The FlexLife II Indexed Universal Life (IUL) insurance policy, issued by National Life Insurance Company and underwritten by Life Insurance Company of the Southwest (not authorized in New York), offers flexible coverage options that adapt to the policyholder's changing needs. It provides a death benefit to protect beneficiaries from financial uncertainty, with two options available: a Level Death Benefit, which remains constant, and an Increasing Death Benefit, which grows as cash value increases. Policyholders can switch between these options and have the ability to adjust coverage amounts and premium contributions. The policy allows for potential cash value accumulation, which is income tax-deferred and can be accessed through policy loans and withdrawals for emergencies or retirement income, although coverage may expire if premiums are not paid or are insufficient.

FlexLife II features six index crediting strategies linked to the S&P 500® Index and MSCI Emerging Markets Index, including Cap Focus, Participation Focus, No Cap, and Point-to-Average strategies, each with specific participation rates and guaranteed minimum caps. The policy guarantees a 0% interest crediting floor to protect against market declines, but there is a cap on growth, meaning there is a maximum limit on the interest credited based on the performance of selected indices. Policyholders can allocate excess premiums among these strategies and change their investment strategies on the strategy anniversary, ensuring that the total allocation does not exceed 100%.

Optional Accelerated Benefits Riders allow access to the death benefit in the event of qualifying terminal, chronic, or critical illnesses, with benefits usable for any purpose, although specific restrictions apply in Massachusetts. The Lifetime Income Benefit Rider (LIBR) provides a guaranteed stream of tax-free income for life, contingent on meeting certain qualifications, including age and policy duration, but accessing this benefit may reduce the policy's cash value and death benefit. Policyholders must be cautious about additional premium payments or withdrawals during the income payment period, as these could terminate the rider.

The policy emphasizes the importance of holding the product long-term for optimal benefits and clarifies that it is not a health insurance product and does not meet long-term care insurance requirements. The Long-Term Care (LTC) program policy is distinct from Medicare supplements and does not provide a death benefit or cash value, as it is not classified as life insurance. Benefits under the LTC policy are specifically for qualified long-term care expenses and are reimbursed rather than paid out for any reason. Premiums for LTC insurance vary according to the chosen benefit level and duration, and failure to pay these premiums may result in policy lapse.

Monthly deductions from the account value cover various charges, and surrender charges apply if the policy is lapsed or surrendered within the first ten years. The Excess Interest Formula calculates index earnings based on the segment's participation rate and cap, and failure to maintain the policy until maturity will result in no participation in the equity index. Upon the insured's death, the death benefit is paid to the beneficiary after deducting any policy debt, leading to the termination of the policy and cessation of rights to the cash surrender value. Overall, FlexLife II is designed to provide both protection and growth potential, with the flexibility to adjust coverage and access cash value while ensuring downside protection against market volatility.