





# RELIABLE

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### PART II

Audited Financial Statements and  
Independent Auditors' Report.

## Selected Financial Information

(In thousands except per share data)

	2009	2008	2007	2006	2005
Insurance revenues	\$ 528,228	\$ 502,982	\$ 487,672	\$ 475,918	\$ 442,147
Total revenues	568,406	411,079	474,507	521,859	441,043
Earnings from operations (a)	48,842	50,690	83,098	74,613	70,842
Net earnings	45,484	33,642	85,371	76,343	77,267
Earnings per Class A share from operations (a)					
Basic	13.85	14.38	23.59	21.20	20.23
Diluted	13.82	14.28	23.31	20.97	20.02
Net earnings per Class A share					
Basic	12.90	9.54	24.24	21.69	22.06
Diluted	12.87	9.48	23.95	21.46	21.83
Total assets	7,518,735	6,786,480	6,835,326	6,693,443	6,369,008
Stockholders' equity	1,114,053	986,213	1,011,685	932,984	874,008
Book value per share	307.24	271.99	279.29	257.67	241.89

(a) excluding net realized gains (losses) on investments

Total assets in millions of dollars

2005	\$6,369
2006	\$6,693
2007	\$6,835
2008	\$6,786
2009	\$7,519

Stockholders' equity in millions of dollars

2005	\$874
2006	\$933
2007	\$1,012
2008	\$986
2009	\$1,114

Book value per share

2005	\$241.89
2006	\$257.67
2007	\$279.29
2008	\$271.99
2009	\$307.24

National Western Life (NASDAQ: NWLI) is a stock life insurance company offering a broad portfolio of individual universal life, whole life and term insurance plans, annuity products, and investment contracts meeting the financial needs of its customers in 49 states as well as residents of various countries in Central and South America, the Caribbean, Eastern Europe, Asia and the Pacific Rim.

## TO OUR STOCKHOLDERS

What a difference a year makes. 2008 was a painful year as the global economy and financial markets were in the throes of their worst downturn since the 1930's. The "Great Recession" began with a burst of the housing market bubble causing the term "subprime" to quickly become a part of nightly news reports and dinner conversations. Well-known companies such as Lehman Brothers, Washington Mutual, and Bear Stearns became casualties of financial excesses and poorly managed risks. Credit markets froze as banks refused to lend and liquidity dried up. Business output contracted, global trade was depressed, and the specter of plunging asset values loomed over the economy.

As the effects of the global financial crisis continued to be felt leading into 2009, a flurry of stimulus measures by global policymakers effectively averted a financial Armageddon bringing the world economy back from the edge. Credit spreads narrowed significantly, bond issuance rebounded, equity markets performed better than what many could have expected recovering over half of their losses, international trade resumed and nascent economic growth began to appear in most countries. Make no mistake, we are not suggesting that the world is back to business as usual, especially with overhanging high unemployment and expanding fiscal deficits in the United States and most of Europe, but the tone and tenor of the global economy at the end of 2009 is significantly better than what it was heading into the year.

### Insurance Revenues (\$ millions)

2005	\$442
2006	\$476
2007	\$488
2008	\$503
2009	\$528

### New Life Insurance Issued (\$ millions)

2005	\$2,727
2006	\$3,029
2007	\$3,671
2008	\$3,526
2009	\$2,896

### Life Insurance in Force (\$ billions)

2005	\$14.7
2006	\$15.9
2007	\$17.6
2008	\$18.8
2009	\$18.7

Throughout this turbulent period, we remained strong in our conviction that National Western's core foundation centered upon financial strength and stability would allow us to emerge from these trying times even stronger and better positioned for the future. Looking back at the past couple of years, we believe our short-term action plans to address the financial market duress were effectively balanced with our long-term goals and management philosophy. Indeed, while many other financial institutions, including some of our competitors, needed to pull back and retrench their operations, we had the financial strength and resources to continue moving forward. We did not deviate from our mission of delivering sound financial protection through life insurance products and helping individuals position their financial assets for retirement and wealth management through annuities. Overall, our 2009 operating performance provided evidence of success in these endeavors:

- Insurance revenues grew over 5% to the highest level in the Company's history.
- Total Company revenues increased 38% reflecting strong investment performance and appreciation in value of different asset classes.
- Sales of annuity products more than doubled as collected deposits surpassed \$800 million for the first time since 2004.
- Net earnings increased 35% to \$45.5 million.
- The book value per share of the Company's Class A common shares exceeded \$300 for the first time.

The Financial Highlights page preceding this letter shows not only how challenging the past couple of years have been but how well we have performed despite the global market obstacles thrown in our path. The year 2009 showed marked improvement from the recession trough that was 2008 and produced solid growth in several financial metrics.

The economic environment encountered beginning in the latter half of 2007 and through 2009 put a spotlight on core financial measurables of insurers; namely, quality of the investment portfolio, liquidity, and capital. We are very pleased with how we graded out in each of these areas this past year.

### Quality of Investment Portfolio

Each year in our annual letter to you, we report on the soundness of our investment philosophy which is predicated upon preserving a high quality portfolio and carefully evaluating credit risk. This is a reflection of our overall management approach centered on conservative and prudent financial principles. Although



# TRUSTED

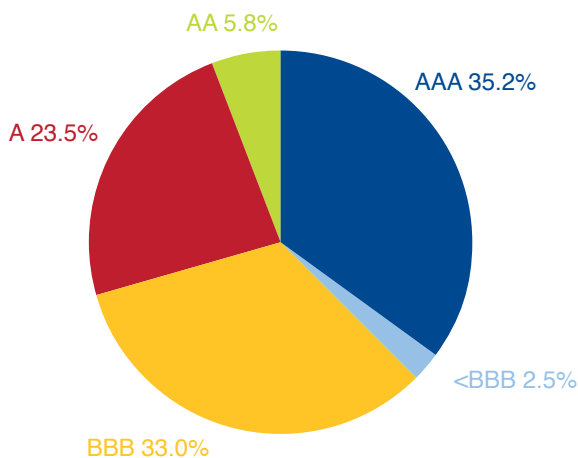
this modus operandi will never be viewed as “exciting” in the fast-paced financial markets of today, it clearly has passed the test of time through cycles of boom and bust. As of December 31, 2009, we managed a cash and investment portfolio in excess of \$6.6 billion, with approximately 94% of this amount invested in fixed maturity debt securities compared to an industry average that is in the range of 75% to 80%. Consequently, investment portfolio management is a key aspect to our success as a company. Not only is our investment portfolio built to support our policy obligations, it also must produce stable returns and predictable cash flows over time. Our staff professionals internally managing the fixed income investment portfolio monitor diversification by all relevant risk measures such as issuer, industry, and asset class so as to minimize exposure to the greatest extent possible. Their analysis carries all the way down to the issuer level so that our exposure to any single credit is isolated and properly managed.

Our fixed income professionals employ detailed credit analysis to promote the appropriate risk and return judgments within the investment risk tolerances set by our Board of Directors. Not surprisingly, nearly 98% of our fixed income portfolio is rated investment grade with an average rating of “A+”. Equally less of a surprise is the low level of investment impairment writedowns we have had

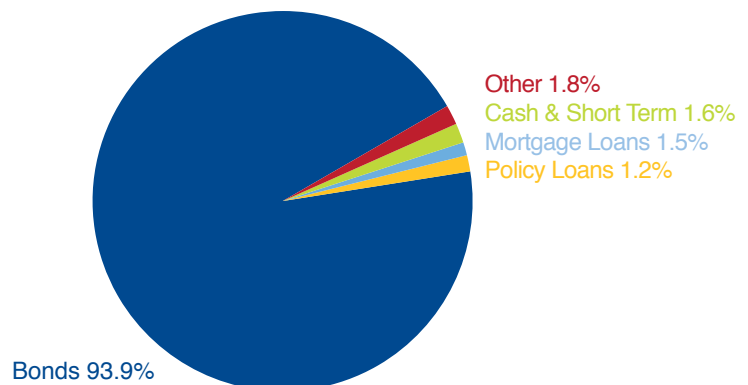
to record in our financial statements despite operating in one of the harshest economic climates in the past 75 years. In the past two years combined, these writedowns have amounted to a mere four-tenths of one percent of total assets of the Company. This is a remarkable outcome operating in an industry littered with billions of dollars of investment losses during this same time period.

Mentioned earlier in this report, subprime asset-backed securities became one of the symbols of the Wall Street debacle which eventually caused the economic implosion of the past two years. These are securities collateralized by mortgage loans to borrowers who otherwise do not qualify for prime interest rates due to poor or insufficient credit histories. During the end stages of the housing market run-up of the past decade, mortgage underwriters essentially discarded prudent credit analysis and extended credit to individuals unable to afford the loans they applied for collateralized by inflated property values. As these individuals began to default and walk away from their loans, subprime securities initiated a collapse of investment value that eventually spread across nearly every financial market. Na-

**Bond Portfolio Quality**



**Distribution of Invested Assets**



tional Western largely avoided the subprime investment class in its investment purchases and held approximately six-tenths of one percent of its invested assets in these securities at the end of 2009. Consistent with our critical credit review process, our holdings in this area predated the loose underwriting period mentioned above and consequently even the investments we hold in this asset class are of a high investment quality.

Industry pundits have speculated as to the next shoe to fall for the insurance industry and have largely focused their attention on commercial real estate investments, direct or through loans, as the next problem area. As residential property values have taken a tumultuous tumble, a similar decline in commercial property values has lingered behind. Commercial real estate is viewed as a lagging economic indicator as it generally is one of the last asset classes to decline in a recession. Typically, these properties incur higher delinquencies as small business tenants succumb to the ravages invoked by the recessionary climate. Given the investment portfolio of the life insurance industry as a whole is comprised roughly 12% of commercial real estate exposure, it has the potential to inflict further weakening of the capital base of companies. With a stark 1.5% of our invested assets in this asset class, we have minimal exposure to loss from commercial real estate. Further, when making investments in this area we choose to partner on a selective basis with long-term relationships in property areas and types with which we are well familiar.

### Liquidity

Strong and consistent cash flows are the life blood of an insurance enterprise. Maintaining the appropriate balance of liquid funds on hand to meet day-to-day policy obligations versus the objective of maximizing the amount of available funds invested in income-producing assets is both an art and a science.

Unlike other financial organizations, National Western has forgone the debt market as a liquidity source choosing to finance its operations through organically generated cash flow produced by a profitable book of business and ample capital resources. The Company does maintain a \$40 million line of credit facility but largely as a precautionary risk management measure. During 2009, the Company's underwriting and new business cash flows increased nearly \$400 million to

Year	Realized Net Losses	% of Total Assets
2000	\$19.2	0.5%
2001	\$27.0	0.7%
2002	\$16.1	0.4%
2003	\$1.6	0.0%
2004	\$ -	-
2005	\$ -	-
2006	\$ -	-
2007	\$ -	-
2008	\$26.2	0.4%
2009	\$5.2	0.1%
Losses in \$ millions		

\$474 million on the heels of a successful annuity sales year. When combined with proceeds in excess of \$1.1 billion from its investment activities, the Company generated over \$1.5 billion of cash flow to fuel new investments into its portfolio.

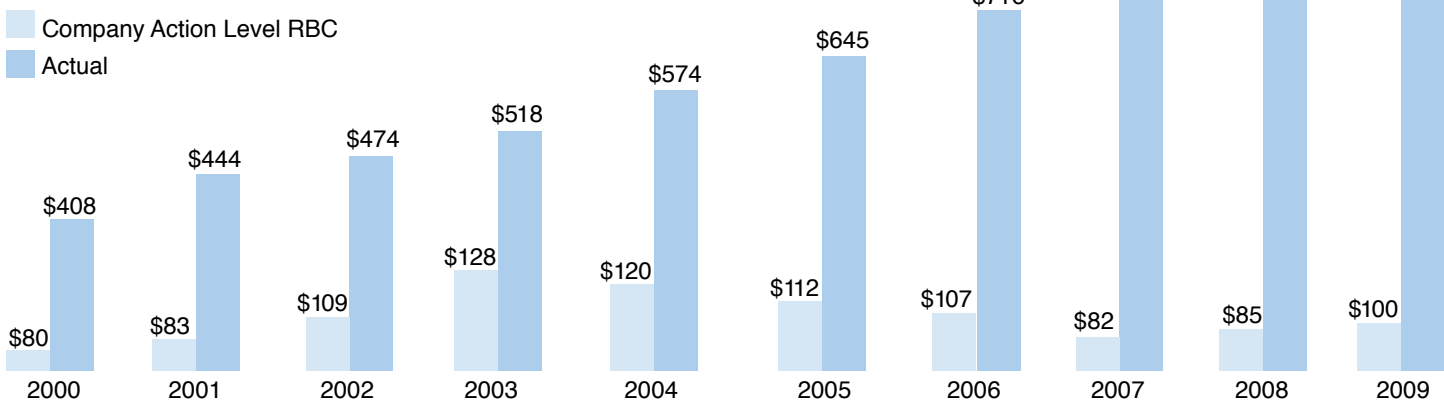
One of the key operating features for insurance companies is matching expected cash inflows from its investments with the expected cash outflows for its policy obligations in order to maintain the appropriate liquidity and investment position. This "asset-liability matching" discipline is a key component of rating agency analysis of insurers. Our actuarial professionals perform iteration upon iteration of potential future economic scenarios to stress test the cash flow matching of our assets to our liabilities to ascertain the appropriate coverage

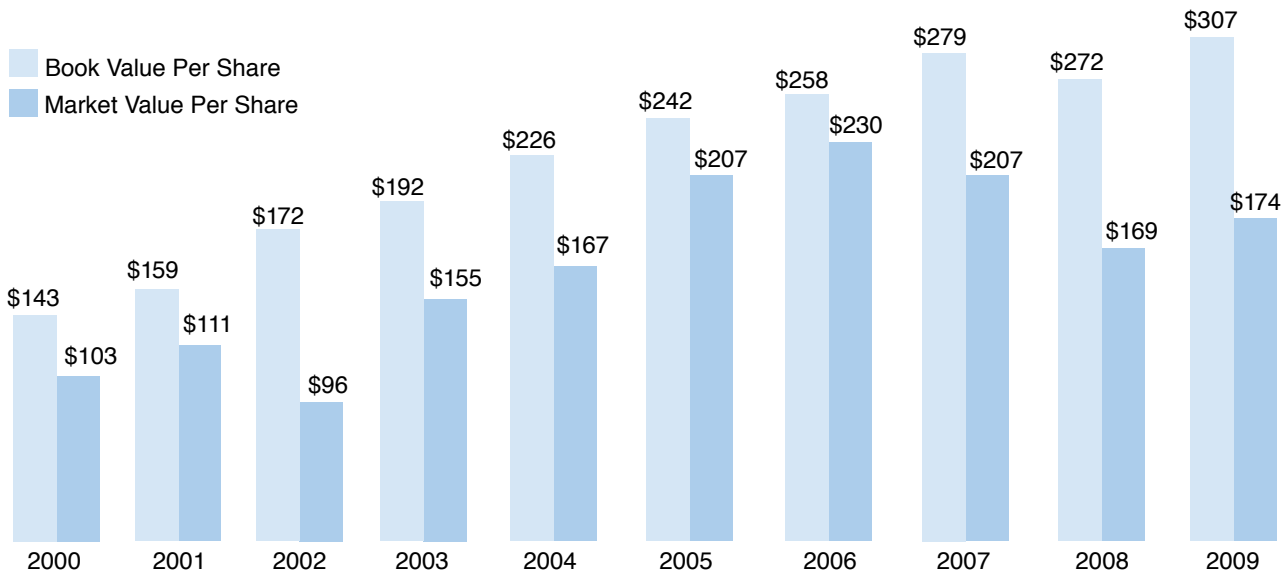
in just about every imaginable set of circumstances.

### Capital

Capital strength is the foundation supporting the ability of an insurance enterprise to fulfill its promises to policyholders no matter what the economic circumstances. During the past couple of years investment losses, mark-to-market accounting, variable products combining guarantees and equity exposure all merged to exert downward pressure upon life insurer capital levels. National Western has always focused on continually fortifying its capital position as a core management philosophy and objective. While having an extremely strong capital base may hurt us when comparing return on equity computations relative to other financial institutions, we believe it is not only a judicious approach to running a company but also a competitive advantage in keeping our doors open for business when rivals are forced to close theirs, as has been the case during this Great Recession. For the life insurance industry, oversight by state insurance departments over statutory capital and surplus levels of insurers is the primary focal point of their regulatory watchdog endeavors. Commonly referred to as "risk-based capital" or "RBC", insurance regulators apply standardized factors to insurers' assets, reserves, and lines of business in order to compute what they consider to be prudent levels of statutory capital and surplus given a company's asset and risk profile. The formula calculation is very detailed and typically changed and/or added to each year to provide an additional degree of precision for regulators in response to what they observe in monitoring company solvency. The comparison or ratio of actual statu-

### Capital and Surplus vs. RBC ( \$millions)





tory capital and surplus levels to the computed RBC level is used by regulators to determine whether a course of action needs to be undertaken with respect to a particular entity as result of capital level warning produced by this analysis. Various degrees of insurance department intervention are triggered when ratios decline to defined levels ranging from conversations with the entity regarding their capital level to outright control taken by the state insurance department where the entity is domiciled. Consistent with our management approach focused upon building the Company's net worth and intrinsic value, National Western's level of statutory capital and surplus is many multiples above the levels regulators would consider prudent.

### Excellence Acknowledged

One of the hallmarks of successful individuals, teams, organizations, and businesses is an ongoing and productive exercise of self-analysis and critiquing to identify areas where improvements can be made and performance enhanced. At National Western, we never consider that we have "arrived" or that we can rest upon our laurels. At the same time, it is rewarding when from time to time someone else observing from the outside looking in signals their approval.

We have many constituents whose expectations we strive to meet and surpass, none the least of whom are the rating agencies whose financial strength designations in many cases greatly influence consumer preferences and choices. These rating agencies have maintained an overall "negative" outlook on the entire life insurance industry more or less coinciding with the recession of the past couple of years. Consequently, they have been a very challenging group of observers to impress.

Despite the overall negative outlook, the recessionary economy, the aura of billions of dollars of investment impairments and losses, and the utilization of government loans and rescue funds by large organizations in the industry, the Company received an upgrade of its financial strength rating from A.M. Best to "A" (Excellent) in the middle of 2009 as an acknowledgement of National Western's solid financial base and performance. In a press release issued at that time announcing the financial strength rating upgrade, President and Chief Operating Officer Ross Moody commented:

*"The financial strength rating upgrade is a major achievement for National Western, particularly when you consider that the major rating organizations currently maintain an overall 'negative outlook' on the life*

*insurance industry. The upgrade action taken by A.M. Best, in the midst of a very challenging economic backdrop, speaks volumes of our Company's accomplishments, management, and approach to doing business."*

The rating upgrade from A.M. Best is an affirmation of the path we are heading in making National Western an admired and respected financial services company in the life insurance industry. We believe that the worldwide financial services industry will continue to undergo evolutionary changes, in some cases dramatic, but in all cases interesting, and we intend to position ourselves to be beneficiaries of these changes as and when they occur.

As communicated in past annual reports and filings with the Securities and Exchange Commission, we focus on financial fundamentals with the objective of building the intrinsic value of the Company with reinvestment of earnings back into the business operations and increasing retained net worth. Intrinsic value is best represented in the book value per share statistic we publish in our quarterly earnings releases as well as in this Annual Report. Through the end of 2006 it appeared that investors and market participants recognized this emerging intrinsic growth as the market price of the Company's publicly traded Class A common shares converged to approximately 90% of the book value per share. However, the meltdown in the financial markets that transpired toward the end of 2007 initiated a dislocation between the Company's intrinsic book value per share and its publicly traded price per share. The financial service and insurance sectors were collectively and indiscriminately penalized by investors and analysts, and even though our underlying economic fundamentals did not support such a dislocation, we also fell victim to this grouping. As of the end of 2009, the Company's Class A common shares traded at 57% of the book value per share. We believe that it is just a matter of time until market investors also recognize the excellence embedded within National Western.



# NATIONAL WESTERN AT A GLANCE

Company Profile	Domestic Operations	International Operations
Founded in 1956	Licensed in 49 states and several other U.S. Territories	Policies in force with residents in over forty countries
294 Home Office Employees	7,320 appointed independent agents/brokers	3,980 contracted independent consultants
\$7.5 billion in total assets	121,260 annuity contracts and \$2.5 billion of life insurance in force	\$16.2 billion of life insurance in force
Standard & Poors Rating of A.M. Best Rating of A(Excellent) and stable outlook; A(Strong) and negative outlook	Fixed indexed annuities, traditional fixed annuities, immediate annuities, universal life, term insurance, equity-indexed universal life	Universal life, term insurance, endowments, equity-indexed universal life, traditional fixed annuities



## Investing for the Future

The seventy to eighty million “Baby Boomers” in our country are rapidly approaching retirement age with the first batch turning 65 years of age in 2011. More and more businesses are shifting from traditional defined benefit pension plans to defined contribution plans, such as 401(k)s, putting the responsibility for saving adequately, investing aptly, and safeguarding retirement income squarely on the shoulders of individuals. The advent of better health education, preventive treatment and continued research and development of drugs by pharmaceutical companies has people living longer requiring retirement assets to carry twenty or thirty years. Taken all together, greater emphasis is being placed on individuals to prepare for their own retirement making it all the more imperative that they choose financial partners who are reliable, trustworthy, and who keep their promises. This represents a strategic opportunity for us as we look toward the future.

Knowing that people are increasingly looking for safe havens and financial institutions they can trust compelled us to take the necessary steps today to be ready for business tomorrow. One of the oft reported banes of the Great Recession has been a severe retrenchment in capital spending by businesses. Cost-cutting became the byword for companies in their response to economic contraction with the toll being forfeiture of investment in business improvement capabilities.

National Western recognized the importance of investing in the present despite the overhanging maladies in the global economy. In the first part of 2009, our Board of Directors unanimously authorized management to undertake a comprehensive upgrade of the Company’s information technology and administrative systems to prepare for our business future. Under a banner of NWL CONNEX this expansive project is comprised of five separate initiatives designed to move National Western from the old to the new and dramatically enhance the Company’s competitive edge in the marketplace.



NWL Orbits is the implementation of a retail sales automation solution housing intelligent electronic insurance applications including fillable forms with e-signature and e-submission capabilities. This new functionality will not only enhance our back office proficiency



in processing, underwriting and issuing new policies but will also provide leading edge business options for our independent contractors in working with their clients.

Recognizing that our independent contractors are the life blood of our sales activities, FOCUS is a proprietary development of an on-boarding and compensation system that will:



- Introduce electronic contracting options
- Enable creation and access to online compensation and production reports
- Provide documents and reports in multiple foreign languages in addition to English
- Provide current information regarding continuing education, training, and licensing deadlines

In today’s environment of heightened regulation and expanded financial reporting requirements and disclosure, the need for sophisticated financial accounting systems has never been more critical. PHOENIX is an initiative to overhaul existing accounting systems with industry leading vendor solutions that will expedite financial reporting and provide more detailed analytics of the Company’s operations.



## LifeCycle

The engine behind an insurance enterprise is its policy administrative system which not only processes transactions but houses the immense amount of data associated with the Company’s block of in force policies. LIFECYCLE is the proprietary development of state-of-the-art platforms using leading edge programming languages and technology. In past reports, we have made reference to this ongoing initiative without identification of the product name. LIFECYCLE is intended to do all the name implies from start to finish and is a unique development within the life insurance arena.

## Document Management

As manufacturers of an intangible product, namely a commitment to fulfill our policy obligations, our primary physical output consists of our policy contracts and related forms. Issuing twenty thousand policy contracts each year, which





vary based upon product, state, policy riders, amendments, etc. is a significant undertaking. Since this is our primary tangible interaction with our policyholders,

a great degree of care and sophistication is involved with this aspect of our business. DOCUMENT MANAGEMENT is a project to replace legacy mainframe systems with advanced vendor applications in order to elevate our performance in this area.

A multi-year undertaking with an estimated price tag in the neighborhood of \$20 million, NWL CONNEX is the connection that spans these initiatives as we invest in our future bridging time and technology gaps allowing our independent contractors, policyholders, and employees the best opportunity to connect with each other and with our world.

### Keeping Our Promises for Over 50 Years

The unpredictable and challenging times experienced in 2009 validate how important it is to individuals that insurers, and financial institutions overall, deliver on their promises and fulfill their obligations. The flight to quality witnessed this past year in the financial markets is evidence of people seeking organizations with strength and dependability to uphold their commitments in support of the trust put in them. We hope that this report of our performance during these challenging times helps to assure and reinforce your trust in the financial soundness of National Western. The conservative financial principles and sound business practices by which we have consistently managed the Company for over fifty years is the reason we have confidence in our long-term viability and success. It is our hope that you see us as we see ourselves – as a company well-positioned with a

Robert L. Moody  
Chairman of the Board and Chief Executive Officer

Ross R. Moody  
President and Chief Operating Officer

solid balance sheet, sound capital, and ample liquidity to stand behind our commitments well into the future.

Included in this Annual Report is a complete set of our 2009 financial statements as filed with the SEC and audited by our independent auditors, KPMG LLP. In addition to this filing, other financial data, communications, and periodic SEC filings are available on our website ([www.nationalwesternlife.com](http://www.nationalwesternlife.com)). It is our aim to provide transparent financial and business operation information to enhance the understanding of National Western for our shareholders and other stakeholders. Please review the information provided in this Annual Report and contact us if you have any questions or comments.

We are well aware that we could not have maintained our solid financial position without the commitment and efforts of our Board of Directors, employees, and the independent contractors who represent National Western with their clients. We extend our sincere appreciation to each and every one of them for their dedication, professionalism, and support. They truly make the difference in the success and potential of the Company.

And to you, our shareholders, thank you for your continuing backing and confidence. We do not underestimate the challenges that remain ahead in this global economy but are confident moving forward with your support.



# RESPONSIVE

(\$'s in thousands, except per share amounts)	2009	2008	2007	2006
<b>OPERATING RESULTS</b>				
Premiums and contract revenues	\$162,693	\$151,177	\$139,191	\$122,126
Net investment income (a)	348,186	339,038	334,799	336,489
Realized gains (losses) on investments	(5,167)	(26,228)	3,497	2,662
Total revenues	568,406	411,079	474,507	521,859
Policyholder benefits and contract interest	291,813	178,716	205,717	248,977
Operating expenses	207,355	182,793	143,543	156,067
Federal income taxes	23,754	15,927	39,876	40,472
Cumulative effect of accounting change, net of tax	-	-	-	-
Net earnings	45,484	33,642	85,371	76,343
<b>NET EARNINGS PER CLASS A SHARE</b>				
Basic	\$12.90	\$9.54	\$24.24	21.69
Diluted	\$12.87	\$9.48	\$23.95	21.46
<b>FINANCIAL POSITION</b>				
Cash and investments	\$6,634,886	\$5,840,577	\$5,949,797	\$5,840,918
Deferred acquisition costs	748,672	822,939	768,834	737,103
Total assets	7,518,735	6,786,480	6,835,326	6,693,443
Liability for future policy benefits	6,121,834	5,562,498	5,580,543	5,533,457
Other liabilities	282,848	237,769	243,098	227,002
Stockholders' equity	1,114,053	986,213	1,011,685	932,984
<b>OTHER YEAR-END DATA</b>				
Life insurance in force	\$18,711,861	\$18,844,295	\$17,634,312	\$15,861,863
Life insurance issued	\$2,895,894	\$3,525,574	\$3,671,142	\$3,029,045
Number of employees	294	296	291	273
Class A shares issued and outstanding	3,425,966	3,425,966	3,422,324	3,420,824
Closing stock price	\$173.62	\$169.17	\$207.37	\$230.14
Market capitalization	\$594,816	\$579,571	\$709,687	\$787,268
Book value per share	\$307.24	\$271.99	\$279.29	\$257.67

(a) Excluding Net Income (Loss) on Index Options

# FINANCIAL SUMMARY



	2005	2004	2003	2002	2001	2000	1999
	\$111,367	\$103,538	\$94,880	\$90,091	\$89,039	\$100,357	\$95,078
	321,201	303,855	273,176	249,727	248,405	242,922	232,261
	9,884	3,506	(1,647)	(16,144)	(27,046)	(19,242)	4,481
	441,043	434,146	399,268	317,387	303,106	292,715	351,483
	189,854	207,928	213,554	181,778	176,231	172,789	194,758
	134,304	124,174	102,605	72,737	59,105	77,375	66,912
	39,618	34,572	27,327	20,806	23,185	14,011	30,588
	-	54,697	-	-	2,134	-	-
	77,267	122,169	55,782	42,066	46,719	28,540	59,225
	22.06	35.26	16.24	12.29	13.70	8.39	17.42
	21.83	34.87	16.10	12.18	13.57	8.34	17.27
	\$5,567,247	\$5,260,593	\$4,613,193	\$3,617,608	\$3,334,709	\$3,217,607	\$3,244,638
	700,579	644,458	599,395	442,266	401,380	394,198	369,665
	6,369,008	5,991,685	5,297,720	4,137,247	3,808,000	3,691,760	3,676,789
	5,315,919	5,026,858	4,480,091	3,448,965	3,185,947	3,139,247	3,148,080
	179,081	156,155	137,771	81,076	62,665	52,407	53,187
	874,008	808,672	679,858	607,206	559,388	500,106	475,522
	\$14,664,154	\$13,783,474	\$12,853,051	\$11,593,655	\$10,047,858	\$9,707,227	\$9,745,692
	\$2,726,659	\$2,709,345	\$2,960,681	\$3,168,483	\$1,587,590	\$1,675,224	\$1,647,416
	272	284	288	274	251	227	239
	3,413,199	3,384,215	3,346,685	3,324,937	3,314,947	3,304,255	3,300,728
	\$206.91	\$166.50	\$154.78	\$96.00	\$111.20	\$103.06	\$68.63
	\$706,225	\$563,472	\$518,000	\$319,194	\$368,622	\$340,546	\$226,512
	\$241.89	\$225.62	\$191.69	\$172.26	\$159.15	\$142.71	\$135.84



# DEDICATED

## BOARD OF DIRECTORS

### **ROBERT L. MOODY**

Chairman of the Board  
Chief Executive Officer  
National Western Life Insurance Company  
Galveston, Texas  
NWL Director 1963 to present

### **ROSS R. MOODY**

President & Chief Operating Officer  
National Western Life Insurance Company  
Austin, Texas  
NWL Director 1981 to present

### **E. DOUGLAS MCLEOD**

Director of Development  
The Moody Foundation  
Galveston, Texas  
NWL Director 1979 to present

### **CHARLES D. MILOS**

Senior Vice President –  
Mortgage Loans and Real Estate  
National Western Life Insurance Company  
Galveston, Texas  
NWL Director 1981 to present

### **FRANCES A. MOODY-DAHLBERG**

Executive Director  
The Moody Foundation  
Dallas, Texas  
NWL Director 1990 to present

### **STEPHEN E. GLASGOW**

Partner, G-2 Development, L.P.  
Austin, Texas  
NWL Director 2004 to present

### **RUSSELL S. MOODY**

Investments  
League City, Texas  
NWL Director 1988 to present

### **LOUIS E. PAULS, JR.**

President, Louis Pauls & Company  
Galveston, Texas  
NWL Director 1971 to present

### **E.J. PEDERSON**

Former Executive Vice President  
The University of Texas Medical Branch  
Galveston, Texas  
NWL Director 1992 to present

**ROBERT L. MOODY**  
Chairman of the Board and  
Chief Executive Officer

**ROSS R. MOODY**  
President and  
Chief Operating Officer

**SCOTT E. ARENDALE**  
Senior Vice President—  
International Marketing

**PAUL D. FACEY, FSA, MAAA, FCIA, FLMI**  
Senior Vice President— Chief Actuary

**MICHAEL P. HYDANUS, CLU, FLMI, ACS**  
Senior Vice President—  
Chief Administrative Officer

**C. SCOTT BLUNDO, CWPP**  
Vice President—Marketing

**GARY L. FISCHER, LUTCF, RFC**  
Vice President—Marketing

**PAUL T. GAROFOLI, FLMI**  
Vice President—Marketing

**MARK D. GULAS, FSA, MAAA**  
Vice President—Associate Actuary

**A. GALE HASSELMEIER, MAAA**  
Vice President— Information Services

**MICHAEL G. KEAN, CPA, CLU, CFA**  
Vice President—Controller and  
Assistant Treasurer

**JONATAN ALKALAY**  
Assistant Vice President—  
International Marketing

**FABIOLA A. BEST**  
Assistant Vice President—  
International Life Underwriting

**LINDA J. DILIPLANE, FLMI, ACS, CLU**  
Assistant Vice President—  
Domestic Life Underwriting

**ROBIN R. HULSEY, FLMI, ACS**  
Assistant Vice President—  
Administrative Services

**KAREN A. JOHNSTON**  
Assistant Vice President—  
Annuity Underwriting

**S. CHRISTOPHER JOHNSON, CLU**  
Senior Vice President—  
Domestic Chief Marketing Officer

**CHARLES D. MILOS**  
Senior Vice President—  
Mortgage Loans and Real Estate

**JAMES P. PAYNE, JD**  
Senior Vice President—  
Secretary

**BRIAN M. PRIBYL, CPA, FLMI**  
Senior Vice President—  
Chief Financial Officer and Treasurer

**PATRICIA L. SCHEUER, CFA**  
Senior Vice President—  
Chief Investment Officer

**KITTY S. KENNEDY, ASA, MAAA**  
Vice President—Valuation Actuary

**DORIS KRUSE, FLHC, ACS, UND**  
Vice President—Policy Benefits

**DR. CARLOS A. MARTINEZ**  
Vice President—International Marketing

**JO NELL MORRIS, FLMI, ACS, AAPA**  
Vice President— Policyowner Services

**JOHN J. PTASZYNSKI, FLMI, AALU**  
Vice President— Domestic Life Underwriting

**DONNA L. RICHARDSON,**  
FLMI, AIAA, ACS, SILAF  
Vice President— Client Services

**LINDA G. WISHARD**  
Vice President—Human Resources

**LARRY D. WHITE, FLMI, AAPA**  
Vice President— Policyowner Services

**ELLEN C. OTTE**  
Assistant Secretary

**R. REGA PAULSON, JD**  
Assistant Vice President—  
Corporate Counsel

**REYNALDO PEREZ, JD**  
Assistant Vice President—  
Corporate Counsel

**LURA L. ROGERS, ACS**  
Assistant Vice President—  
Domestic Marketing

**MARGARET M. SIMPSON, ACS**  
Assistant Secretary

# CORPORATE INFORMATION

## EXECUTIVE OFFICES

National Western Life Insurance Company  
850 East Anderson Lane, Austin, Texas 78752-1602  
Telephone: (512) 836-1010

## INDEPENDENT AUDITORS

KPMG LLP  
717 North Harwood Street, Suite 3100  
Dallas, Texas 75201-6585

## GENERAL COUNSEL

Will D. Davis  
Heath Davis & McCalla, Attorneys at Law  
Austin, Texas

## SUBSIDIARIES

NWL Investments, Inc., Austin, Texas  
NWL Services, Inc., Reno, Nevada  
NWLSM, INC., Reno, Nevada  
NWL Financial, Inc., Austin, Texas  
The Westcap Corporation, Austin, Texas  
Regent Care San Marcos Holdings, LLC  
San Marcos, Texas

## STOCK TRANSFER AGENT

Continental Stock Transfer & Trust Company  
17 Battery Place—8th Floor, New York, NY 10004  
Telephone: (212) 509-4000

Communications regarding stock transfer requirements, lost certificates, and change of address should be directed to the Transfer Agent or to the Office of the Corporate Secretary of National Western Life Insurance Company.

## STOCK INFORMATION

Shares of National Western Life Insurance Company are traded on The Nasdaq Stock Market under the symbol "NWLI."

## ANNUAL STOCKHOLDERS' MEETING

The annual meeting of stockholders will be at 8:30 A.M. (CDT) on June 29, 2010, at National Western Life Insurance Company's executive offices.

## FORM 10-K

National Western Life Insurance Company's 2009 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, can be found on the world wide web at [www.nationalwesternlife.com](http://www.nationalwesternlife.com) or on the SEC's internet site at [www.sec.gov](http://www.sec.gov). For other investor data, contact Investor Relations. Copies are available upon request without charge.

## INVESTOR RELATIONS

Direct inquiries to  
Chief Financial Officer  
850 East Anderson Lane,  
Austin, Texas 78752-1602  
Telephone: (512) 719-2493

## INFORMATION ON THE INTERNET

Information about National Western Life Insurance Company is available on the internet. Visit our home page at: [www.nationalwesternlife.com](http://www.nationalwesternlife.com)

