NATIONAL® WESTERN LIFE INSURANCE COMPANY

ROTH IRA DISCLOSURE STATEMENT

Regarding Roth Individual Retirement Annuity (IRA) Plans Described in Section 408A of the Internal Revenue Code

This Disclosure Statement presents a general review of federal laws applicable to your Roth Individual Retirement Annuity (IRA). Please read the material carefully, and then file the Disclosure Statement with other documents pertaining to your Roth IRA.

RIGHT TO REVOKE - You may revoke your Roth IRA by mailing or delivering to National Western Life a written notice of revocation at any time during the seven day period following the day on which the later of the following events occur: (1) you receive this Disclosure Statement or (2) you receive either a specimen annuity contract or the annuity contract actually issued to you to fund your Roth IRA. If your written notice is mailed, it shall be deemed to have been mailed on the date of the postmark (or, if sent by certified or registered mail, on the date of certification or registration), provided that:

(1) it was enclosed in an envelope or other appropriate wrapper;
(2) it was sent with first class postage prepaid;
(3) it was deposited in the mail in the United States; and
(4) it was properly addressed to Client Services,
National Western Life Insurance Company
850 E. Anderson Lane, Austin, Texas 78752-1602

Upon receipt of such notice of revocation, National Western Life will return to you the entire amount of the consideration received from you for crediting to your annuity contract, without increase or decrease for any reason.

ELIGIBILITY - Beginning January 1, 1998, all individuals who have earned income are eligible to establish a Roth Individual Retirement Account. Furthermore, for any taxable year during which your spouse does not receive compensation for personal services, you may also contribute to a separate "spousal" Roth IRA established for his or her benefit. However, if an individual's adjusted gross income (AGI) exceeds a certain maximum level, a Roth IRA may not be established.

ROTH IRA CONTRIBUTIONS - Contributions to a Roth IRAare not tax deductible for any tax year, regardless of the compensation limit of an individual or married couple. Except in the case of a qualified rollover contribution described in Section 408A of the Internal Revenue Code, annual premiums are limited. For a taxable year, an individual may contribute to a Roth IRA, the lesser of $2,000 or 100% of compensation ($4,000 or 100% of compensation for two Roth IRAs owned by a married couple; however, no more than $2,000 can be contributed to either spouses' Roth IRA). The $2,000 limit described above is gradually reduced to $0 between certain levels of adjusted gross income (AGI). If you are single, the $2,000 annual limit is phased out between AGI of $95,000 and $110,000. If you are married and file jointly the annual limit is phased out between AGI of $150,000 and $160,000; if you file separately, between $0 and $100,000. In the case of a conversion from a regular IRA or a qualified rollover contribution from a regular IRA (as discussed below), contributions in a tax year will not be accepted if your AGI for that tax year exceeds $100,000 or if you are married and file a separate return. Unlike contributions to a regular IRA, contributions to a Roth IRA may be made even after you reach age 70.5.

INVESTMENT EARNINGS - Investment earnings credited to the annuity contract used to fund your Roth IRA are not taxable to you currently as income. As noted below, such earnings will not be taxable to you as they are distributed to you, provided the distribution is qualified, as discussed below.

ROLLOVER CONTRIBUTIONS - You may transfer all or a part of your savings in one IRA program to a Roth IRA or from one Roth IRA to another Roth IRA.

In the event that you should receive a distribution from your spouse's IRA following his or her death, you would be permitted to make a rollover of some part or all of such distribution to an IRA established in your own name. However, all or part of any rollover may be includable in your gross income as discussed below.

A Roth IRA will only accept "qualified rollover contributions." A "qualified rollover contribution" is a contribution from a regular IRA to a Roth IRA or a Roth IRA to another Roth IRA that meets the requirements of Sec. 408(d)(3) of the Code, including the following limitations:

(1) You may make a qualified rollover contribution between Roth IRA programs only once each year; however, certain transfers of Roth IRA funds from trustee to trustee, or from insurance company to insurance company, are not considered rollovers, and therefore are not subject to the one year limitation; in addition, any qualified rollover contribution to a Roth IRA from a traditional IRA is not subject to the one year limitation;

(2) You must have received the entire amount of the rollover contribution within the sixty-day period preceding the date on which you make the rollover contribution, either as a distribution from an individual retirement account, from an individual retirement bond, or from another individual retirement annuity; and

(3) A distribution from a regular IRA that is required under the minimum distribution rules may not be rolled into a Roth IRA.

You may not make a qualified rollover contribution to your Roth IRAfrom a regular IRA (or convert a regular IRA to a Roth IRA) during any tax year in which your AGI exceeds $100,000 or if you are married and file a separate return.

If you make a qualified rollover contribution from a regular IRAto a Roth IRA you must include in gross income any amount which would be includable if the distribution had not been part of a qualified rollover contribution. Your deductible contributions to the IRA will be included in income, but your nondeductible contributions will not be included in income when the qualified rollover contribution from the regular IRA to your Roth IRA is made. A special rule applies if you roll over all or a portion of funds from a regular IRA to a Roth IRA before January 1, 1999 in a qualified rollover contribution. Under the special rule, you may include the amounts rolled over in income ratably over the four-year tax period beginning with the tax year in which the rollover is made.

NOTE - Rollover contributions are not included in your AGI for purposes of eligibility.

In addition, the 10% penalty for early withdrawals, discussed below under Distributions, will not apply to a qualified rollover contribution.

CONVERSIONS - You may also convert your regular IRA to a Roth IRA. This conversion is treated as a rollover distribution from a regular IRA to the Roth IRA. Thus, the limitations described under Rollover Contributions above apply to a conversion as well as a rollover from a regular IRA to a Roth IRA.

TRANSFERS - You may transfer amounts that you have contributed to a regular IRA in any tax year, plus earnings, to a Roth IRA before the due date of the tax return for that year. The amount transferred is not includable in income if no deduction was taken.

TIMING OF CONTRIBUTIONS - You may make contributions to your Roth IRA for a given year at any time up to the due date of your federal tax return for such year (without regard to any extensions). In the case of a new Roth IRA, it is not necessary that the plan be established prior to the end of the year for which the initial contribution is made. It is necessary only that the plan be established and the initial contribution be made on or before the due date of your federal tax return for the year.

FUNDING MEDIA - The annuity contract used to fund your Roth IRA must meet certain of the requirements for individual retirement annuities specified in Section 408 (b) of the Internal Revenue Code, namely:

(1) the contract cannot be transferable by you (except to a former spouse under a divorce decree), and it cannot be used as security for a loan;

(2) the premiums are not fixed;

(3) the annual premium payable under the contract cannot exceed $2,000, and any dividend credited must be applied before the close of the next calendar year toward the payment of future premiums or the purchase of additional benefits;

(4) your entire interest must be nonforfeitable.

DISTRIBUTIONS - Amounts distributed to you as “qualified distributions” (or to your beneficiary in the event of your death) from your Roth IRA will not be taxable as ordinary income, or be treated as capital gains, and they will not be taxable under the special 5-year forward averaging rules.

Non-qualified distributions are includable in income to the extent of earnings on contributions. Distributions are treated as made from contributions to the Roth IRA to the extent that such distributions, when added to all previous distributions from the Roth IRA, do not exceed the aggregate amount of all contributions to all Roth IRAs.

A “qualified distribution” is made (1) on or after you reach age 59.5, (2) on account of your death or disability, or (3) for a qualified special purpose distribution, which means a “qualified first-time homebuyer” expense. A “qualified first-time homebuyer” expense is used to pay qualified acquisition costs of acquiring the principal residence of a first-time homebuyer and must be used within 120 days after distribution. Withdrawals used for first-time homebuyer treatment cannot exceed $10,000 during your lifetime. Even if one of the above three factors is met, a distribution is not treated as a qualified distribution if it is made within the five-tax year period beginning with the first tax year for which you made a contribution to a Roth IRA, or, in the case of a “qualified rollover contribution” from a regular IRA (defined above), it is made within the five-tax year period beginning with the first tax year in which the rollover contribution was made.

If you die after distribution of your benefit has commenced, the remaining portion, if any, will be distributed in accordance with the settlement option in effect at the time you die. If you die before distributions commence, your entire interest must be distributed in accordance with one of the provisions outlined in the Roth Individual Retirement Annuity Endorsement Form of your annuity contract.

Any amount distributed from your Roth IRA prior to your attaining age 59.5 will be subject to a 10% excise tax, unless either (1) the distribution is made on account of your death or disability, (2) the entire amount distributed is applied as a qualified rollover contribution to another Roth IRA, (3) the distribution contains withdrawals for medical expenses in excess of 7.5% of AGI, or by certain unemployed individuals, (4) the distribution is made to pay certain higher education expenses, or (5) the distribution is made to pay qualified first-time homebuyer expenses.

If you should borrow money from, or pledge as security for a loan, your IRA contract, then the contract would be disqualified as an IRA retroactively to the first day of the taxable year in which such borrowing occurred, and the cash surrender value of the contract would be includable in your gross income to the extent of earnings on contributions for the year. Furthermore, if by the date of the borrowing, you had not yet attained age 59.5 or met any of the five exceptions discussed above, the 10% excise tax applicable to premature distributions would be imposed on any amount included in income..

EXCESS CONTRIBUTIONS - If, for any taxable year, your contributions to your Roth IRA exceed the annual limit as determined under Roth IRA Contributions above, the excess amount will be subject to a nondeductible 6% excise tax. The excise tax on excess contributions may also apply if contributions to other IRAs have been made (with the total of all contributions or premiums, other than rollovers, exceeding $2000 or 100% of compensation), or if your compensation or your spouse’s compensation does not exceed the amount contributed on your behalf for the tax year. The excise tax will not be applied, however, if the excess contribution (and any interest earned on it) is distributed to you or applied as a contribution for the next taxable year on or before the date prescribed by law for the filing of your tax return for the year. The interest portion will be taxable income for the tax year in which it is received or credited.

If an excess contribution is distributed to you after the date prescribed for filing your tax return, the 6% excise tax described above will apply and the entire distribution will be subject to income tax to the extent of earnings on contributions; and if you have not attained age 59.5, or met any of the five exceptions above, the taxable portion of the distribution will be subject to the additional 10% penalty tax applicable to premature distributions.

If an excess contribution is made in one year and is not eliminated prior to the filing date of your tax return for the year, the excise tax will be applied each year until the excess contribution has been eliminated. The excess contribution can be eliminated in a later year simply by limiting the amount of your annual contribution to the difference between the maximum allowable contribution and the excess contribution.

It is the responsibility of the Roth IRA participant to make sure the proper amount was contributed and to make timely requests for the return of any excess contributions.

RETURN FOR INDIVIDUAL RETIREMENT SAVINGS ARRANGEMENT - The benefitted individual must file Form 5329 (Return for Individual Retirement Saving Arrangement) with the Internal Revenue Service for each taxable year which the annuity is maintained.

ADDITIONAL INFORMATION AVAILABLE - Further information on IRAs and Roth IRAs can be obtained from any district office of the Internal Revenue Service. See also IRS Publication 590, Individual Retirement Arrangements (IRAs).

INTERNAL REVENUE SERVICE APPROVAL - The contract used to fund your Roth IRA has not been approved for use as an individual retirement annuity contract by the Internal Revenue Service. The Internal Revenue Service approval is a determination only as to the form of the contract, however, and does not represent a determination of the merits of such contract.

PROJECTED FINANCIAL RESULTS - The table or tables that follow illustrate the accumulation of cash values in an IRA funded with an annuity contract under specified assumptions with respect to the amount and timing of contributions and the rates at which interest is to be credited to the contract. The accumulated value of your own annuity contract at any time may exceed or fall short of the value shown in the appropriate table if there is any deviation from these assumptions.

TABLE A
ROTH INDIVIDUAL RETIREMENT ANNUITY (IRA)
Policy Form 01-1054, 01-1055, & 01-2200

Accumulation of Values - Based on contributions of $1,000 made on the first day of each contract year

End of Year	Guaranteed Account Balance[1] FPA or SPDA 3.5%	FPGA 5.00%	Projected Account Balance[2] at 5.00%	End of Year	Guaranteed Account Balance[1] FPA or SPDA 3.50%	FPGA 5.00%	Projected Account Balance[2] 5.00%
1	1,035	1,050	1,050	26	42,759	53,669	53,699
2	2,106	2,153	2,153	27	45,290	57,402	57,402
3	3,214	3,310	3,310	28	47,910	61,322	61,322
4	4,362	4,525	4,525	29	50,622	65,438	65,438
5	5,550	5,801	5,801	30	53,429	69,760	69,760
6	6,779	7,142	7,142	31	56,334	74,298	74,298
7	8,051	8,549	8,549	32	59,341	79,063	79,063
8	9,368	10,026	10,026	33	62,453	84,066	84,066
9	10,731	11,577	11,577	34	65,674	89,320	89,320
10	12,141	13,206	13,206	35	69,007	94,836	94,836
11	13,601	14,917	14,917	36	72,457	100,628	100,628
12	15,113	16,712	16,712	37	76,028	106,709	106,709
13	16,676	18,598	18,598	38	79,724	113,095	113,095
14	18,295	20,578	20,578	39	83,550	119,799	119,799
15	19,971	22,657	22,657	40	87,509	126,839	126,839
16	21,705	24,840	24,840	41	91,607	134,231	134,231
17	23,499	27,132	27,132	42	95,848	141,993	141.993
18	25,357	29,539	29,539	43	100,238	150,143	150,143
19	27,279	32,065	32,065	44	104,781	158,700	158,700
20	29,269	34,719	34,719	45	109,484	167,685	167,685
21	31,328	37,505	37,505	46	114,350	177,119	177,119
22	33,460	40,430	40,430	47	119,388	187,025	187,025
23	35,666	43,501	43,501	48	124,601	197,426	197,426
24	37,949	46,727	46,727	49	129,997	208,347	208,347
25	40,313	50,113	50,113	50	135,582	219,815	219,815

1 The Guaranteed Account Balance is equal to the sum of the annual contributions (less any premium taxes) plus interest at the guaranteed rate indicated. (In preparing this illustration, it was assumed that the contract was issued in a state that does not assess premium taxes on qualified annuity considerations.)

2 The Projected Account Balance is equal to the sum of the premiums, (less any premium taxes) plus interest at a combined rate equal to the guaranteed rate plus an "excess" rate determined by the Company. Projected values are illustrated at a 5% rate. These projected values are intended neither as estimtes nor as guarantees of results to be obtained in future years. The "excess" interest rate may be changed from time to time to reflect actual investment experience.

Disclosure of charges that may be made in connection with the purchase or surrender of flexible premium annuity (FPA), single premium deferred annuity (SPDA), and flexible premium group annuity (FPGA) contracts:

Sales Charges - None (The agent's sales commission will not be deducted from any contribution made to this contract.)

State Premium Taxes - Any premium taxes assessed by the state in which the contract is issued will be deducted from contributions as received. (Exception: If the state of issue allows payment of premium taxes on annuitization, rather than on receipt of premiums, this practice will be followed.)

Withdrawal Charges - Up to 10% of the accumulated value of the contract may be withdrawan in a single sum each year without penalty. However, if the amount withdrawn from an SPDA or FPGA contract in any one of the first 7 years, or from an FPA contract during any one of the first 10 years should exceed 10% of the accumulated value, a withdrawal charge equal to a percent of the amount withdrawn will be imposed, as follows:

Contract Year of Withdrawal	Withdrawal Charge FPA	SPDA or FPGA
1	10%	7%
2	9%	6%
3	8%	5%
4	7%	4%
5	6%	3%
6	5%	2%
7	4%	1%
8	3%	0%
9	2%	0%
10	1%	0%
Thereafter	0%	0%

TABLE B – ROLL OVER ROTH IRA
FUNDED WITH A SINGLE PREMIUM DEFERRED ANNUITY CONTRACT
Policy Form 01-1055

Accumulation of Values - Based on contributions of $10,000 made on the first day of the first contract year

End of Year	Guaranteed Account Balance[1] at 3.5%	Projected Account Balance[2] at 5.00%	End of Year	Guaranteed Account Balance[1] at 3.5%	Projected Account Balance[2] 5.00%
1	10,350	10,500	26	24,459	35,557
2	10,712	11,025	27	25,315	37,335
3	11,087	11,576	28	26,201	39,201
4	11,475	12,155	29	27,118	41,161
5	11,876	12,763	30	28,067	43,219
6	12,292	13,401	31	29,050	45,380
7	12,722	14,071	32	30,067	47,649
8	13,168	14,775	33	31,119	50,032
9	13,628	15,513	34	32,208	52,533
10	14,105	16,289	35	33,335	55,160
11	14,559	17,103	36	34,502	57,918
12	15,110	17,959	37	35,710	60,814
13	15,639	18,856	38	36,960	63,855
14	16,186	19,799	39	38,253	67,048
15	16,753	20,789	40	39,592	70,400
16	17,339	21,829	41	40,978	73,920
17	17,946	22,920	42	42,412	77,616
18	18,574	24,066	43	43,897	81,497
19	19,225	25,270	44	45,433	85,572
20	19,897	26,533	45	47,023	89,850
21	20,594	27,860	46	48,669	94,343
22	21,315	29,253	47	50,372	99,060
23	22,061	30,715	48	52,135	104,013
24	22,833	32,251	49	53,960	109,213
25	23,632	33,864	50	55,849	114,674

1 The Guaranteed Account Balance is equal to the sum of the annual contributions (less any premium taxes) plus interest at the guaranteed rate indicated. (In preparing this illustration, it was assumed that the contract was issued in a state that does not assess premium taxes on qualified annuity considerations.)

2 The Projected Account Balance is equal to the sum of the premiums, (less any premium taxes) plus interest at a combined rate equal to the guaranteed rate plus an “excess” rate determined by the Company. Projected values are illustrated at a 5% rate. These projected values are intended neither as estimtes nor as guarantees of results to be obtained in future years. The “excess” interest rate may be changed from time to time to reflect actual investment experience.

Disclosure of charges that may be made in connection with the purchase or surrender of flexible premium annuity (FPA), single premium deferred annuity (SPDA), and flexible premium group annuity (FPGA) contracts:

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State Premium Taxes - Any premium taxes assessed by the state in which the contract is issued will be deducted from contributions as received. (Exception: If the state of issue allows payment of premium taxes on annuitization, rather than on receipt of premiums, this practice will be followed.)

Withdrawal Charges - Up to 10% of the accumulated value of the contract may be withdrawan in a single sum each year without penalty. However, if the amount withdrawn from an SPDA or FPGA contract in any one of the first 7 years, or from an FPA contract during any one of the first 10 years should exceed 10% of the accumulated value, a withdrawal charge equal to a percent of the amount withdrawn will be imposed, as follows:

Contract Year of Surrender	Surrender Charge Rate
1	7%
2	6%
3	5%
4	4%
5	3%
6	2%
7	1%
8 or later	0%

AGENT'S COPY

I hereby acknowledge receipt of the Roth IRA Disclosure Statement which was given me in connection with my application to National Western Life Insurance Company, Austin, Texas, for a deferred annuity. This receipt bears the same date as my application.

Dated ________________________________, 19 ________

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Agent-Witness

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Applicant's Signature

SA-8832-A

HOME OFFICE COPY

I hereby acknowledge receipt of the Roth IRA Disclosure Statement which was given me in connection with my application to National Western Life Insurance Company, Austin, Texas, for a deferred annuity. This receipt bears the same date as my application.

Dated ________________________________, 19 ________

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Agent-Witness

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Applicant's Signature

SA-8832-B