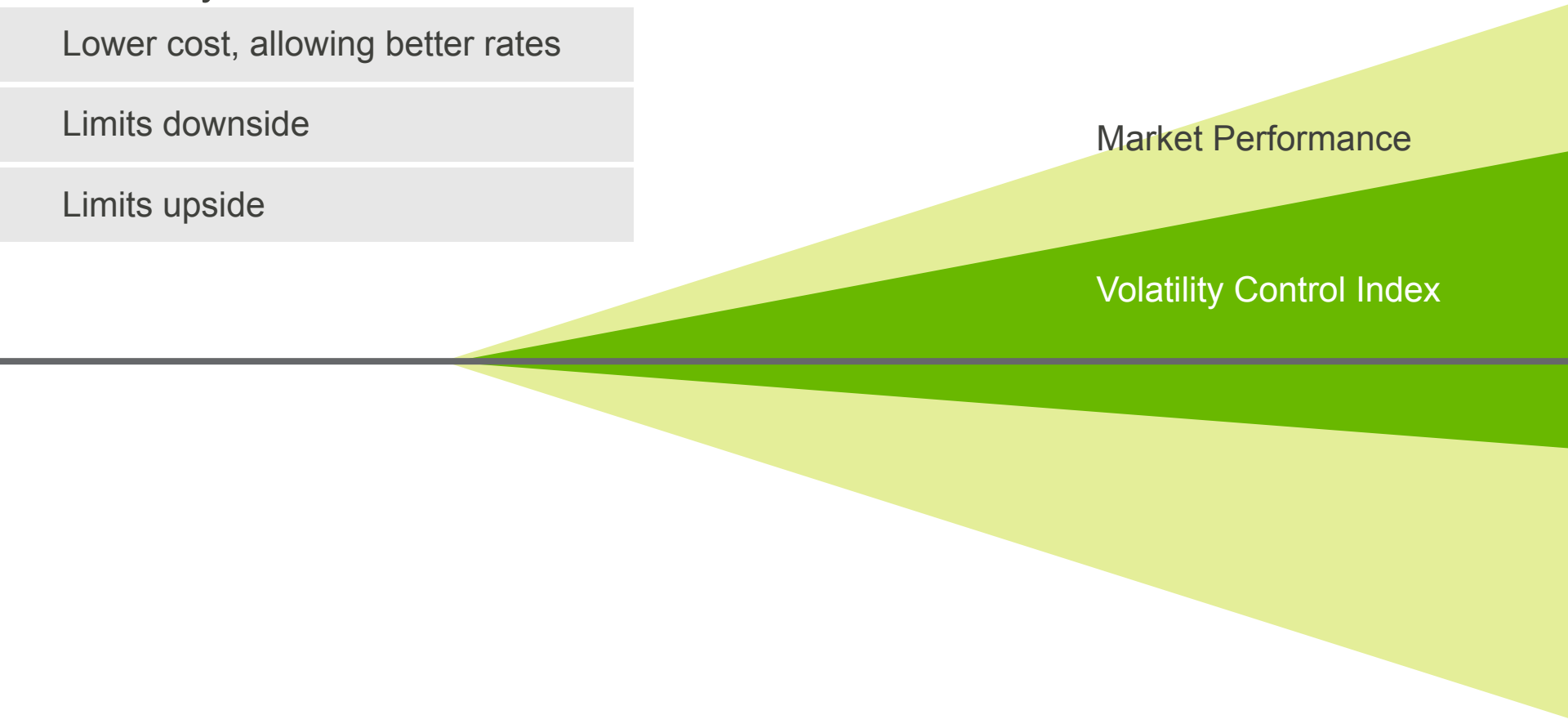
What is a Volatility Control Index

Volatility Indexes

Lower cost, allowing better rates

Limits downside

Limits upside



Monthly Sum Cap

Tracks the movement of the index on a month-to-month basis

Assigns a number for each month up to the monthly cap

- Negative numbers can be assigned with no floor

Interest is calculated at the end of the policy year

- If the sum is **positive** the result is the **interest credited**
- If the sum is **negative** the result is **no interest credited**

The month starts on the sweep date which is the 7th of the month

			Index Charge	Policy Cap
JUNE	1.25%		4.00%	1.25%
JULY	1.25%		2.00%	1.25%
AUGUST		-1.00%	-1.00%	1.25%
SEPTEMBER	1.00%		1.00%	1.25%
OCTOBER		-1.00%	-1.00%	1.25%
NOVEMBER	1.25%		1.25%	1.25%
DECEMBER	0.00%		0.00%	1.25%
JANUARY	1.25%		1.50%	1.25%
FEBRUARY		-3.00%	-3.00%	1.25%
MARCH	0.50%		0.50%	1.25%
APRIL	1.25%		1.25%	1.25%
MAY	1.25%		2.00%	1.25%
	9.00%	-5.00%		

4% Interest
Credited to Policy³

An aerial photograph of a suburban neighborhood during autumn. The trees are in various shades of yellow, orange, and brown. Several houses and buildings are visible, including a large multi-story building in the foreground. The sky is blue with some light clouds. A green horizontal bar is overlaid on the image, containing the title text.

FIT Retirement Series: Case Studies

This is Barbara

Age: 38

Current Savings: \$50,000

Monthly Savings: \$200

Barbara has left her old job and wants to continue to build her savings to be used as a bridge when she retires at 60 to delay taking Social Security until age 65.

She does not want this savings at risk but is seeking more potential interest than she can receive at a bank.



This is Barbara's FIT

FIT Secure Growth

MORE Upside potential than a bank product through:

- Higher caps
- Indices^{*}
- Tax-deferred growth

All with the downside protection she is seeking, and the flexibility to take income when she needs it.



*Interest crediting partially based on a change in indices

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This is Wade

Age: 35

Current Savings: Zero

Monthly Savings: \$400

Wade works for a small company who does not have a 401(k). He understands the importance of saving as soon as he can for retirement and is optimistic about the market.

He does not like the idea of his savings going backwards and would like his plan to have a built in retirement income solution.



This is Wade's FIT

FIT Select Income

MORE Upside potential through:

- Higher caps
- Indices*
- Tax-deferred growth
- Income rider with an activation bonus, at an additional cost, provides an option for lifetime income without having to annuitize



*Interest crediting partially based on a change in indices

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Market Potential GLIR with Increasing Income

Policy's Accumulation Value X Activation Bonus

Policy Years	Activation Bonus
2-9	100%
10-14	125%
15-19	150%

Policy Years	Activation Bonus
20-24	175%
25-29	200%
30+	225%

X Guaranteed Withdrawal Percentage

Attained Age	Guaranteed Withdrawal Percentage
55	3.25%
56	3.45%
57	3.65%
58	3.85%
59	4.05%
60	4.25%
61	4.35%
62	4.45%

Attained Age	Guaranteed Withdrawal Percentage
63	4.55%
64	4.65%
65	4.75%
66	4.85%
67	4.95%
68	5.05%
69	5.15%
70	5.25%

Attained Age	Guaranteed Withdrawal Percentage
71	5.35%
72	5.45%
73	5.55%
74	5.65%
75	5.75%
76	5.85%
77	5.95%
78	6.05%

Attained Age	Guaranteed Withdrawal Percentage
79	6.15%
80	6.25%
81	6.35%
82	6.45%
83	6.55%
84	6.65%
85+	6.75%

Withdrawal percentage for Single Life Level Option shown above; Joint Life Level Option, subtract 0.50%; Single Life 2.5% Increasing Option, subtract 1.00%; Joint Life 2.5% Increasing Option, subtract 1.50%

GLIR Examples

Income calculation example in the 17th policy year at age 67

Accumulation Value
at Income Election

\$253,719

Apply Income
Activation Bonus

**$\$253,719 \times 150\% =$
 $\$380,578$**

Multiply by Guarantee
Withdrawal Percentage

**$\$380,578 \times 4.95\% =$
 $\$18,838$ Income**

Income increase with applied indexed interest in 18th policy year

Credited Indexed
Interest

\$8,000

Passthrough
Enhancement

**$\$8,000 \times 125\% =$
 $\$10,000$**

Multiply by Original
Guaranteed
Withdrawal Percentage

**$\$10,000 \times 4.95\% =$
 $\$495$ Annual
Increase**

This is Carol

Age: 52

Current Savings: Zero

Monthly Savings: \$500

Carol is late saving for her post-career life and is looking to build a supply of cash to access if unexpected expenses come up early in retirement.

She is looking for a safe solution where she has the potential to earn more interest than current rates and maximize short term build up.



This is Carol's FIT

FIT Rewards Growth

MORE Upside potential than current interest rates through:

- 5% immediate interest credit on each premium paid in the first eight policy years
- Higher caps
- Indices*
- Tax-deferred growth



*Interest crediting partially based on a change in indices

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This is Frank

Age: 53

Current Savings: \$150,000

Monthly Savings: \$300

Frank has diligently saved in his 403(b) and is quickly approaching retirement. He does not feel comfortable with the idea that he has to make the money last the rest of his life.

Also, he would like to save more but is worried about needing money if he has a medical emergency in the future.



This is Frank's FIT

FIT Certain Income

MORE Liquidity and income certainty through:

- Emergency Access Waiver
- Income rider, at an additional cost, provides an option for lifetime income without having to annuitize



Simple Roll-up GLIR

12% Bonus in Benefit Calculation Base for all premium payments

6% Simple Roll-up Rate until income election or 30 policy years

Attained Age	Guaranteed Withdrawal Percentage
55	3.00%
56	3.20%
57	3.40%
58	3.60%
59	3.80%
60	4.00%
61	4.10%
62	4.20%

Attained Age	Guaranteed Withdrawal Percentage
63	4.30%
64	4.40%
65	4.50%
66	4.60%
67	4.70%
68	4.80%
69	4.90%
70	5.00%

Attained Age	Guaranteed Withdrawal Percentage
71	5.10%
72	5.20%
73	5.30%
74	5.40%
75	5.50%
76	5.60%
77	5.70%
78	5.80%

Attained Age	Guaranteed Withdrawal Percentage
79	5.90%
80	6.00%
81	6.10%
82	6.20%
83	6.30%
84	6.40%
85+	6.50%

Withdrawal percentage for Single Life Level Option shown above; Joint Life Level Option, subtract 0.50%; Single Life 2.5% Increasing Option, subtract 1.00%; Joint Life 2.5% Increasing Option, subtract 1.50%

Example – Accumulation Phase

53-year-old purchases FIT Certain Income
contributing \$300 a month with a \$150,000 rollover

INDEXED ANNUITY

Accumulation Value

Day One \$150,300

**3%* Average Interest Credited
Annually Net Of Rider Charges**

(*This is a hypothetical rate, and it is not guaranteed.
The rate will vary.)

AV END OF YEAR 10 **\$243,421**

GUARANTEED LIFETIME INCOME RIDER

Benefit Calculation Base

Day One 169,117

**6% Simple Roll Up Rate
on Initial Premium**

END OF YEAR 10 **323,578**

Example – Distribution Phase

Guaranteed Withdrawal Payments are Elected at Age 63

INDEXED ANNUITY

Accumulation Value (example only)

End of Year 10 \$243,421

GWP -\$13,816

AV after Withdrawal \$229,605

2% Interest (Hypothetical Rate) +\$4,592

\$234,197

Rider Charge -\$2,891

AV END OF YEAR 11 \$231,306

GUARANTEED LIFETIME INCOME RIDER

Income Calculation Base **323,578**

Lifetime Income Calculation 323,578

GWP attained age of 63 x 4.3%

Guaranteed Income for Life 13,816

Product Comparison - Accumulation

PRODUCT FEATURE	FIT Secure Growth	FIT Rewards Growth
MINIMUM PREMIUM	\$100 per month salary reduction/bank draft or \$5,000 single sum	
MAXIMUM PREMIUM	<ul style="list-style-type: none"> •Cumulative max - \$1,000,000 0-70, \$750,000 71-75; \$500,000 76-80; •Transfers/Exchanges/Rollovers allowed in years 1-5 	<ul style="list-style-type: none"> •Cumulative max - \$1,000,000 0-70, \$750,000 71-75 •Transfers/Exchanges/Rollovers allowed in years 1-5
ISSUE AGE	0 - 80	0 - 75
CREDITING STRATEGIES	S&P 500 – Annual Point to Point Cap & Monthly Sum Cap Barclay's Low Vol 5 – Annual Point to Point Threshold BAML GPA – Annual Point to Point Participation Rate Declared Fixed Account	
FREE WITHDRAWAL	10% of Accumulation Value after 1 st policy year as available by law	
WITHDRAWAL CHARGES	8.25%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%, 0%	
MVA	Yes, applies to withdrawals in excess of free withdrawal amount for 10 years	
IMMEDIATE INTEREST CREDIT	n/a	5% immediate interest credit on each premium paid in the first eight policy years
IMMEDIATE INTEREST CREDIT RECAPTURE	n/a	90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, 0%
LOANS	Yes if 403(b)/457(b) plan permits; Multiple loans available	
RIDERS	•Nursing Care*, Terminal Illness* and 403(b)/457 Emergency Access Waiver at no additional cost	•Nursing Care*, Terminal Illness* and 403(b)/457 Emergency Access Waiver at no additional cost

*Nursing Care and Terminal Illness Riders not available in all states, see NationalLife.com for availability
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Product Comparison - Income

PRODUCT FEATURE	FIT Certain Income	FIT Select Income
MINIMUM PREMIUM	\$100 per month salary reduction/bank draft or \$5,000 single sum	
MAXIMUM PREMIUM	<ul style="list-style-type: none"> •Cumulative max - \$1,000,000 0-70, \$750,000 71-75; \$500,000 76-80; •Transfers/Exchanges/Rollovers allowed in years 1-5 	<ul style="list-style-type: none"> •Cumulative max - \$1,000,000 0-70, \$750,000 71-75 •Transfers/Exchanges/Rollovers allowed in years 1-5
ISSUE AGE	25 - 80	25 - 75
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WITHDRAWAL CHARGES	8.25%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%, 0%	
MVA	Yes, applies to withdrawals in excess of free withdrawal amount for 10 years	
LOANS	Yes if 403(b)/457(b) plan permits; Multiple loans available	
RIDERS	<ul style="list-style-type: none"> •Nursing Care*, Terminal Illness* and 403(b)/457 Emergency Access Waiver at no additional cost •Mandatory Guaranteed Lifetime Income Rider – 0.9% annual fee based on Benefit Calculation Base and deducted from Accumulation Value 	<ul style="list-style-type: none"> •Nursing Care*, Terminal Illness* and 403(b)/457 Emergency Access Waiver at no additional cost •Mandatory Guaranteed Lifetime Income Rider – 0.9% annual fee deducted from Accumulation Value

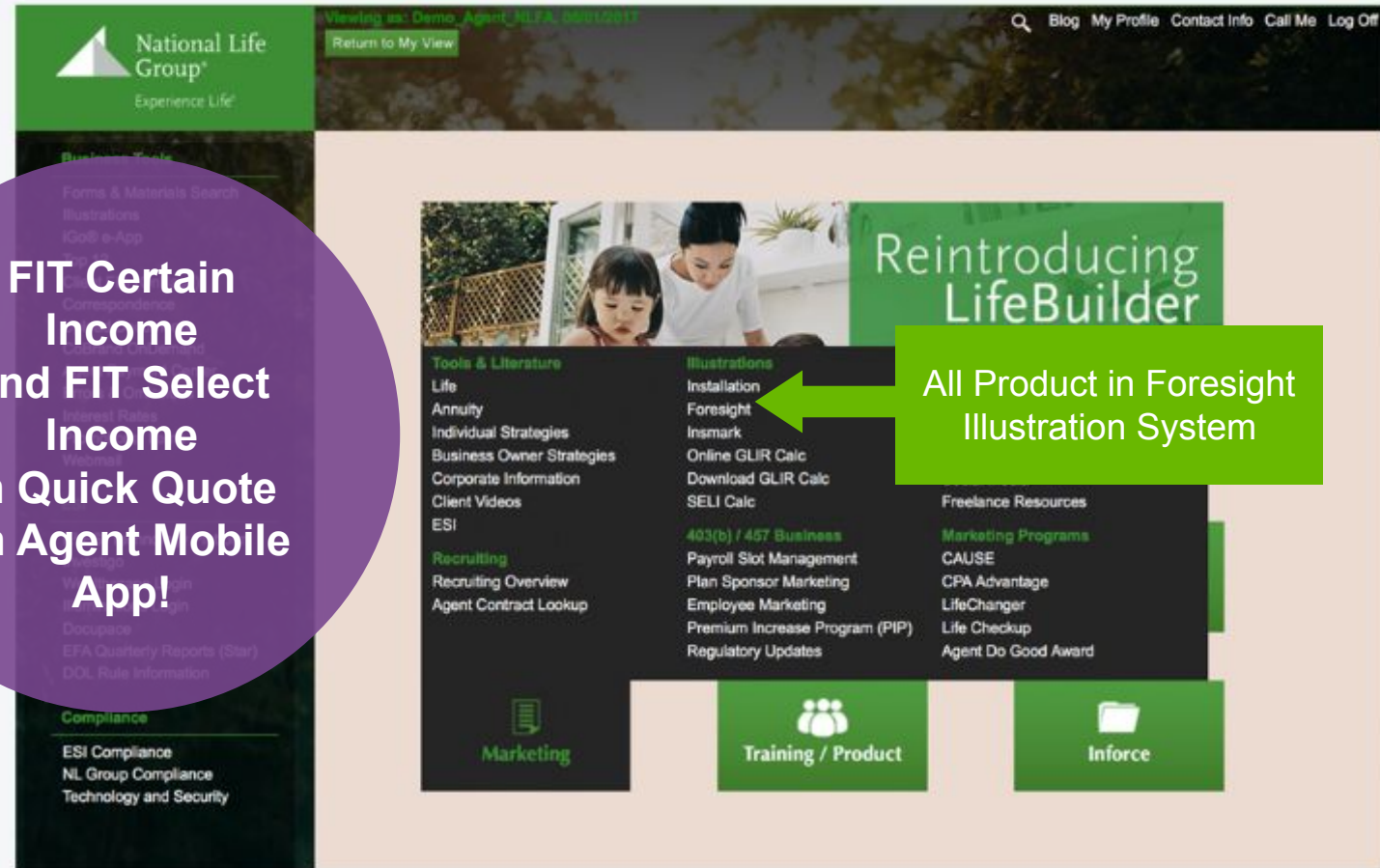
*Nursing Care and Terminal Illness Riders not available in all states, see NationalLife.com for availability

Rates

Index	Method	Rate Type	Rewards Growth	Secure Growth	Select Income	Certain Income
S&P 500	Point-to-Point	Annual Cap	3.55%	4.60%	5.00%	3.00%
S&P 500	Monthly Sum	Monthly Cap	1.45%	2.00%	2.25%	1.00%
BAML GPA	Point-to-Point	Par Rate	75%	90%	95%	70%
Barclay's Low Vol 5	Point-to-Point	Threshold	1.50%	0.75%	0.50%	1.75%
	Declared	Fixed	1.50%	2.05%	1.75%	1.40%

- If the par rate is not specified, it is effectively 100%.
- If the threshold is not specified, it is effectively 0%.
- If the cap is not specified, it is uncapped (i.e., cap = 99.9999%)

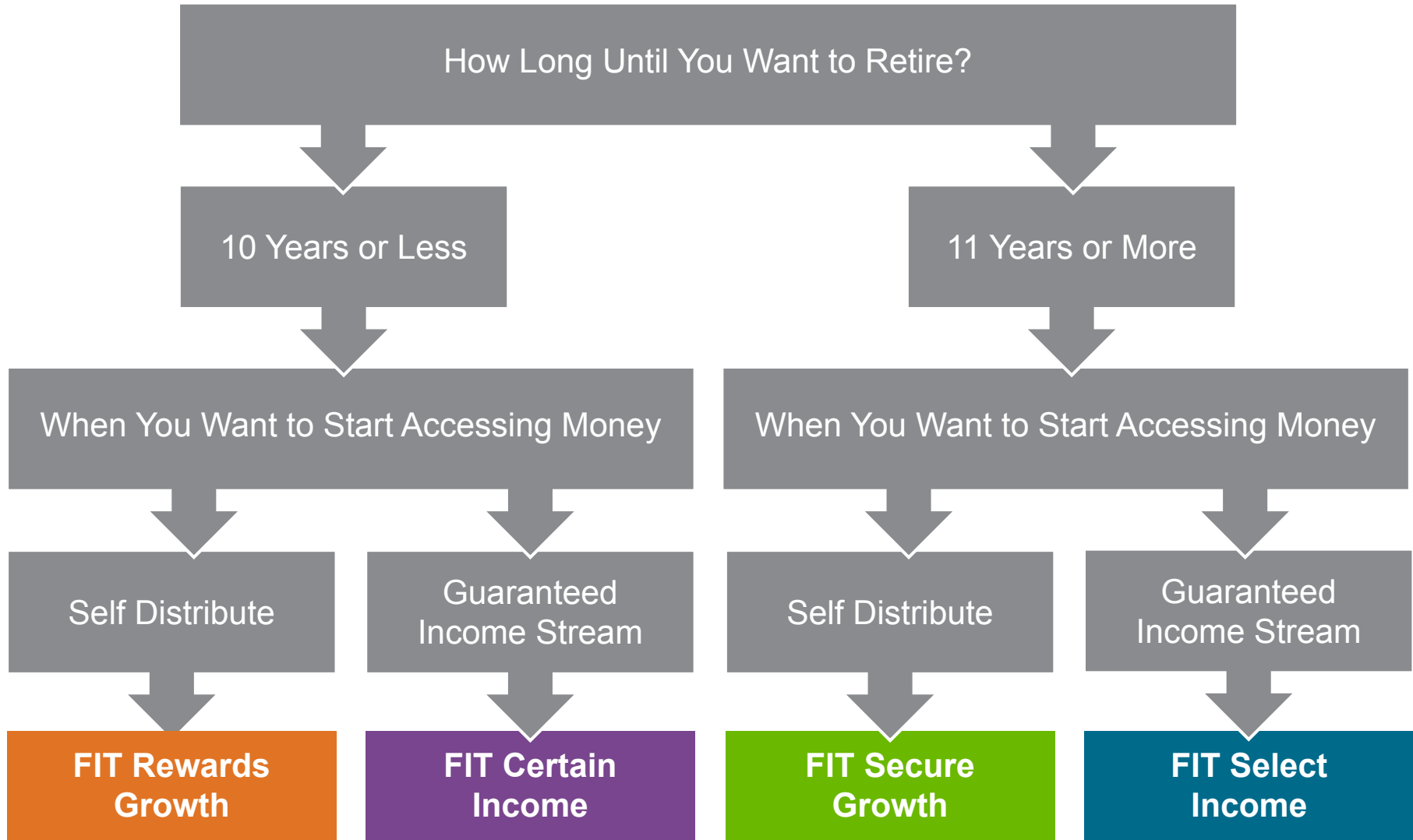
FIT Retirement Series Illustrations



A line of yellow school buses is parked on a paved street. The buses are yellow with black trim and have large windows. The bus in the foreground has "LAKE COUNTY" written on its side. The background shows green trees and a clear sky.

Questions?

Solutions Tailored to Consumer Needs



Barclays Low Vol 5% Index – Ticker symbol: BXILV5E

- Selection of 50 companies who's stock have a lower realized volatility
 - Do not swing as wildly as the overall market historically
- Companies must have market capitalization greater than \$5 Billion
 - Only brings in strong companies
- Has no more than 20% of stocks from a given sector
 - Diversification limits exposure to sector bubbles
- NLG exclusive Index created and maintained by Barclays
 - Three years to develop index
 - Barclay's internal cross testing to identify weakness
- Ticker symbol – BXILVU5
- Threshold crediting method gives customers unlimited interest potential above the threshold amount.
 - Example: Threshold is 1.75%, Index is up 8% - 6.25% interest is credited

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Bank of America Merrill Lynch GPA Index – Ticker symbol: MLEIGPA5

- Volatility controlled index consisting of diversified asset classes
 - Allocated across equities, REITs and bonds
- Allocations monitored and rebalanced to provide best return possible
- Stop loss mechanism monitored daily
 - Reduces exposure to a given allocation if 20 day return falls below threshold
- NLG Exclusive index created by Bank of America Merrill Lynch (BAML)
 - Tested on an ongoing basis by BAML to ensure stability and performance
- Ticker symbol - TBD
- Participation rate crediting method gives customers “first percent” crediting with unlimited potential
 - Example: 70% Participation Rate, Index up 8% - 5.6% interest is credited

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