



**Disclosures**

Complete Surrender of the contract for its net cash value as defined in the contract. If the contract is not returned with this form: The undersigned contract owner(s) and/or undersigned assignee(s) agree to fully indemnify and reimburse the Company for any and all loss, expense or damage it may sustain from any claim resulting from the Company having paid the contract(s) without securing surrender of the original contract(s) or any previously issued duplicate/certification.

**Term Policies Only:** National Life shall provide to the Policy Owner a refund of premium representing unearned premium, if any.

**W9: Under penalties of perjury, I hereby certify that:** (1) the number shown on this application is my correct taxpayer identification number; (2) the IRS has never notified me that I am subject to backup withholding, or has notified me that I am no longer subject to such withholding or I am exempt from such withholding; (3) I am a U.S. person (including a U.S. resident alien); and (4) I am exempt from FATCA reporting. *You must cross out item 2 if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.*

**Tax Equity and Fiscal Responsibility Act (TEFRA)**

**Important Tax Information on Policy Surrender**

**What are the federal income tax consequences of surrendering my insurance policy?**

If there is a gain at the time of surrender, it is included as ordinary income for federal tax purposes and you are responsible for reporting the gain on your federal income tax return.

**What is a gain and when is it considered taxable?**

The gain at the time of surrender is the amount, if any, by which the surrender proceeds plus any outstanding loan amount exceeds your investment in the contract.

**What effect does TEFRA have on me?**

The law has little effect on you since it has always been the policyowner's responsibility to report a taxable gain. However, we are now required to calculate and report to the IRS gains on surrendered insurance policies at the end of each calendar year.

**Will I receive notification of a gain to assist me in my tax preparation?**

Yes. If there is a reportable gain, we will send you a copy of the Form 1099R which we are required to send to the IRS.

**Will we calculate a gain on all policies?**

No. The regulations state we must notify a policyowner that all or part of the surrender value may be includable in the policyowner's income.

However, under IRS rules, we will assume there is no taxable gain on any policy issued prior to August 13, 1982, with gross cash surrender value less than \$5,000.00.

**If my policy is subject to a taxable gain, what happens?**

If our records indicate there is any gain in your policy, the amount must be reported to the IRS. If the gain is \$200.00 or more, we must withhold 10% and report both withholding and the gain to the IRS.

**May I elect not to have any withholding for federal tax purposes?**

Yes. Simply mark the no withholding box on the surrender request form and be sure to furnish us with your Social Security number when you sign the form.

**If there is a gain and I choose not to have withholding, will you report the amount of the gain to the IRS?**

Yes. We will send you a Form 1099R in the month of January following our payment of the surrender proceeds to you.

**Signatures/Date**

\_\_\_\_\_  
Owner Date Collateral Assignee - if any (Must be notarized) Date

\_\_\_\_\_  
Other Required Signatures (e.g., Joint Owner, POA) Date Spouse, if any (Required in AZ, CA, ID, LA, NM, NV, TX, WA, WI & ERISA plans) Date

\_\_\_\_\_  
Witness Date