

# MNL Secure Advantage

A life insurance policy with a special interest bearing fund rider.

## 5% Current

*(effective January 1, 2010 and subject to change)*

## 3% Guaranteed

*(minimum guaranteed for the life of the policy)*

This explanation is provided for your easy reference and does not modify, change or add to the provisions of the policy contract or rider. Benefits and Coverage provided under Policy Form Numbers IWL-P1-0908 and IWL-P2-0908 (may vary by State).

Underwritten by  
Madison National  
Life Insurance  
Company, Inc.



IWL-AD-0210



## Benefits at death

The MNL Secure Advantage provides a death benefit to the named beneficiary upon the insured's death. This death benefit consists of both the life insurance death benefit plus the cash value of the Annuity Rider.

The death benefit under the Individual Whole Life Policy is the face amount, less any policy debt and less any premium due if death occurs while the premium is unpaid and during the grace period.

The death benefit is higher (double) during the first ten years or until age 65 whichever comes later. Thereafter, the face amount of the Individual Whole Life Policy is one half of the original amount.

If the insured is less than 6 months of age at issue, the amount payable in the event of death, during the first year and while the policy is in force, shall be 25% of the death benefit. (Subject to State limitations).

The death benefit amount under the Annuity Rider is equal to the cash value of the rider as of the date of death. The amount of such death benefit will not be less than the deposits made, with interest, less any withdrawals.

## Strength. Vision. Stability.

Madison National Life is a subsidiary of Independence Holding Company (IHC), NYSE:IHC), a Stamford, Connecticut financial holding company with principal interests in life and health insurance. At December 31, 2008, IHC had consolidated assets of more than \$1.3 billion.

Madison National Life has a "excellent" rating of A- by A. M. Best Company, a widely recognized rating agency that rates insurance companies on their relative financial strength and ability to meet their obligations to their insureds.

Madison National Life is licensed in 49 States, the District of Columbia, the U.S. Virgin Islands and is an accredited reinsurer in the State of New York.

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## Service to our clients

We feel the single most important benefit we can give is service to our clients. A Policy Cost and Benefit Summary Statement showing the guaranteed interest rate values of your MNL Secure Advantage will be provided with the policy. We will also send you annual reports on the status of your Annuity Rider fund. Our representatives and offices are available to you by phone or mail.

1. The IHC Group is an insurance organization composed of Independence Holding Company (NYSE:IHC) and its operating subsidiaries. The IHC Group has been providing life, health and stop loss insurance solutions for over 25 years. For information on Independence Holding Company and the IHC Group, see [www.independenceholding.com](http://www.independenceholding.com).

2. Flexible Premium Deferred Annuity Rider not available in all states.

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## The concept

The MNL Secure Advantage is a combination of a Whole Life Insurance Policy with a flexible premium Annuity Rider. Interest earnings are tax-deferred on the Annuity Rider.

## Annuity rider

The MNL Secure Advantage offers an automatic Annuity Rider fund. All interest earnings are tax deferred meaning you pay no current income tax on the interest earned. Income taxes are not due on the interest earnings until the funds are withdrawn or applied toward premium payments.

You may add funds into the Annuity Rider at any time while the Whole Life Insurance Policy is in-force on a premium-paying basis and without debt. The funds added into the Annuity Rider are subject to annual limits. During any policy year, you may contribute no more than \$5,000 or five times the amount of the first year's annual premium for the Whole Life Policy, whichever is the lesser amount.

When you apply for your Policy, your Annuity Rider interest rate for the first policy year will be guaranteed for one year at the current rate then in effect. Current interest rates are announced at least annually and are subject to change periodically. The current interest rate is 5% effective January 1, 2010. The minimum guaranteed rate is 3% for the life of the policy.

*(Annuity Rider not available in Louisiana, Minnesota, and Washington).*

Interest is calculated daily on your Annuity accumulation fund Rider.

Any withdrawal during the first 10 years from the date of issue of the Rider will be subject to an early withdrawal charge. The withdrawal charge percentages are as follows:

(Ages 0-57) (Ages 58-62)

Rider Year	Withdrawal Charge (Issue Ages 0-57)	Withdrawal Charge (Issue Ages 58-62)
1	10%	6.0%
2	9%	5.5%
3	8%	4.5%
4	7%	3.5%
5	6%	2.5%
6	5%	1.5%
7	4%	0.5%
8	3%	0.0%
9	2%	0.0%
10	1%	0.0%
11+	0%	0.0%

There are also possible tax penalties for withdrawals made prior to age 59½ and you should check with a tax advisor.

## Maturity

The Annuity Rider is scheduled to mature on the policy anniversary date nearest your 65th birthday. You may elect to defer the maturity date for a period up to 5 years. At retirement, you have the option to withdraw all of the money in your fund plus interest or receive a monthly life income or a combination of both. (some restrictions apply).

## Pay yourself first

Many people fail to reach their financial goals due to a lack of regular or systematic premium payments. With the MNL Secure Advantage, you have the opportunity to pay yourself first. There are varied premium payment options available for your convenience, such as military allotment, federal, postal, payroll deduction and bank draft.

## Premium payment schedule

When you apply for the MNL Secure Advantage, a premium payment schedule is established showing the breakdown of your payments. The amount of your scheduled premium payment remains the same, although, the distribution of your premium changes at the end of the first policy year. At the second policy year, the life insurance premium reduces by two-thirds and remains level thereafter. The amounts applied to the Annuity Rider can be reduced or increased at any time, subject only to the limits imposed by the rider.

## Automatic payments

When the Annuity Rider is in force and the premiums for the Whole Life Policy remain unpaid on the last date of the grace period, the premiums will be automatically paid from the funds accumulated under the Rider. Any funds applied to premium payments under this provision will not be subject to any withdrawal charges.

Once the Rider's accumulated funds have been exhausted any available non-forfeiture options as shown on the Policy Schedule Page of the Policy will become effective.

*(Automatic premium payments not available in Georgia).*

## Cash value

Over time your Whole Life Insurance Policy will develop cash values. You may receive cash by borrowing from this cash value. Interest accrues on outstanding loan amounts. Outstanding loan and interest amounts reduce the life insurance