

NWL[®] Lifetime Returns Solutions FAQs

1. What is the sales opportunity for NWL[®] Lifetime Returns Solutions?

NWL[®] Lifetime Returns Solutions (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). It is designed for low-cost basis annuity transfers of retirement assets. NWL LTR Solutions accepts 1035 exchanges from existing Qualified or Non-Qualified Annuities and spreads the premium payments and any taxable income over a 5 or 10-year period using a temporary life SPIA. In addition, 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.

2. Do I have to be contracted to sell annuities with NWL[®] to sell this life product?

This product does not require an agent to have an annuity contract with NWL, but the advisor must have an active life contract with NWL. In addition to an active life contract, the advisor must also complete the new version of the NWL LTR Solutions Product Specific Training course — even if you took the previous version of the training. Click [here](#) to take the training using code: **nwlsolutions**.

3. What type of SPIA does this product use?

The product uses a temporary life SPIA with the insured having a choice of structuring payments over a 5 or 10-year period. This SPIA is not available for sale outside of NWL LTR Solutions. We will not accept SPIA payments from any other source.

4. What happens if the insured dies during the SPIA funding period?

The death benefit will be paid to the designated beneficiary(s) through the life insurance policy. NWL LTR Solutions provides a Death Benefit equal to the (1) greater of the Face Amount, or (2) Account Balance with a percentage adjustment based on your age as of the last Policy Anniversary. There is not a Death Benefit provided in the SPIA.

5. Are the Chronic Benefits tax-free*?

Chronic Illness benefits become active due to qualification from a certified medical provider certifying the insured can no longer perform two out of six Activities of Daily Living or suffers from a severe cognitive impairment. The policy's Chronic Illness Rider provides for a 2% monthly up to a maximum of \$10,000/month or 24% annual payment(s) of the death benefit up to a maximum of \$120,000/year. The Chronic Illness Rider payments qualify under current guidelines as tax-exempt. NWL does not provide tax opinions and all tax related questions should be directed towards a tax professional. Please see the rider specifications for additional information.

6. If the policy owner is under 59½ years of age, would they be subject to a 10% penalty for the SPIA payments?

The SPIA used for funding NWL LTR Solutions is a temporary life SPIA which provides substantial and equal payments. These payments qualify as an exception under the early withdrawal penalty rules*. Payment for the optional Accelerated Death Benefit Rider for Chronic Illness would not qualify as an exception and would incur an early withdrawal penalty on the amount withdrawn for the rider fee. The client may want to consider paying the premium for the optional Accelerated Death Benefit Rider for Chronic Illness separate from the 1035 exchange to avoid incurring early withdrawal penalties.

7. Can the client have NWL withhold State and/or Federal taxes from the SPIA payments?

Yes, the client can have up to a maximum withholding of no more than 20%. This is not required.

8. Does the client pay additional premium for the optional Accelerated Death Benefit Rider for Chronic Illness?

Yes, the Accelerated Death Benefit Rider for Chronic Illness is an optional fee-based rider. The rider payment will be deducted from the initial lump sum payment at issuance unless the proposed insured elects to pay the rider cost with a separate cash payment.

9. Where can I get more detailed information about this product?

[Click to view a sample illustration](#), or talk with one of our Regional Wholesalers at (800) 760-3434.

10. Is the SPIA subject to suitability?

NWL LTR Solutions must be suitable to the proposed insured and will undergo a suitability review.

11. Is NWL LTR Solutions approved in all states?

No, NWL LTR Solutions is not approved in Montana, Puerto Rico, or the Virgin Islands. NWL does not do business in the state of NY. We do allow for cross-border sales (details apply). The optional Accelerated Death Benefit Rider for Chronic Illness is not approved in California.

12. Is the policy a Modified Endowment Contract (MEC)?

Yes. Penalty-Free partial withdrawals of up to 10% are allowed and will be taxed* to the extent that there is gain. Full surrenders will be taxed to the extent of gain.

13. What happens if the client wishes to surrender the policy during the SPIA funding period?

The client would get the surrender value of the life insurance policy, which is available on any Monthly Anniversary upon written request. The remaining SPIA payments would be made in regular course to the policy owner. The client cannot surrender the SPIA.

14. Does an agent need to be LTC certified to sell NWL LTR Solutions with the optional Accelerated Death Benefit Rider for Chronic Illness added?

No, they don't need to be LTC certified to sell NWL LTR Solutions. The Accelerated Death Benefit Rider for Chronic Illness is not a Long Term Care (LTC) product.

15. Does NWL LTR Solutions have Return of Premium rider?

No, NWL LTR Solutions does not have a Return of Premium rider.

16. What are the issue ages for NWL LTR Solutions?

Ages 45–85 5-pay, ages 45–80 10-pay

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*NWL and its independent producers do not provide legal or tax advice, so please consult your tax or legal advisor.

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. Accelerated Death Benefit Rider for Chronic Illness (ADBR-Chronic) (ICC19 01-3161-19 and state variations). 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.