



National Life Board Approves Dividends for 2025

The Board of Directors of National Life Group has approved an estimated payment of approximately \$25 million in dividends to eligible participating policyholders in 2025. This payment represents our ongoing commitment to our policyholders and continues our proud heritage of having paid a dividend every year since 1855.

Effective January 2025, the interest rate underlying the dividend scale for all new participating business (Whole Life Insurance) and for most participating policies sold since 1999, as well as our closed block of business (those sold before 1999) will be as follows:

We keep our promises to take care of families and will continue to be there for our clients as we celebrate our 177th year as a mutual company.

OPEN BLOCK	2024	2025
1999 Series	4.00%	4.00%
2003 Series (LifeCare 1 only)	3.25%	3.25%
LifeBuilder	4.00%	4.00%
Protector Life	4.25%	4.25%
TotalSecure (2018 Series)	4.50%	4.50%
TotalSecure (2021 Series)	5.00%	5.00%
CLOSED BLOCK	2024	2025
PRE-80 Series	3.25%	3.00%
80 Series	3.25%	3.00%
88 Series / 93 Series	3.00%	2.75%

National Life Group® is a trade name of National Life Insurance Company founded in Montpelier, VT in 1848, Life Insurance Company of the Southwest (LSW) chartered in Addison, TX in 1955, and their affiliates. Each company of National Life Group® is solely responsible for its own financial condition and contractual obligations. LSW is not an authorized insurer in New York and does not conduct insurance business in New York.

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Understanding How Dividends Work

How are dividends determined?

There are a number of different factors. Premiums received, expenses, investment results, mortality experience, and risk tolerance of the company all have an impact. Investments have been a determining factor in today's dividend performance. When investments change, the dividend scale changes as well.



Are dividends guaranteed?

Because many aspects of the business that impact the dividend can change, they cannot be guaranteed. Our dividend projections are based on what would be credited if everything stayed exactly the same for a long time, which is unlikely. However, we are proud of the fact that we have paid a dividend every year since 1855.

How do dividends help policyholders?

- Increase Death Benefit
- Help grow cash value
- Reduce or eliminate premium payments
- Accessed as cash
- Used to repay policy loans

What types of policies are eligible to receive dividends?

Participating policies, typically Whole Life policies, are the only contracts that are eligible.

What should I say to policyholders that may have to pay additional premiums as a result of a decreased dividend?

Running an inforce illustration as a basis for the discussion may be helpful in showing how dividend changes can impact results. Additionally, reverting back to how these types of policies work is the best way to discuss dividend decreases. Most importantly sharing that dividends can be leveraged to reduce or eliminate premiums but are not guaranteed, so there is always the possibility of having to pay future premiums.

Frequently Asked Questions

1 Why are Company Dividend Rates different?

Determining whether to pay a dividend depends upon multiple factors; it is unlikely that two insurance companies will determine their dividend in the same way.

2 How do I compete with illustrations from other companies that may show higher dividend returns?

Dividends are not the only determining factor in how a policy performs. Some key differentiators are our strong guarantees and premium flexibility. Keep in mind that illustrating results based on the factors in place today most likely will not be exactly the same in the future. By looking at all of the factors with a client, you can work together to determine what makes the most sense for them.

3 When will I see these changes in our illustration system?

Since the dividend scale for the open block policies is not changing, there will be no changes to the illustration system.

4 What is the Open Block vs Closed Block of business?

The Open Block is made up of all policies eligible to receive dividends that were sold since 1999. These contracts and their assets can be impacted by current investment experience.

The Closed Block is made up of policies receiving dividends that were sold prior to 1999. This block of business requires its own separate asset and investment experience that determines its dividend. Since the company cannot access this block, they are walled off from some of the variables that can impact the open block. This was done in response to National Life Group's reorganization to a mutual holding company in 1999.

5 Do we have a resource that I can use with clients and prospects to discuss dividends?

Yes, there is a consumer approved Understanding Dividends brochure that you can access on the National Life Group public website or you can [download it here](#).

At National Life Group, we continue to make good on our promises. Since 1848, National Life Insurance Company has distinguished itself as a company dedicated to quality and integrity, and continues to honor its promises to policyholders.