



SecurePlus Paragon

CONSUMER BROCHURE

Expect More From Life



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LIFE INSURANCE COMPANY
OF THE SOUTHWEST

member of
NATIONAL LIFE
GROUP®

SecurePlus Paragon is the latest Indexed Universal Life innovation from Life Insurance Company of the Southwest (LSW). Indexed Universal Life is considered to be one of the most flexible types of life insurance available in the marketplace today. With its Indexed Interest crediting feature, SecurePlus Paragon provides the opportunity to outperform traditional fixed interest products.

Expect more from Life





You can expect more ... more from our policy

SecurePlus Paragon provides optional riders and flexible premiums to meet your changing insurance needs and the potential to build cash value in your policy – income tax-deferred.*

*...more from our revolutionary accelerated benefit riders***

LSW's no additional cost living benefit riders provide access to your policy's death benefit while you are still living. You can rest assured knowing your family is protected even in the event of a terminal, chronic, or critical illness.

SecurePlus Paragon was designed to meet your expectations.

*Surrender charges may reduce the policy's cash value in early years.

**Death benefits, cash value, and loan values (for policies with such values) will be reduced if an Accelerated Benefit is paid.

Riders are optional and may not be available in all states. An additional premium is charged for some riders. Benefits and terms may vary by state.



Expect more...

- Options** Five interest crediting strategy choices. Four are based on the performance of the Standard & Poor's (S&P) 500[®] Index and one is fixed.
- Flexibility** Improved access to policy cash and death benefit value while you are living.*
- Value** Revolutionary no additional cost living benefits with coverage for multiple insureds through the optional Other Insured Rider.
- Guarantees** 100% Participation Rate and No Cap interest crediting option.

...From Life

*Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event.

Expect More ... Options

SecurePlus Paragon offers five choices of interest crediting strategies. You choose either a fixed rate of interest or one of the following strategies based on changes in the S&P 500® Index:

- Point-to-Point, Cap Focus
- Point-to-Point, Participation Rate Focus
- Point-to-Point, No Cap
- Point-to-Average

Expect More ... Flexibility

PREMIUMS AND DEATH BENEFIT

With SecurePlus Paragon you can make level, increasing or decreasing payments, you can even skip payments altogether if you have sufficient policy cash value. Paying higher than required premiums results in enhanced tax-deferred cash value accumulation.

As your needs change, your policy's death benefit can be increased or decreased, thereby eliminating the need for multiple policies.*

ACCESS TO POLICY CASH VALUES

One of the greatest features of SecurePlus Paragon is the tax-deferred build-up of policy cash value that you can access during your lifetime.** SecurePlus Paragon offers a number of ways to access your policy values, including withdrawals and two policy loan choices.

*Additional underwriting may be required.

**Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. Withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. If the policy were classified as a Modified Endowment Contract (MEC) all loans and withdrawals would be considered taxable income.



Expect More ... Value

REVOLUTIONARY, NO ADDITIONAL COST ACCELERATED BENEFIT RIDERS (ABR)

Medical conditions and illnesses, though not always fatal, can have a serious impact on your lifestyle and your ability to live independently. Uncovered costs can deplete even substantial savings in fairly short order. SecurePlus Paragon's revolutionary, no additional cost living benefit riders potentially provide a cost effective solution.


If you qualify, you can access your policy's death benefit, while you are living, to cover expenses associated with a chronic, critical, or terminal illness. These benefits may be used for anything, for example, travel, medical expenses, additional care or other unexpected costs.¹

Expect More ... Guarantees*

SecurePlus Paragon offers guaranteed features such as 100% Participation Rate and no Cap interest crediting options. The minimum annual guaranteed interest rate is 2.5%. This guarantees that at death or full surrender, we will use the larger of the current cash or guaranteed cash value to determine your benefits.

You can rest assured that with SecurePlus Paragon you'll never lose policy value due to a decline in the Index.

*Guarantees are dependent upon the claims-paying ability of the issuing company.

A photograph of a smiling couple embracing on a beach. The woman is wearing a colorful striped tank top and white pants, and the man is wearing a white polo shirt and khaki pants. They are standing in front of a blurred background of a beach and ocean.

Additional, valuable riders
for you, your family, or
business associates:

- Multiple coverages for multiple insureds through the Other Insured Rider.
- Long-Term Care Riders²
- Waiver of Target Premium Rider for disability
- Disability Income Riders³
- Unemployment Rider

A Revolutionary Solution

Disability Income³

Money to help pay your bills.

Retirement Income

Money for a secure retirement.

Accelerated Living Benefits

Chronic, Critical,
or Terminal Illness Riders.

Life Insurance

Money for your family.

LIFE INSURANCE YOU DON'T HAVE TO DIE TO USE

Benefits may not be mutually exclusive. Using one benefit may reduce or eliminate another.

The Disability Income and Accelerated Benefits insurance riders have exclusions, limitations, reductions of benefits and/or terms under which the rider may be continued in force or discontinued. For costs and complete details of coverage, call or write your agent or company.

¹Accelerated Benefit Rider, form series 8052(0798)/80521D(0798), 8095(0399)/80951D(0399), 8165(0703)/81651D(0703). Death Benefits, cash values, and loan values (for contracts with such values) will be reduced if an Accelerated Benefit is paid. There is no restriction placed on the use of the benefit received. The Accelerated Benefits offered under this rider are intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. Whether such benefits qualify depends on factors such as your life expectancy at the time benefits are accelerated or whether you use the benefits to pay for necessary long-term care expenses, such as nursing home care. If the acceleration-of-life-insurance benefits qualify for favorable tax treatment, the benefits will be excludable from your income and not subject to federal taxation. Tax laws relating to acceleration-of-life-insurance benefits are complex. You are advised to consult with a qualified tax advisor about circumstances under which you could receive acceleration-of-life-insurance benefits excludable from income under federal law. Receipt of acceleration-of-life-insurance benefits may affect you, your spouse or your family's eligibility for public assistance programs such as medical supplementary Social Security Income (SSI), and drug assistance programs.

You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such a payment will affect you, your spouse's and your family's eligibility for public assistance.

Note: A terminal illness is defined as one that is expected to result in death within two years (one year in CT, PA and VT). A chronic illness is defined as one that leaves you unable to perform two of the six normal activities of daily living without assistance or that leaves you with deterioration or loss in intellectual capacity. The six activities of daily living include bathing, continence, dressing, eating, toileting and transferring. Covered critical illnesses are heart attack (myocardial infarction), stroke, diagnosis of cancer, diagnosis of end-stage renal failure, major organ transplant, diagnosis of ALS (amyotrophic lateral sclerosis), or blindness (corrected vision no better than 20/200 in both eyes).

²Long-Term Care Rider, form series 8096(0899)/80961D(0899), known as the Accelerated Death Benefits for Long-Term Care Rider in TX and MD, is available at additional cost. Use of the Long-Term Care Rider reduces the death benefit and cash surrender value of your life insurance policy. Benefit payments will be used to pay off any outstanding policy loan first, reducing the amount of money you would normally collect as a benefit.

³Disability Income Rider, form series 8054(0798)/80541D(0798), 8065(0798)/80651D(0798), is available for an additional premium and provides a fixed benefit if the insured is totally disabled. Certain occupations are ineligible for coverage.

LIFE INSURANCE COMPANY OF THE SOUTHWEST

was incorporated in 1955. We are licensed in 49 states and the District of Columbia, with our home office in Dallas, Texas.

LSW specializes in life insurance and annuity products. Our rating from A.M. Best Company, the oldest rating agency in the industry, is a good reflection of LSW's strength.

A.M. Best ratings represent an independent opinion of a company's financial strength and ability to meet its obligations to policyholders. A.M. Best gives LSW an "A" (Excellent) rating; this is the third highest of 15 rating categories.⁵

LSW is a wholly owned subsidiary of National Life Insurance Company based in Montpelier, Vermont. National Life was founded in 1850 and for over a century and a half has provided insurance protection to individuals, families and businesses. National Life is a separate entity from LSW and is not responsible for the insurer's financial condition or contractual obligations.

National Life Group is a trade name of National Life Insurance Company and its affiliates. Each company of the National Life Group is solely responsible for its own financial condition and contractual obligations.

⁵As of 06/07. Ratings are subject to change without notice.

LSW SecurePlus Paragon, form series 8387(0606)/83871D(0606), Indexed Universal Life Insurance and applicable riders are underwritten by Life Insurance Company of the Southwest, Dallas, Texas. An additional premium is charged for some riders. Riders are not available in all states. Benefits and terms may vary by state.

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The S&P Composite Index of 500 stocks (S&P 500®) is a group of unmanaged securities widely regarded by investors to be representative of large-company stocks in general. An investment cannot be made directly into an index. The S&P 500 does not reflect dividends paid on the stocks underlying the index.

Unemployment Rider, form series 8058(0798)/80581D(0798), Other insured Rider form series 8057(0798)/80571D(0798), Waiver of Target Premium Rider, form series 8053(0798)/80531D(0798).

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