



Western National  
 Life Insurance Company  
 P.O. Box 871  
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 Telephone: 800.424.4990

Western National  
**POWER Index Annuity  
 Owner Acknowledgment**

Policy# \_\_\_\_\_

Please read the following information carefully. Index Annuities are a long-term retirement product of the life insurance industry. ***This fixed annuity is not a security and does not participate in any stock or equity investment.***

ANNUITIES are not a deposit; are not FDIC insured; are not insured by any federal government agency; are not guaranteed by the bank; and may lose value.

I do  do not  elect the Optional Return of Premium Guarantee

Initial Index Term Period Selected:

\_\_\_\_\_ 7 years                      \_\_\_\_\_ 9 years

Interest Rate Cap in 1<sup>st</sup> year:

\_\_\_\_\_ %

(See Interest Rate Cap section below for more details)

**General Description:** The Western National POWER Index Annuity is an annual reset single premium deferred fixed index annuity issued by Western National Life Insurance Company (“WNL”). This annuity offers interest crediting that is linked to price changes in the Standard & Poor’s 500 Composite Stock Price Index (“S&P 500 Index”). The S&P 500 Index is unmanaged, does not include the dividends paid on the stocks that comprise the S&P 500 Index and is not available for direct investment.

**Annual Reset Interest Crediting:** On each policy anniversary, the current S&P 500 Index Number will be compared to the Index Number on the previous policy anniversary. This determines the amount of interest, if any, to be credited to your annuity for that year. The Index Number will be the Index Number as of the close of business on the day before the start of each policy anniversary. If the S&P 500 Index Number has increased over the previous anniversary, then your annuity will be credited with interest equal to 100% of the gain, up to the amount of the Interest Rate Cap. No additional interest is credited if the S&P 500 Index exceeds the Interest Rate Cap. If the S&P 500 Index Number has declined from the previous anniversary, no interest will be credited to the annuity for that year and your annuity value will remain the same.

Assumptions:

- \$100,000 Single Premium
- 7% Interest Rate Cap. (The Interest Rate Cap is reset annually and may be higher or lower than illustrated below.)
- No Withdrawals

CONTRACT YEAR 1 – INDEX VALUE IS UP	
Single Premium	\$100,000
Index Value Percentage Change	+10%
Interest Rate Cap	7%
Amount of Interest Credited at End of Year	\$7,000
Annuity Value at End of Year	\$107,000
CONTRACT YEAR 2 – INDEX VALUE IS DOWN	
Annuity Value at Beginning of Year	\$107,000
Index Value Percentage Change	-5%
Interest Rate Cap	7%
Amount of Interest Credited at End of Year	\$0
Annuity Value at End of Year	\$107,000
CONTRACT YEAR 3 – INDEX VALUE IS UP	
Annuity Value at Beginning of Year	\$107,000
Index Value Percentage Change	+6%
Interest Rate Cap	7%
Amount of Interest Credited at End of Year	\$6,420
Annuity Value at End of Year	\$113,420

**Interest Rate Cap:** The Interest Rate Cap applicable to your policy in the first year is shown above. A new Interest Rate Cap will be declared at the start of each policy year and will never be lower than the minimum Interest Rate Cap set forth in the policy. The Interest Rate Cap places a maximum limit on the amount of index growth, if any, credited to the policy each year, regardless of the performance of the S&P 500 Index. The Interest Rate Cap for the 9-year Term will be higher than the Interest Rate Cap declared for the 7-year Term, but the 9-year Term will have a longer withdrawal charge schedule. In addition, a higher commission may be paid to the agent for sales of the 9-year Term period.

**Minimum Withdrawal Values:** WNL provides a Guaranteed Minimum Withdrawal Value on your Power Index Annuity. Upon cancellation, the Guaranteed Minimum Withdrawal Value will never be less than 90% of the single premium accumulated annually at 3.0%, less any withdrawals.

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**Optional Return of Premium Guarantee Rider:** If selected above, you are guaranteed to receive at any time at least 100% of the Single Premium upon a full withdrawal (minus any previous withdrawals). Any applicable withdrawal charges will be waived to the extent that they would conflict with the Premium Guarantee. **Adding this feature will result in a slightly lower index rate cap than a contract without the feature would receive.**

**Withdrawal Privileges:** You may withdraw a portion of your annuity anytime before the Annuity Date. After the first policy year, you may take one free withdrawal annually of up to 10% of the annuity value as of the previous policy anniversary, free of any withdrawal charge. Amounts withdrawn do not earn any future interest credits, including those that would have been credited at the end of the policy year of withdrawal. Depending upon your chosen Initial Index Term, withdrawals exceeding the free amount are subject to either a seven or nine-year early withdrawal charge schedule as outlined below:

**Seven Year Early Withdrawal Charge Schedule:**

Years from Policy Date

1	2	3	4	5	6	7	Thereafter
9%	8%	7%	6%	5%	4%	3%	0%

Withdrawal Charge (Percentage of amount withdrawn that exceeds permitted free withdrawals)

**Nine-Year Early Withdrawal Charge Schedule:**

Years from Policy Date

1	2	3	4	5	6	7	8	9	Thereafter
9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

Withdrawal Charge (Percentage of amount withdrawn that exceeds permitted free withdrawals)

**Death Benefit:** Upon the death of any owner, a death benefit, including any interest linked to the index up to the date of death, is payable to the beneficiaries. The death benefit is the larger of the Policy's Annuity Value; or the amount that would have been payable in the event of a full withdrawal on the date of death, adjusted for any payments and withdrawals that may have been made since the date of death.

**Federal Tax Penalty:** Income taxes may be payable upon withdrawal. In addition, withdrawals prior to age 59 1/2 are generally subject to a 10% federal income tax penalty.

**Tax Deferral:** 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.

**Extended Care Rider:** Early withdrawal charges may be waived in the event an owner receives qualifying extended care. I/We understand that:

- Benefits are not available until after the first policy anniversary;
- Extended care must begin after the Policy Date;
- Extended care must be provided in a qualified institution for at least 90 consecutive days or in a general acute care hospital for at least 30 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:** Early withdrawal charges 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).

**Terminal Illness Rider:** Early withdrawal charges may be waived on one partial withdrawal or full withdrawal of the annuity value if:

- An Owner is diagnosed with a disease or medical condition which a qualified physician expects will result in death within one year; and
- The Company receives notice of an Owner's terminal illness.(Coverage terminates on the earliest of the date income payments begin, the date of a withdrawal taken according to the provisions of this rider, or the date on which the annuity policy terminates.)

A statement of your account will be provided at least once each policy year. This disclosure is not intended to be a full description of the fixed annuity. Please refer to the policy form and the endorsements and riders thereto for a complete explanation of terms. Neither WNL nor its representatives offer legal or tax advice. You should consult your own tax advisor on any tax matter.

By signing below, I/we acknowledge that I/we have read and understand the items on page 1 and 2 of this form, have received a copy of this acknowledgment and certify that I/we have paid a single premium of \$\_\_\_\_\_ to purchase a Western National POWER Index Annuity. 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 (please print)

\_\_\_\_\_  
Agent's Signature

\_\_\_\_\_  
Owner's Signature

\_\_\_\_\_  
Joint Owner's Signature