FLEXLIFE II
IUL Product for NL and LSW

Product Name	NL FlexLife II FlexLife II (for LSW)			
Original Introduction	10/24/2016			
Repriced Introduction	01/23/2017 On Vantage, the Rate Effective Date drives whether the policy is getting the old rates or the new rates as follows: • Old rates = rate effective date is before 01/23/2017 • New rates = rate effective date is 01/23/2017 or later			
Pension Availability	Yes. Same underwriting rules as non-pension, plus automatic issue, simplified issue and guaranteed issue.			
Guideline Premium Test and CVT	Available for GPT and CVAT.			
Issue Ages	0 to 85 based on age nearest birthday. Issue ages vary based on rate classification.			
Policy Fee (Monthly)	$6.00 This can be waived.			
Premium Load	6%			
NL Plan Codes		Non Pension	Pension	
	Sex Distinct Fee	101416	111416	
	Sex Distinct No fee	100416	110416	
	Unisex Fee	101316	111316	
	Unisex No Fee	100316	110316	
LSW Plan Codes		Non Pension	Pension	
	Sex Distinct Fee	101216	111216	
	Sex Distinct No fee	100216	110216	
	Unisex Fee	101116	111116	
	Unisex No Fee	100116	110116	
Minimum Initial Face	25,000 – non pension 25,000 – pension for Elite, Preferred non-smoker & Preferred smoker 5,000 (25,000 in WA) – pension for standard non-smoker and smoker			
Banding **Determined at issue (base plus APB)**	▪ Band 1: minimum to – 250,000.00 ▪ Band 2: 250,000.01 – 999,999.99 ▪ Band 3: 1,000,000.00 – 2,999,999.99 ▪ Band 4: 3,000,000.00 and up			
Premium/rate Classes for **Band 1**	▪ **E** – Elite Non-tobacco (issue ages 20-75) ▪ **P** - Preferred Non-tobacco (issue ages 20-85) ▪ **W** – Select Non-tobacco (issue ages 20 – 85) ▪ **N** - Verified Standard Non-Tobacco (issue ages 0-85)			

	Q -Express Standard Non-Tobacco 1 (issue ages 0-85) **Z** - Express Standard Non-Tobacco 2 (issue ages 0-85 **S** – Verified Standard Tobacco (issue ages 20-85) **R** - Preferred Tobacco (issue ages 20-85) **Y** – Express Standard Tobacco (issue ages 20-85) - Juveniles (issue ages 0-19) will be Standard Non-tobacco. Known smokers will be Express Standard Non-tobacco 1.
Premium/rate Classes for **Band 2, 3, and 4**	**E** – Elite Non-tobacco (issue ages 20-75) **P** - Preferred Non-Tobacco (issue ages 20-85) **W** – Select Non-tobacco (issue ages 20 – 85) **N** - Verified Standard Non-Tobacco (issue ages 0-85) **R** - Preferred Tobacco (issue ages 20-85) **S** – Verified Standard Tobacco (issue ages 20-85) - Juveniles (issue ages 0-19) will be Standard Non-tobacco. Known smokers will get a 200% rating.
Term Conversions	For rate classes that do not match: 	Band	Term Policy	FlexLife II
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1	Express Standard Non-smoker (R/N)	Express Standard Non-tobacco 1 (Q)
1	Standard Plus Non-tobacco (G)	Select Non-tobacco (W)
2,3,4	Express Standard Non-smoker (R/N)	Standard Non-smoker with special class B (150%)
2,3,4	Standard Plus Non-tobacco (G)	Select Non-tobacco (W)	
Surrender Charge Period	10 year surrender charge schedule - External increases have their own surrender charge period
Policy Protection Period	10 years
Minimum Premium	$25.00
Basic Strategy Method	Decreasing
Strategies Available		Strategy Name	NL	LSW
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Fixed Term Strategy	102	105
Indexed Strategy 1 – S&P 500, Point to Point, Cap Focus	351	301
Indexed Strategy 2 – S&P 500, Point to Point, Participation Focus	352	302
Indexed Strategy 3 – S&P 500, Point to Point, No Cap	353	303
Indexed Strategy 4 – S&P 500, Point to Average, No Cap	350	300
Indexed Strategy 5 – MSCI Emerging Markets, Point to Point, Cap Focus	360	310	

ICSR – Interest Crediting Strategies Riders	▪ Separate rider pages for each strategy ▪ All rider pages are included in the policy packet at issue regardless of the strategies selected.
Interest Crediting Strategies Forms	▪ NL – 8411(0616) ▪ LSW – 8613(0616)
Strategy Allocation Change Confirmation Statement	Document type: STRATEGY ALLOCATION CHANGE
SAR Minimum Deposit	▪ 3,000
Deduction Hierarchy	Deductions from the policy's accumulated value will be taken in the following order: ▪ First from the basic strategy until exhausted, ▪ Next from any SAR accounts until exhausted, ▪ Next from the Fixed Strategy until exhausted, ▪ Next from the index strategies, LIFO by segment (or month), then pro-rata by fund value. ▪ Next from the Indexed Loan Holding Account ▪ Next from the Indexed Loan Account, LIFO by segment (or month), then pro rata by fund value.
Loan Types	▪ Three different loan types are available. They were filed as riders so they are subject to state approval. ▪ They are not shown as riders on Vantage. Loan Indicators are on the CI3A screen. <table><tr><td>Loan type #</td><td>Name</td><td>Formerly known as</td></tr><tr><td>1</td><td>Standard</td><td>Fixed net cost loan</td></tr><tr><td>2</td><td>Participating Variable</td><td>Variable net cost loan</td></tr><tr><td>3</td><td>Participating Fixed</td><td>new</td></tr></table>
Loan Funds	New funds for the Participating Fixed Loan (# 3): <table><tr><td>Fund Name</td><td>NL</td><td>LSW</td></tr><tr><td>Loan Holding Account</td><td>799</td><td>800</td></tr><tr><td>Indexed Loan Account</td><td>898</td><td>899</td></tr></table>
Minimum Loan Amount	▪ 500.00 except FL and NY ▪ 0.00 for FL and NY
Loan Interest	▪ Loan interest will be compound instead of simple.
Accumulated Value Enhancement	▪ This is a rider in the policy package ▪ Is not shown as a rider on Vantage ▪ Starts with policy year 11 and ends on policy anniversary when insured attains age 120. ▪ Offered on a current and guaranteed basis.

	▪ The enhancement will be the lesser of 10% of the interest earnings or .60% of the index segment value.
Data Pages	▪ Data pages are printed using xPression. This required all new programming.
Face Increases	▪ Non-pension minimum increase: 25,000 ▪ Pension minimum increase: 2,000 ▪ Increases do not change the band ▪ Underwritten increase provides the only opportunity to request that the BDO rider be terminated.
Face Decreases	▪ 25% rule applies during the first 9 policy years. ▪ Not allowed to go below the minimum face for the product.
Death Benefit Option Changes	▪ Once each policy year after the 1st year ▪ A to B not allowed if resulting face is less than the product's minimum ▪ If a death benefit option change increases the face amount (Option B to A), it will be treated as a material change. This will be for Living Life and FlexLife II. ▪ If death benefit option change B to A and a decrease are done at the same time, the material change is based on whether the face amount after both trxs (GM/GLD) have processed has increased from what it was before the trxs.
Premium Class Change Codes	▪ A new philosophy was introduced 07/07/2017. Refer to separate premium class documentation. ▪ The new philosophy eliminates some of the premium class changes that have been allowed in the past. Living Life and FlexLife II introduced new premium classes and there were not enough unused change codes available to assign to all of the combinations.

Substandard Ratings	▪ Band 1: Permanent flat extras are available with all rate classifications. Temporary flat extras are available with Standard and Express classes.
	▪ Band 1 cannot have table ratings.
	▪ Bands 2, 3 and 4 can have table ratings and temporary flat extras with the Standard Non-tobacco (N) and Standard Tobacco (S) premium classes. Permanent flat extras are available with any rate class.
	▪ Premium class Q has a built in table rating up to and including 200%.
	▪ Premium class Z has a built in table rating between 225% and 300% (inclusive).
	▪ Premium class Y has a built in table rating up to and including 200%.

If adding a substandard rating after issue, input the special class code (not the % rating) for the base and other applicable term segments. For riders that have substandard ratings, refer to the rules for the specific rider since the rules vary.

Special Class Code	Percent Equivalent	Applicable to Premium Class
B	150%	N, S
C	175%	N, S
D	200%	N, S
E	225%	N, S
F	250%	N, S
H	300%	N, S
J	350%	N, S
L	400%	N, S
P	500%	N, S

RIDERS FOR FLEXLIFE II
(gray rows are new riders)

This chart does not include the following which were filed as riders, but are not carried on the Vantage system as riders: Accumulated Value Enhancement Rider, all of the Indexed Crediting Strategy Riders, Participating Fixed Loan Rider, Participating Variable Loan Rider, Standard Loan Rider, Premium Deposit Account, Qualified Plan Exchange Privilege (QPEP).

Rider Name	Is adding after issue allowed	Plan Code	Issue Age	Coverage Ends	Premium Class or Rating Restrictions
ABR – Accelerated Benefits Rider **Same ABR's we currently offer. Refer to your ABR documentation.**	Yes	**LSW**: ABR1 = 970298 ABR2 = 970398 ABR3 = 970303 ABR9 = 980915 ABRA = 980115 ABRB = 980215 ABRC = 980315 **NL:** ABR3 = 970304 ABR4 = 970400 ABR5 = 970500 ABR7 = 970408 ABR9 = 970915 ABRA = 970115 ABRB = 970215 ABRC = 970315	0 – 85	Same as base	Chronic, Critical Illness, Critical Injury are N/A for premium class Z and N/A if rated >200%.
ADB – Accidental Death Benefit Rider for LSW	Yes	**LSW:** 820098	0 – 60 Minimum 10,000 Maximum: lesser of base + APB or 250,000 If base rated < 200%, rider will be rated using	Policy anniversary following insured's 70th birthday	N/A for premium class Z. N/A if rated >200%. N/A if flat extra more than $5.00 per

Rider Name	Is adding after issue allowed	Plan Code	Issue Age	Coverage Ends	Premium Class or Rating Restrictions
			the rules outlined in the product spec.		thousand for 2 or more years.
ADB – Accidental Death Benefit Rider for NL	Yes	**NL**: 820093 – sex distinct 820593 - unisex	0 – 60 Minimum 5,000 Maximum: lesser of base + APB or the appropriate amount based on age as listed below: Age 0 – 19 = 50,000 Age 20 – 24 = 100,000 Age 25 – 60 = 250,000	Insured's attained age 70.	N/A for premium class Z. N/A if rated >200%. N/A if flat extra more than $5.00 per thousand for 2 or more years.
APB – Additional Protection Benefit Rider	Yes	Same as base term segment	0 – 85 Minimum non-pension: 25,000 Minimum pension: 2,000 Max APB to base blend is 3 to 1	Same as base	
BSB – Balance Sheet Benefit Rider	No	**LSW:** 836116 – sex distinct 886116 – unisex **NL:** 836016 – sex distinct 886016 - unisex	Same as base product	Same as base product	
BDO – Benefit Distribution Option	No	**LSW**: 990116 **NL**: 990016	Same as base product	Insured's attained age 95	
CMG – Charitable Matching Gift Death Benefit Rider	No	**LSW:** 991116 **NL:** 991016	Same as base product	Same as base product	

Rider Name	Is adding after issue allowed	Plan Code	Issue Age	Coverage Ends	Premium Class or Rating Restrictions
CTR – Children's Term Rider Max child's age is 25 (instead of 23). Max conversion is 6 x CTR face.	Yes	**LSW**: 870015 **NL:** 890016	15 days – 16 years Minimum 5,000 Maximum 25,000 Only multiples of 1,000 allowed	Policy anniversary following the youngest child's 25th birthday	
Death Benefit Protection Rider	No	**LSW**: 870116 – sex distinct 880116 – unisex **NL**: 870016 – sex distinct 880016 - unisex New plan codes Existing rider pages	0 – 64	Age 0 – 29: 30 yrs Age 30 – 39: 25 yrs Age 40 – 54: 20 yrs Age 55 – 64: 15 yrs	
GIO – Guaranteed Insurability Option Rider for LSW	Yes	**LSW:** 842498 age 0-24 842798 age 25-27 843098 age 28-30 843398 age 31-33 843698 age 34-36 843998 age 37-39	0 – 37	Policy anniversary following insured's 40th birthday	N/A for premium class Q, Z, Y. N/A if policy is rated.
GIO – Guaranteed Insurability Option Rider for NL	Yes	**NL (sex distinct):** 842493 – age 0-24 842793 – age 25–27 843093 – age 28-30 843393 – age 31-33 843693 – age 34–36 843993 – age 37-39 **NL (unisex):** 852493 – age 0-24 852793 – age 25–27 853093 – age 28-30 853393 – age 31-33	0 – 39	Insured's attained age 40	N/A for premium class Q, Z, Y. N/A if policy is rated.

Rider Name	Is adding after issue allowed	Plan Code	Issue Age	Coverage Ends	Premium Class or Rating Restrictions
		853693 – age 34–36 853993 – age 37-39			
LIBR 5 – Lifetime Income Benefit Rider	Yes	**LSW:** 970015 – sex distinct 980015 – unisex **NL:** 970116 – sex distinct 980016 – unisex	0 – 75	Same as base	N/A for premium class Z. N/A if rated > 250%
OIR – Other Insured Rider New plan codes	Yes	**LSW**: 870316 – self, sex dist 880316 – self, unisex 870516 – non business, sex distinct 880516 – non business, unisex 870716 – business partner, sex distinct 880716 – business partner, unisex **NL**: 870216 – self, sex dist 880216 – self, unisex 870416 – non business, sex distinct 880416 – non business, unisex 870616 – business partner, sex distinct 880616 – business partner, unisex	0 – 85 Issue ages vary by rate classification just like the base product. Minimum non-pension: 25,000 Minimum pension: 5,000 Primary Other Insured: Spouse and Business Partner only Permitted relationships: self, spouse, child and business partner Only ABR's can be added to the OIR and this would be done when an ABR acceleration claim is being processed for the OIR.	Other Insured's attained age 100 or base policy end date, if earlier.	N/A for premium class Q,Y,Z. If adding self OIR and base insured is one of the premium classes not available for OIR, use the following rules: Q for base = OIR N (non-smoker) with special class C (175%). Z for base = OIR N (non-smoker) with special class F (250%). Y for base = OIR S (smoker) with special class C (175%).

Rider Name	Is adding after issue allowed	Plan Code	Issue Age	Coverage Ends	Premium Class or Rating Restrictions
OPR – Overloan Protection Rider	No system support	N/A	0 – 85 GPT policies only Automatically added for non-pension	Same as base	
SAR – Systematic Allocation Rider	Yes	No plan code in Vantage New rider pages	Same as base Automatically added	Same as base	
WMD – Waiver of Monthly Deduction Rider	No	**LSW**: 810011 – sex distinct 810111 – unisex **NL**: 815093 – sex distinct 815593 - unisex	0 – 55	Age 65	N/A for premium class Z. N/A if rated >200%. N/A if flat extra more than $5.00 per thousand for 2 or more years.
WSP – Waiver of Specified Premium	No	**LSW**: 815598 **NL**: 835006	LSW: 15 – 55 NL: 0 - 55		N/A for premium class Z. N/A if rated >200%. N/A if flat extra more than $5.00 per thousand for 2 or more years.

BENEFIT DISTRIBUTION OPTION (BDO) RIDER

Purpose for the rider:

This rider spreads a percentage of the Death Benefit out over a duration of 10 – 30 years. Full details are in the Product spec.

	BDO FACTS
Availability	All issue ages and classes as base coverage.
Available After Issue	No
Available for Pension	No
Percentage of death benefit	- Chosen at issue - Minimum = 50% - Maximum = 100%
Death Benefit eligible for BDO	- Base - APB - Increases/decreases for base, APB, GIO
Duration of Payout	- Chosen at issue - Cannot be changed 10 – 30 years, but number of years plus issue age cannot exceed age 95 - At claim time, if the payout years will go beyond the insured's attained age 95, the number of years will be adjusted to attained age 95.
Termination Date of the rider	Insured's attained age 95
Frequency of payout	- Monthly or annual - Chosen at claim time by the beneficiary
Rates	- No charge for the rider - There will be a rate applied to the Death Benefit in the Net Amount at Risk calculation, making the COI charges lower than an identical policy without BDO. - Guaranteed COI charges are not impacted by BDO
Qualified Additional Benefit	No
Termination Request	Termination not allowed unless it is in conjunction with an underwritten increase.
Rider Indicators	- SUP1 – BDO status followed by the percent. N = not on the policy. - CI3A – BDO status or N if not on the policy
Rider Segment	Common rider segment is used and includes the following fields:

	• Rider Type BDO • BDO PERIOD • BDO PCT • BDO CEASE AGE (always 095)
New on-line edit on CMR1 screen	WA10 GLI REQD FOR BDO TERMINATION – terminating BDO is only allowed in conjunction with an underwritten increase.

CHARITABLE MATCHING GIFT DEATH BENEFIT RIDER (CMG)

Purpose for the rider:

If a charitable beneficiary is named, NLG will match 2% of base face amount, but no greater than $30,000. A matching contribution will be made to any organization accredited as a charity that qualifies for a charitable deduction under IRS rules and regulations.

	CMG FACTS
Availability	All issue ages and classes as base coverage.
Available After Issue	No
Available for Pension	Yes
Matching amount	2% of base face amount plus base increases plus GIO increases - APB segments are not included - Maximum payout = 30,000
Interaction	- The payout is separate from any other death benefit payout for the policy. - The payout is not part of the BDO payout.
Rates	No charge for the rider
Qualified Additional Benefit	No
Termination Request	Rider can be terminated upon request from the owner.
Rider Indicators	- SUP1 – CMG status followed by the percent. N = not on the policy. - CI3A – CMG status or N if not on the policy
Rider Segment	Accidental Death Benefit segment is used for CMG and includes the following fields: - RIDER TYPE = CMG - CMG MAX AMT = 30,000.00 - CMG MATCH PCT = 2.00