

**Policy Number:** \_\_\_\_\_

This is a summary of the provisions of your annuity, but it is not a part of your contract. Your annuity policy contains complete details.

The WNL Flex 5 Annuity is a flexible premium deferred annuity which offers a premium guarantee backed by Western National Life Insurance Company ("Company"). The premium guarantee provides that your value at cancellation will be equal to or greater than your premiums paid, less any previous withdrawals of interest or premium payments.

**ANNUITIES:** are not a deposit; are not FDIC/NCUA/NCUSIF-insured; are not insured by any federal government agency; are not guaranteed by the bank/credit union; and may lose value.

**Initials**

\_\_\_\_\_ **5 Year Effective Annual Interest Rate with Market Value Adjustment (MVA):** The MVA Term for the initial premium is five years. The effective annual interest rate credited to the initial premium during the MVA Term is \_\_\_\_\_% for year one and \_\_\_\_\_% for years two through five. Additional premiums will be credited with the then current MVA Interest Rate for the applicable MVA Term. At the end of the MVA Term for each premium, a new interest rate will be set from time to time. Interest is credited and compounded daily to achieve the annual rate.

**Guaranteed Minimum Interest Rate: (The current guaranteed minimum interest rate is predetermined by the Company.)** The effective annual interest rate for each premium will be declared from time to time by the Company's Board of Directors and is guaranteed to always be at least \_\_\_\_\_%. This guaranteed minimum interest rate will remain in effect for the life of your policy and is not subject to change.

**Withdrawal Privileges:** After 30 days from the Policy Date, you may take multiple penalty-free withdrawals each year not exceeding in total the greater of (1) the accumulated interest earned or (2) up to 15% of the previous anniversary annuity value. If you do not use all of the 15% free withdrawal percentage in a policy year, you may carry over the unused portion to the next policy year up to a maximum of 20% of the previous anniversary annuity value. Withdrawals in excess of the permitted free withdrawals are subject to an early withdrawal charge for five years from the date of receipt of each premium. A market value adjustment, as described below, may also apply to withdrawals made during an MVA term.

<b>Withdrawal Charge Schedule</b>						
Years from Payment	1	2	3	4	5	Thereafter
Charge	9%	8%	7%	6%	5%	0%

(% of Premium Withdrawn)

**Market Value Adjustment:** During an MVA Term, withdrawals in excess of permitted free withdrawals will be subject to a market value adjustment. Depending on current interest rates, the effect of the market value adjustment may be positive or negative. The MVA is an amount determined by the relationship of an index rate\* determined at the beginning of each MVA Term to an index rate\* determined at the time of withdrawal or cancellation.

\*Index rates are based on the U.S. Treasury Yield.

By signing below, I/we acknowledge that I/we have read and understand the above items, **including the information on the back of this form**, have received a copy of this acknowledgement and certify that I/we have paid an initial premium of \$ \_\_\_\_\_ to purchase a WNL Flex 5 Annuity from Western National Life Insurance Company. I/we further certify that my/our financial objectives and situation were assessed and that this annuity is suitable for me/us.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
AGENT'S NAME (Please Print)

\_\_\_\_\_  
OWNER'S NAME (Please Print)

\_\_\_\_\_  
JOINT OWNER'S NAME, IF ANY  
(Please Print)

\_\_\_\_\_  
AGENT'S SIGNATURE

\_\_\_\_\_  
OWNER'S SIGNATURE

\_\_\_\_\_  
JOINT OWNER'S SIGNATURE, IF ANY

Tax qualified contracts such as IRAs, 401(k)s, etc. are tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the tax-qualified plan or program itself. However, annuities do provide other features and benefits such as death benefits and income payment options.

*The expense charges may be higher and/or the interest credits may be lower for a contract with a bonus than the charges or credits for a contract without a bonus. The amount of the bonus may be more than offset by the charges and/or reduced interest associated with the bonus.*

**Extended Care Rider: (Not available in all states and provisions may vary from state to state.)** Early withdrawal charges may be waived in the event an Owner receives qualifying extended care. I/we understand that:

- Extended care must begin at least one year after the Policy Date;
- Extended care must be provided in a qualified institution for at least ninety consecutive days; and
- Coverage terminates on the date income payments begin or the date on which the annuity policy terminates.

**Waiver of Early Withdrawal Charges: (Not available in all states and provisions may vary from state to state.)** Early withdrawal charges and any market value adjustment may be waived if:

- A Licensed Health Care Practitioner certifies that the Owner is unable to perform at least 2 of 6 Activities of Daily Living for at least 90 consecutive days; and
- Certification by a Licensed Health Care Practitioner occurs at least one year after the Policy Date (coverage terminates on the date income payments begin or the date on which the policy terminates.)

**Federal Tax Penalty:** Withdrawals from your annuity prior to age 59½ are generally subject to a 10% federal income tax penalty.

**Annual Statements:** A statement of your account will be provided at least once each policy year.