



Mehran Assadi
President and CEO, National Life Group

Our promise is our product

We don't make widgets or cars or computers. We make promises. Our job – since the chartering of National Life Insurance Company in 1848 – has been to create a better future for each and every customer through innovative financial solutions.

We pledge to continue to keep those promises and to deliver on those commitments 10, 20 or 50 years down the road. Our long record of financial strength and our reputation for integrity have enabled National Life to deliver on millions of promises. We pledge to deliver on ours to you, too.

National Life Group consolidated data¹

(All data in Millions)

Operating Revenue



Total Assets Under Management



Statutory Surplus



Net Income



Insurance Inforce



Financial Strength Ratings

for National Life Insurance Company and Life Insurance Company of the Southwest:

A (Excellent)

by A.M. Best
June 2010
Third highest
out of 15 rankings

A (Strong)

by Standard & Poor's
May 2010
Sixth highest
out of 17 rankings

A2 (Good)

by Moody's
June 2010
Sixth highest
out of 21 rankings

Our strength as a company comes from our ability to react to today and plan for tomorrow.

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

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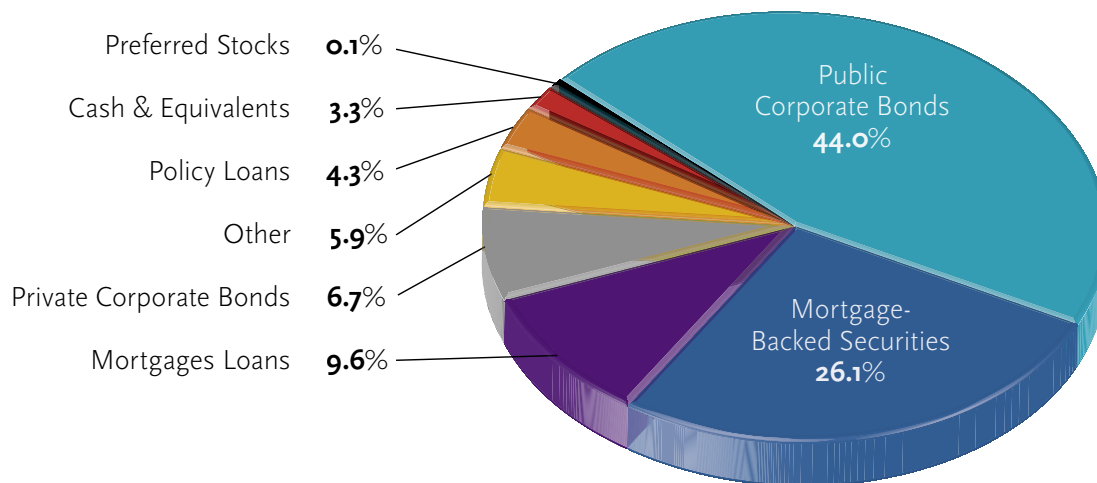
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Investment Asset Allocation²

National Life Group is committed to its long-standing conservative investment philosophy that seeks to create value for the enterprise over the long term while minimizing investment losses in the short term.



Benefits to Policyholders (\$ in Millions)

Year after year after year, through the Civil War, the great flu epidemic of 1918, the Great Depression, and two World Wars, National Life has delivered on its promises. In 2010 we paid out \$1.5 billion in policyholder benefits.

Our mutual structure means our policyholders own the company, a structure that promotes responsible and conservative decision making to help ensure we deliver on our promises.

	2008	2009	2010
Surrenders and Withdrawals	\$899.5	\$857.0	\$822.5
Death Benefits	239.4	235.6	259.0
Dividends	116.6	120.2	119.6
Interest Credited (net of options)	305.9	314.1	334.8
Total Benefits to Policyowners	1,561.4	1,526.9	1,535.9



¹ Consolidated results of the National Life Group Companies, which include National Life Insurance Company, Life Insurance Company of the Southwest, Equity Services, Inc., Sentinel Investments, NLV Financial Corporation and National Retirement Plan Advisors. Sentinel Investments is the unifying brand name for Sentinel Financial Services Co., Sentinel Asset Management, Inc., and Sentinel Administrative Services, Inc. Equity Services, Inc., Member FINRA/SIPC, is a Broker/Dealer and Registered Investment Adviser.

² Total: \$17.1 billion investment portfolio as of Dec. 31, 2010 representing consolidated assets of National Life Insurance Company, Life Insurance Company of the Southwest and NLV Financial Corporation.