

Provide a tax-efficient legacy

With NWL® Lifetime Returns Solutions — a Flexible Premium Indexed Universal Life Insurance policy



Meet Isabella

- Isabella is 65-years-old and has \$100,000 in a non-qualified annuity
- She has three goals for the money:
 - 1 Leave money for her beneficiary or beneficiaries.
 - 2 Plan for a tax-efficient transfer to heirs.
(NWL and its independent producers do not provide legal or tax advice. Please have your clients consult with their tax or legal advisor.)
 - 3 Maintain the option to access accelerated benefits if she becomes chronically ill.
- Based on Isabella’s goals, her financial advisor recommends she purchase NWL® Lifetime Returns Solutions (LTR Solutions) with the optional Accelerated Death Benefit Rider for Chronic Illness.

NWL LTR Solutions is a flexible premium Indexed Universal Life (IUL) Insurance policy with living benefits that is funded by a Single Premium Immediate Annuity (SPIA).

The Plan in Action



Isabella makes a 1035 exchange of \$100,000 from her initial annuity account into an NWL® limited pay immediate annuity (SPIA) which will be used to fund her LTR Solutions life contract and purchases the optional chronic illness rider.



She chooses to fund her life insurance policy over five years and elects to have NWL withhold 10% in tax withholdings. This allows for Isabella’s taxes to be stretched out over five years.

The Results

A Tax-free* Guaranteed Minimum Death Benefit amount

\$140,775**

For her beneficiary, Miguel
(Actual value may be higher than guaranteed values but will never be lower)

Minimum Annual Chronic Illness Benefit

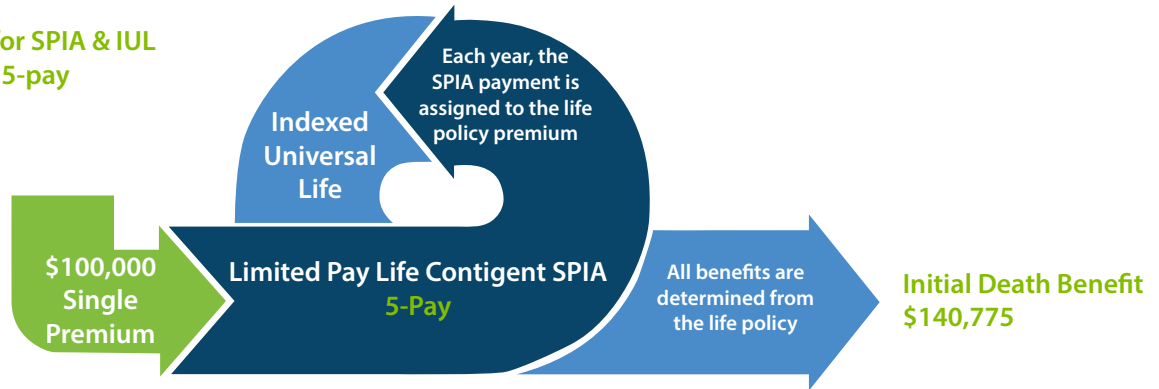
\$33,786 annually

Should Isabella become chronically ill
(Actual annual benefit is 24% of the Death Benefit, up to \$120,000/year)

The Transaction in a Nutshell



- ✓ Applies for SPIA & IUL
- ✓ Chooses 5-pay



[View illustration](#) to see complete details



Key Features of LTR Solutions

- NWL LTR Solutions is designed for low-cost basis annuity transfers or retirement assets
- NWL LTR Solutions accepts 1035 exchanges from existing Qualified or Non-Qualified Annuities and spreads the premium payments over a 5 or 10-year period using a temporary life SPIA
- Life insurance death benefits are generally received income tax free*
- The insured has the option to purchase an optional Accelerated Death Benefit Rider for Chronic Illness that pays out a portion of the death benefit monthly or annually in the event the insured suffers from a chronic illness as defined in the rider.



What is a 1035 Exchange?

A 1035 exchange is a provision in the Internal Revenue Service (IRS) code allowing for a tax-free transfer of an existing annuity contract, life insurance policy, long-term care product, or endowment for another one of like kind. To qualify for a Section 1035 exchange, the contract or policy owner must also meet certain other requirements.

Before requesting a 1035 exchange, it is important to compare the features of each policy or contract subject to the exchange and conduct a cost-benefit analysis to determine which is best. Consider whether the new policy aligns with your investment goals; in terms of retirement products, such as annuities, consider how well the new product delivers upon clients' retirement goals.

Source: <https://www.investopedia.com/terms/s/sec1035ex.asp>

Find out more:

(800) 760-3434 | SalesDesk@nwlic.com | nationalwesternlife.com

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*Please have your clients consult with a tax advisor regarding their specific situation.

**The Death Benefit is equal to the (1) greater of the Face Amount, or (2) Account Balance with a percentage adjustment based on age as of last Policy Anniversary)

Values and benefits could change. This is a hypothetical example. Actual benefits may vary depending on age, state, interest rates, and other factors. The example shows a Guaranteed Death Benefit for a female, standard rate, non-tobacco, age 65 with a 100,000 single premium. Values are current as of July 1, 2023. Assumes no loans or withdrawals are taken. See riders for complete information. Limitations and exclusions may apply. Riders and benefits vary by state and are not available in all states.

NWL® Lifetime Returns Solutions (form ICC19 01-1189-19 and state variations) is a flexible premium universal life insurance policy funded by a Single Premium Immediate Life Annuity (Policy form 01-1159-10 and state variations) issued by National Western Life Insurance Company®, Austin, Texas. Policy and Riders not approved in all states. Certain limitations and exclusions apply. See policy for complete information. See endorsements or riders for complete information. Accelerated Death Benefit Rider for Chronic Illness (ADBR-Chronic) (ICC19 01-3161-19 and state variations)