Advisor Variable Universal Life Prospectus

Prospectus for:

Advisor Variable Universal Life

Insurance contracts

Issued by:

Midland National Life

Insurance Company

MIDLAND NATIONAL®
Life Insurance Company

9478 Rev. 5/12

ADVISOR VARIABLE UNIVERSAL LIFE

Flexible Premium Variable Universal Life Insurance Policy
Issued By: Midland National Life Insurance Company
One Sammons Plaza • Sioux Falls, SD 57193
(605) 373-2207 (telephone) • (800) 272-1642 (toll-free telephone)
(877) 841-6709 (toll-free facsimile for transaction requests)
(877) 208-6136 (toll-free facsimile for service requests)
through the Midland National Life Separate Account A

Advisor Variable Universal Life (the "policy") is a life insurance policy issued by Midland National Life Insurance Company. The policy:

- provides insurance coverage with flexibility in **death benefits** and premiums;
- pays a **death benefit** if the Insured person dies while the policy is still **inforce**;
- can provide substantial **policy fund** build-up on a tax-deferred basis. However, there is no guaranteed **policy fund** for amounts You allocate to the **investment divisions**. You bear the risk of poor investment performance for those amounts.
- lets You borrow against Your policy, withdraw part of the **net cash surrender value**, or completely surrender Your policy. There may be tax consequences to these transactions. Loans and withdrawals affect the **policy fund**, and may affect the **death benefit**.

The policy is no longer offered for sale. Existing contract owners may continue to pay additional premiums to their policy.

You may decide how much Your premiums will be and how often You wish to pay them within limits. You may also increase or decrease the amount of insurance protection, within limits.

Depending on the amount of premiums paid, this may or may not be a **Modified Endowment Contract** ("**MEC**"). If it is a **MEC**, then loans and withdrawals may have more adverse tax consequences.

You have a limited right to examine Your policy and return it to Us for a refund.
You may allocate Your **policy fund** to Our General Account and up to ten **investment divisions**. Each division invests in a specified mutual **fund** portfolio. The mutual **fund** portfolios are part of the following series **funds** or trusts:

1. AIM Variable Insurance Funds (Invesco Variable Insurance Funds),
2. The Alger Portfolios,
3. American Century Variable Portfolios, Inc.,
4. Fidelity® Variable Insurance Products,
5. Goldman Sachs Variable Insurance Trust,
6. Lord Abbett Series Fund, Inc.,
7. MFS® Variable Insurance Trusts,
8. Neuberger Berman Advisers Management Trust,
9. PIMCO Variable Insurance Trust,
10. ProFunds Trust,
11. Van Eck VIP Trust, and
12. Vanguard® Variable Insurance Funds

You can choose among the fifty-eight **investment divisions** listed on the following page.

Your **policy fund** in the **investment divisions** will increase or decrease based on investment performance. You bear this risk. You could lose the amount You invest and lose Your insurance coverage due to poor investment performance. No one insures or guarantees the **policy fund** allocated to the **investment divisions**. Separate prospectuses describe the investment objectives, policies and risks of the portfolios.

The Securities and Exchange Commission has not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

May 1, 2012

SEPARATE ACCOUNT INVESTMENT PORTFOLIOS

Alger Capital Appreciation Portfolio	Invesco V.I. Global Health Care Fund
Alger Large Cap Growth Portfolio	Invesco V.I. International Growth Fund
Alger Mid Cap Growth Portfolio	Lord Abbett Series Fund, Inc. Capital Structure Portfolio
American Century VP Capital Appreciation Fund	Lord Abbett Series Fund, Inc. Growth and Income Portfolio
American Century VP International Fund	Lord Abbett Series Fund, Inc. International Opportunities Portfolio
American Century VP Value Fund	Lord Abbett Series Fund, Inc. Mid Cap Stock Portfolio[2]
Fidelity VIP Asset Manager℠ Portfolio	MFS® VIT Growth Series
Fidelity VIP Asset Manager: Growth® Portfolio	MFS® VIT New Discovery Series
Fidelity VIP Balanced Portfolio	MFS® VIT Research Series
Fidelity VIP Contrafund® Portfolio	MFS® VIT Total Return Series
Fidelity VIP Equity-Income Portfolio	MFS® VIT Utilities Series
Fidelity VIP Freedom 2010 Portfolio	Neuberger Berman AMT Mid Cap Intrinsic Value Portfolio[3]
Fidelity VIP Freedom 2015 Portfolio	PIMCO VIT High Yield Portfolio
Fidelity VIP Freedom 2020 Portfolio	PIMCO VIT Real Return Portfolio
Fidelity VIP Freedom 2025 Portfolio	PIMCO VIT Total Return Portfolio
Fidelity VIP Freedom 2030 Portfolio	ProFund VP Japan
Fidelity VIP Freedom Income Portfolio	ProFund VP Oil & Gas
Fidelity VIP Growth & Income Portfolio	ProFund VP Small-Cap Value
Fidelity VIP Growth Opportunities Portfolio	ProFund VP Ultra Mid-Cap
Fidelity VIP Growth Portfolio	Van Eck VIP Global Hard Assets Fund
Fidelity VIP High Income Portfolio	Vanguard® VIF Balanced Portfolio
Fidelity VIP Index 500 Portfolio	Vanguard® VIF High Yield Bond Portfolio
Fidelity VIP Investment Grade Bond Portfolio	Vanguard® VIF International Portfolio
Fidelity VIP Mid Cap Portfolio	Vanguard® VIF Mid-Cap Index Portfolio
Fidelity VIP Money Market Portfolio	Vanguard® VIF REIT Index Portfolio
Fidelity VIP Overseas Portfolio	Vanguard® VIF Short-Term Investment-Grade Portfolio
Goldman Sachs VIT Large Cap Value Fund	Vanguard® VIF Small Company Growth Portfolio
Goldman Sachs VIT Structured Small Cap Equity Fund	Vanguard® VIF Total Bond Market Index Portfolio
Invesco V.I. Diversified Dividend Fund[1]	Vanguard® VIF Total Stock Market Index Portfolio

[1]Formerly Invesco V.I. Dividend Growth Fund
[2]Formerly Lord Abbett Series Fund, Inc. Mid Cap Value Portfolio
[3]Formerly Neuberger Berman AMT Regency Portfolio

This prospectus generally describes only the variable portion of the policy, except where the General Account is specifically mentioned.

Buying this policy might not be a good way of replacing Your existing insurance or adding more insurance if You already own a flexible premium variable life insurance policy.

You should read this prospectus and the current prospectuses for the funds carefully and keep them for future reference.

Table of Contents

In this prospectus, “Midland National”, “We”, “Our”, “Us” and “Company” mean Midland National Life Insurance Company. “You” and “Your” mean the owner of the policy. We refer to the person who is covered by the policy as the “Insured” or “Insured Person”, because the Insured person and the owner may not be the same.

There is a list of definitions at the end of this prospectus, explaining many words and phrases used here and in the actual insurance policy. In this prospectus, these words and phrases are generally in bold-face type.

This summary describes the policy’s important risks and benefits. The detailed information appearing later in this prospectus further explains the following information discussed in the Policy Benefits/Risks Summary. This summary must be read along with that detailed information. Unless otherwise indicated, the description of the policy in this prospectus assumes that the policy is inforce and that there is no outstanding policy loan.

POLICY BENEFITS

Death Benefits

Advisor Variable Universal Life is life insurance on the Insured person. If the policy is **inforce**, We will pay a **death benefit** when the Insured person dies. You can choose between two **death benefit** options:

- Option 1: **death benefit** equals the **face amount** of the insurance policy. This is sometimes called a “level” **death benefit**.
- Option 2: **death benefit** equals the **face amount** plus the **policy fund**. This is sometimes called a “variable” **death benefit**.

The **death benefit** may be even greater in some circumstances. See “Death Benefit” on page 19.

We deduct any **policy debt** and unpaid charges before paying any benefits. The **beneficiary** can take the **death benefit** in a lump sum or under a variety of payment plans.

You may change the **death benefit** option You have chosen. You may also increase or decrease the **face amount** of Your policy, within certain limits.

Flexible Premium Payments

You may pay premiums whenever and in whatever amount You want, within certain limits. We require an initial premium at issue which is at least equal to one month’s no-lapse guarantee premium. The no-lapse guarantee premium is based on the policy’s **face amount** and the Insured person’s **age**, sex and underwriting class. We are not required to accept any premium and We currently reject any premium of less than $50.00. However, under Midland National’s current Company practice, if paid by monthly bank draft, We will accept a premium as low as $30.00. See “Flexible Premium Payments” on page 23.

Asset Allocation Program

We make an asset allocation service available at no additional charge for use within the policy. The asset allocation program is designed to assist You in allocating Your **net premium** and **policy fund** among the investment choices available under the policy. If You participate in the asset allocation program, then You must select one of the asset allocation model portfolios available under the policy; We will not make this decision. See "Asset Allocation Program" on page 39. **There is no guarantee that a model portfolio in the asset allocation program will not lose money or experience volatility.**

No-Lapse Guarantee Premium

During the **no lapse guarantee period**, Your policy will remain **inforce** as long as You meet the applicable no lapse guarantee premium requirements, See “Premium Provisions During The No Lapse Guarantee Period” on page 24.

Benefits of the Policy Fund

- ***Withdrawing Money from Your Policy Fund.*** You may make a partial withdrawal from Your **policy fund**. The current minimum withdrawal amount is $200. The maximum partial withdrawal You can make is 50% of Your **net cash surrender value** (the **policy fund** minus any **surrender charge** and minus any **policy debt**) in the first **policy year** and 90% of Your **net cash surrender value** in subsequent **policy years**. See “Withdrawing Money From Your **Policy Fund**” on page 52. There may be tax consequences for making a partial withdrawal. See “TAX EFFECTS” on page 59.
- ***Surrendering Your Policy***. You can surrender Your policy for cash and then We will pay You the **net cash surrender value**. The **net cash surrender value** is the **policy fund** minus any **surrender charge** and minus any **policy debt**. If You purchase the **Waiver of Surrender Charges** Option, there will not be a

surrender charge. There may be tax consequences for surrendering Your policy. See "Surrendering Your Policy" on page 53. See "TAX EFFECTS" on page 59.

- ***Policy Loans***. You may borrow Your **net cash surrender value** (the **policy fund** less the **surrender charge** minus any **policy debt**) less any loan interest that will accrue to the next **policy anniversary**. Your policy will be the sole security for the loan. Your policy states a minimum loan amount, usually $200. See "Policy Loans" on page 51. Policy loan interest is generally not tax deductible on policies owned by an individual. There may be federal tax consequences for taking a policy loan. See "TAX EFFECTS" on page 59.
- ***Transfers of Policy Fund***. You may transfer Your **policy fund** among the **investment divisions** and between the General Account and the various **investment divisions**. Currently, We allow an unlimited number of free transfers. We reserve the right to charge a $25 fee for each transfer after the 12th transfer in a **policy year**. We reserve the right to eliminate and/or severely restrict the transfer privilege in any manner We deem appropriate for some, all or specific policy owners. There are additional limitations on transfers to and from the General Account. See "Transfer Of Policy Fund" on page 45 and "Transfer Limitations" on page 46.
- ***Dollar Cost Averaging ("DCA").*** The DCA program enables You to make scheduled monthly transfers of a predetermined dollar amount from the DCA source account (any **investment division** or the General Account) into one or more of the **investment divisions**. The minimum monthly amount to be transferred using DCA is $200. See "Dollar Cost Averaging" on page 48.
- ***Enhanced Dollar Cost Averaging (EDCA).*** By current Company practice, on monies allocated into the EDCA program during the first four **policy months**, We will pay an effective annual interest rate of 10% on the declining balance in the General Account until the end of the first **policy year**. See "Enhanced Dollar Cost Averaging (EDCA)" on page 49.
- ***Portfolio Rebalancing.*** The Portfolio Rebalancing Option allows policy owners, who are not participating in a DCA program, to have Us automatically reset the percentage of **policy fund** allocated to each **investment division** to a pre-set level. At each **policy anniversary**, We will transfer amounts needed to "balance" the **policy fund** to the specified percentages selected by You. See "Portfolio Rebalancing" on page 49.
- ***Automatic Distribution Option.*** You can elect to receive automatic distributions of Your **net cash surrender value** on a monthly, quarterly, semi-annual or annual basis by filling out one form, and We will automatically process the necessary withdrawals and loans. See "Automatic Distribution Option" on page 50.

Tax Benefits

We intend for the policy to satisfy the definition of life insurance under the Internal Revenue Code. Assuming that the policy does satisfy that definition, the **death benefit** generally should be excludable from the gross income of its recipient. Similarly, You should not be deemed to be in constructive receipt of the policy value (the **policy fund**), and therefore should not be taxed on increases in the **policy fund** until You take out a loan or withdrawal, surrender the policy, or We pay the maturity benefit. In addition, transfers of **policy funds** (among the **investment divisions** and between the General Account and the various **investment divisions**) are not taxable transactions.

See "Tax Risks" on page 8 and "TAX EFFECTS" on page 59. You should consult with and rely on a qualified tax advisor for assistance in all policy related tax matters.

Additional Benefits

Your policy may have one or more supplemental benefits that are options or attached by rider to the policy. Each benefit is subject to its own requirements as to eligibility and additional cost. The additional benefits that may be available to You are:

- Accelerated Benefit Rider – Chronic Illness
- Accelerated Benefit Rider – Terminal Illness
- Accidental Death Benefit Rider
- Benefit Extension Rider
- Children's Insurance Rider*
- Children's Insurance Rider 2
- Enhanced Dollar Cost Averaging
- Extended Maturity Option
- Family Insurance Rider*
- Flexible Disability Benefit Rider*
- Flexible Disability Benefit Rider 2
- Guaranteed Insurability Rider
- Living Needs Rider**
- Waiver of Charges Rider
- Waiver of Surrender Charge Option

*No longer available for issue on policies.
**No longer available on new policies.

Some of these benefits may have tax consequences and there are usually extra charges for them. Please consult Your tax advisor before selecting or exercising an additional benefit.

POLICY RISKS

Investment Risk

Your **policy fund** in the **investment divisions** will increase or decrease based on investment performance of the underlying portfolios. You bear this risk. We deduct fees and charges from Your **policy fund**, which can significantly reduce Your **policy fund**. During times of poor investment performance, the deduction of fees and charges based on the net amount at risk will have an even greater negative impact on Your **policy fund**. If You allocate **net premium** to the General Account, then We credit Your **policy fund** in the **General Account** with a declared rate of interest. You assume the risk that the interest rate on the General Account may decrease, although it will never be lower than a guaranteed minimum annual effective rate of 3.5%. No one insures or guarantees the **policy fund** allocated to the investments divisions. Separate prospectuses describe the investment objectives, policies, and risks of the portfolios. You should purchase the policy only if You have the financial ability to keep it **inforce** for a substantial period of time. You should not purchase the policy if You intend to surrender all or part of the policy value in the near future.

This policy is not suitable as a short-term investment.

Surrender Charge Risk

If You surrender Your policy for its **net cash surrender value** or let Your policy lapse during the **surrender charge** period prior to the 15th **policy year** after the date of issue or an increase in **face amount**, We will deduct a **surrender charge**. It is possible that You will receive no **net cash surrender value**, especially if You surrender Your policy, especially in the first few **policy years**. See "Surrender Charge" on page 58. Taxes and a tax penalty may apply. See "TAX EFFECTS" on page 59. Taxes and a tax penalty may apply.

This policy does allow for You to purchase a waiver of s**urrender charge** option at the time You apply for the policy. If this waiver of **surrender charge** option is selected, You will not have any **surrender charges** deducted as a result of a lapse or surrender in any **policy year**. See "TAX EFFECTS" on page 59.

Withdrawing Money

Withdrawals will reduce Your **policy fund**. Withdrawals, especially those taken during periods of poor investment performance, could considerably reduce or eliminate some benefits or guarantees of the policy.

We will deduct a withdrawal charge if You make more than one withdrawal in any given **policy year**. The maximum partial withdrawal You can make during the first **policy year** is 50% of the **net cash surrender value**; in any **policy year** thereafter it is 90% of the **net cash surrender value**. Taxes and a tax penalty may apply. See "TAX EFFECTS" on page 59.

Risk of Lapse

Your policy can lapse if the **net cash surrender value** is not sufficient to pay the monthly deductions. Taxes and a tax penalty may apply if Your policy lapses while a policy loan is outstanding.

- ***Planned Premium***. You choose a planned periodic premium. But **payment of the planned premiums may not ensure that Your policy will remain inforce**. Additional premiums may be required to keep Your policy from lapsing. You need not pay premiums according to the planned schedule. Whether Your policy lapses or remains **inforce** can depend on the amount of Your **policy fund** (less any **policy debt** and **surrender charge**). The **policy fund**, in turn, depends on the investment performance of the **investment divisions** You select. (The **policy fund** also depends, in part on the premiums You pay and the charges We deduct.) However, You can ensure that Your policy stays **inforce** during the **no lapse guarantee period** by paying premiums equal to those required to meet the no lapse guarantee premium amount requirements described in "*Premium Provisions During The **No Lapse Guarantee Period***" on page 24. Nevertheless, the policy can lapse (1) during the **no lapse guarantee period** if You do not meet the no lapse guarantee premium requirements and (2) after the **no lapse guarantee period** no matter how much You pay in premiums, if the **net cash surrender value** is insufficient to pay the monthly deductions (subject to the grace period). See "Your Policy Can Lapse" on page 16.
- ***Policy Loans.*** Your loan may affect whether Your policy remains **inforce**. Your policy may lapse because the loaned amount cannot be used to cover the monthly deductions that are taken. If Your loan lowers the value of Your **policy fund** to a point where the monthly deductions are greater than Your policy's **net cash surrender value**, then the policy's lapse provision may apply. For more details see "Policy Loans" on page 51.
- ***Surrender Charge Period.*** If You allow Your policy to lapse during the **surrender charge** period, We will deduct a **surrender charge**. However, if You purchase the waiver of **surrender charge** option at the time You apply for this policy, there will not be any **surrender charges** deducted at the time of lapse.

Loan Risks
Taking a policy loan will have a permanent effect on Your **policy fund** and benefits under Your policy. A policy loan will reduce the **death benefit** proceeds or any benefit paid on the maturity date (i.e., the **policy anniversary** after the Insured person's 100th birthday, unless the Extended Maturity Option is in effect), and the net **cash surrender value** of Your policy. Taking a policy loan also may make Your policy more susceptible to lapse, and may have tax consequences. See "Policy Loans" on page 51 and "Tax Effects" on page 59.

Tax Risks
In order to qualify as a life insurance policy for federal income tax purposes and to receive the tax treatment normally accorded life insurance policies under federal tax law, a policy must satisfy certain requirements which are set forth in the Internal Revenue Code. Guidance as to how these requirements are to be applied is limited. Nevertheless, We believe that a policy issued on a standard rate class basis should satisfy the applicable requirements. There is less guidance, however, with respect to policies issued on a substandard basis and it is not clear whether such policies will in all cases satisfy the applicable requirements particularly if You pay the full amount of premiums under the policy.

Depending on the total amount of premiums You pay, the policy may be treated as a **modified endowment contract** under federal tax laws. If a policy is treated as a **modified endowment contract**, then surrenders, withdrawals, and loans under the policy will be taxable as ordinary income to the extent there are earnings in the policy. In addition, a 10% penalty tax may be imposed on surrenders, withdrawals, and loans taken before You reach **age** 59 ½. If the policy is not a **modified endowment contract**, then distributions generally will be treated first as a return of basis or investment in the policy and then as taxable income. Moreover, loans will generally not be treated as distributions. Finally, neither distributions nor loans from a policy that is not a **modified endowment contract** are subject to the 10% penalty tax.

This policy may be purchased with the intention of accumulating cash value on a tax-free basis for some period (such as, until retirement) and then periodically borrowing from the policy without allowing the policy to lapse. The aim of this strategy is to continue borrowing from the policy until its policy value (i.e., the **policy fund**) is just enough to pay off the policy loans that have been taken out and then relying on the Benefit Extension Rider to keep the policy in force until the death of the Insured. Anyone contemplating taking advantage of this strategy should be aware that it involves several risks. First, if the **death benefit** under the Benefit Extension Rider is lower than the policy’s original **death benefit**, then the policy might become a **MEC** which could result in a significant tax liability attributable to the balance of any **policy debt**. Second, this strategy will fail to achieve its goal if the policy is a **MEC** or becomes a **MEC** after the periodic borrowing begins. Third, this strategy has not been ruled on by the Internal Revenue Service (the “IRS”) or the courts and it may be subject to challenge by the IRS, since it is possible that loans under this policy may be treated as taxable distributions when the rider causes the policy to be converted to a fixed policy. In that event, assuming policy loans have not already been subject to tax as distributions, a significant tax liability could arise. Anyone considering using the policy as a source of tax-free income by taking out policy loans should, before purchasing the policy, consult with and rely on a competent tax advisor about the tax risks inherent in such a strategy.

See “TAX EFFECTS” on page 59. You should consult a qualified tax advisor for assistance in all policy-related tax matters.

Risk of Increases in Charges
Certain fees and charges assessed against the policy are currently at levels below the guaranteed maximum levels. We may increase these fees and charges up to the guaranteed maximum level. If fees and charges are increased, the risk that the policy will lapse increases and You may have to increase the premiums to keep the policy **inforce**.

Portfolio Risks
A comprehensive discussion of the risks of each portfolio may be found in each portfolio’s prospectus. Please refer to the portfolios’ prospectuses for more information.

There is no assurance that any portfolio will achieve its stated investment objective.

FEE TABLE

The following tables describe the fees and expenses that You will pay when buying, owning, and surrendering the policy. The first table describes the fees and expenses that You will pay at the time You make premium payments, take cash withdrawals, surrender the policy, exercise certain riders, or transfer **policy funds** between **investment divisions**.

Transaction Fees			
		Amount Deducted[i]	
Charge	**When Charge Is Deducted**	**Maximum Guaranteed Charge**	**Current Charge**
Civil Service Allotment Service Charge	Upon receipt of a premium payment where Civil Service Allotment is chosen.	$0.46 from each bi-weekly premium payment.	$0.46 from each bi-weekly premium payment.
Surrender Charge[ii] **(Deferred Sales Charge)** Minimum and Maximum	At the time of surrender or lapse that occurs (a) during the first 15 **policy years**, or (b) during the first 15 **policy years** following any increase in **face amount**.	$3.60 up to $32.81 in the first **policy year** per $1,000 of **face amount**.[iii]	$3.60 up to $32.81 in the first **policy year** per $1,000 of **face amount**.[iii]
Charge for a male Insured issue **age** 40 in the nonsmoker premium class in the first **policy year**		$9.85 per $1,000 of **face amount**.	$9.85 per $1,000 of **face amount**.
Partial Withdrawal Charge	Upon partial withdrawal.	Lesser of $25 or 2% of amount withdrawn on any withdrawal after the first one in any **policy year**.	Lesser of $25 or 2% of the amount withdrawn on any withdrawal after the first one in any **policy year**.
Transfer Fees	Upon transfer of any money from the **investment divisions** or the General Account.	$25 on each transfer after the 12th transfer in any one **policy year**.	$0 on all transfers.
Additional Benefits Charges			
Accelerated Benefit Rider– Chronic Illness	At the time a benefit is paid out.	$200.00	$200.00
Accelerated Benefit Rider– Terminal Illness	At the time a benefit is paid out.	$200.00	$200.00
Living Needs Rider**	At the time a benefit is paid out.	$500.00	$200.00[iv]

The next table describes the fees and expenses that You will pay periodically during the time that You own the policy, not including mutual fund portfolio fees and expenses.

Periodic Fees Related to Owning the Policy Other Than Portfolio Operating Expenses			
		Amount Deducted[i]	
Charge	**When Charge is Deducted**	**Maximum Guaranteed Charge**	**Current Charge**
Cost of Insurance Deduction[v] Minimum and Maximum	On the **policy date** and on every **monthly anniversary**.	\$0.06 up to \$83.33 per \$1,000 of net amount at risk[vi] per month.	If the initial specified **face amount** is greater than or equal to \$100,000 but less than or equal to \$999,999 the charges vary from \$0.05 up to \$34.29 per \$1,000 of net amount at risk per month If the initial specified **face amount** is greater than or equal to \$1,000,000 the charges vary from \$0.05 up to \$27.72 per \$1,000 of net amount at risk per month.
Charges for a male Insured issue **age** 40 in the nonsmoker premium class in the first **policy year** with an initial specified **face amount** of \$225,000.		\$0.20 per \$1,000 of net amount at risk per month.	\$0.19 per \$1,000 of net amount at risk per month.
Expense Charge	On the **policy date** and on every **monthly anniversary**.	\$10 per month in all **policy years**.	\$10 per month in all **policy years**.
Mortality and Expense Risk Charge	On each day the policy remains **inforce**.	Annual rate of 1.40% of the policy **Separate Account** assets in all **policy years**.	Annual rate of 1.40% of the policy **Separate Account** assets in **policy years** 1 – 20 and 0.25% thereafter.
Loan Interest Spread[vii]	On **policy anniversary** or earlier, as applicable.[viii]	4.50% (annually) in **policy years** 1-5; 0.00% (annually) thereafter.[vii]	2.00% (annually) in **policy years** 1-5; 0.00% (annually) thereafter.[vii]
Additional Benefits Charges[ix]			
Accidental Death Benefit Rider Minimum and Maximum	On **rider date** and each **monthly anniversary** thereafter.	\$0.03 up to \$0.09 per month per \$1,000 of Accidental **Death Benefit** selected.	\$0.03 up to \$0.09 per month per \$1,000 of Accidental **Death Benefit** selected.
Charge for a male Insured **attained age** 40 in the nonsmoker premium class in the first **policy year** following the **rider date.**		\$0.08 per month per \$1,000 of Accidental **Death Benefit**.	\$0.08 per month per \$1,000 of Accidental **Death Benefit**.
Children's Insurance Rider*	On **rider date** and each **monthly anniversary** thereafter.	\$0.52 per month per \$1,000 of Children's Insurance benefit.[x]	\$0.52 per month per \$1,000 of Children's Insurance benefit.
Children's Insurance Rider 2	On **rider date** and each **monthly anniversary** thereafter.	\$0.50 per month per \$1,000 of Children's Insurance benefit.[xi]	\$0.50 per month per \$1,000 of Children's Insurance benefit.
Family Insurance Rider*	On **rider date** and each **monthly anniversary** thereafter.	\$1.72 per month per unit of Family Insurance Rider.[xii]	\$1.72 per month per unit of Family Insurance Rider.

Periodic Fees Related to Owning the Policy Other Than Portfolio Operating Expenses			
		Amount Deducted[i]	
Charge	**When Charge is Deducted**	**Maximum Guaranteed Charge**	**Current Charge**
Flexible Disability Benefit Rider* Minimum and Maximum	On **rider date** and each **monthly anniversary** thereafter until the **policy anniversary** on which the Insured reaches **attained age** 60	$0.21 up to $0.50 per month per $10 of monthly benefit	$0.21 up to $0.80 per month per $10 of monthly benefit
Charge for a male insured **issue age** 40 in the nonsmoker premium class		$0.33 per month per $10 of monthly benefit	$0.33 per month per $10 of monthly benefit
Flexible Disability Benefit Rider 2 Minimum and Maximum	On **rider date** and each **monthly anniversary** thereafter until the **policy anniversary** on which the Insured reaches **attained age** 60.	$0.27 up to $0.80 per month per $10 of monthly benefit.	$0.27 up to $0.80 per month per $10 of monthly benefit.
Charge for a male Insured issue **age** 40 in the nonsmoker premium class.		$0.50 per month per $10 of monthly benefit.	$0.50 per month per $10 of monthly benefit.
Guaranteed Insurability Rider Minimum and Maximum	On **rider date** and each **monthly anniversary** thereafter.	$0.05 up to $0.17 per month per $1,000 of Guaranteed Insurability benefit elected.	$0.05 up to $0.17 per month per $1,000 of Guaranteed Insurability benefit elected.
Charge for a male Insured issue **age** 30 in the nonsmoker premium class		$0.13 per month per $1,000 of Guaranteed Insurability benefit elected.	$0.13 per month per $1,000 of Guaranteed Insurability benefit elected.
Waiver of Charges Rider Minimum and Maximum	On **rider date** and each **monthly anniversary** thereafter.	$0.01 up to $0.12 per month per $1,000 of **face amount**.	$0.01 up to $0.12 per month per $1,000 of **face amount**.
Charge for a male Insured issue **age** 40 in the nonsmoker premium class in the first **policy year**		$0.02 per month per $1,000 of **face amount**.	$0.02 per month per $1,000 of **face amount**.
Waiver of Surrender Charge Option	On the **policy date** and each **monthly anniversary** thereafter during the first 15 **policy years**.	$0.03 per month per $1,000 of **face amount** in **policy years** 1 thru 15.	$0.03 per month per $1,000 of **face amount** in **policy years** 1 thru 15.

[i]Some of these charges are rounded off in accordance with regulations of the U.S. Securities and Exchange Commission. Actual charges may be somewhat higher or lower.

[ii]The **surrender charge** varies based upon the sex, issue **age**, and rating class of the Insured person on the issue date. The **surrender charges** shown in the table may not be representative of the charges that You will pay. Your policy's data page will indicate the **surrender charge** applicable to Your policy. For more detailed information concerning Your **surrender charges**, please contact Our **Administrative Office**.

[iii]These charges decrease gradually in **policy years** 2 through 15 to $0.00 for **policy years** 16 and thereafter. An increase in **face amount** establishes a new **surrender charge** schedule for the amount of the increase in **face amount** based upon the **attained age** and rating class at the time the **face amount** increase becomes effective.

[iv] Currently, We charge an administrative fee of $200 at the time benefits are paid from this rider. We reserve the right to increase this fee.

[v]The cost of insurance rate varies based upon a number of factors, including, but not limited to, the sex, **attained age**, and rating class of the Insured person at the time of the charge. The cost of insurance charges shown in the table may not be representative of the charges that You will pay. Your policy's data page will indicate the cost of insurance deduction applicable to Your policy. For more detailed information concerning Your cost of insurance deductions, please contact Our **Administrative Office**.

[vi]As of any **monthly anniversary**, the net amount at risk is the **death benefit** less the **policy fund** (after all deductions for that **monthly anniversary**, except the cost of insurance deduction).

[vii]The Loan Interest Spread is the difference between the amount of interest We charge You for a loan (guaranteed not to exceed a maximum of 8.00% annually) and the amount of interest We credit to the amount in Your loan account (which is 3.50% annually).
[viii]While a policy loan is outstanding, loan interest is charged in arrears on each **policy anniversary** or, if earlier, on the date of loan repayment, policy lapse, surrender, policy termination, or the Insured's death.
[ix]Charges for these riders may vary based on the policy duration, Insured's issue or **attained age**, sex, risk class, and benefit amount. Charges based on **attained age** may increase as the Insured ages. The rider charges shown in the table may not be typical of the charges You will pay. Your policy's specification page will indicate the rider charges applicable to Your policy, and more detailed information concerning these rider charges is available upon request from Our **Administrative Office**.
[x]Regardless of the number of children or their **age**, up to **age** 21.
[xi]Regardless of the number of children or their **age**, up to **age** 18.
[xii]Regardless of the number of children or their **age**, up to **age** 21, or the **age** of the spouse. A unit of coverage provides for a decreasing term insurance benefit for the spouse that is shown in the rider form You receive with Your policy as well as $1,000 of term insurance for each of the Insured's children.
*No longer available for issue on policies.
**No longer available on new policies.

The next item shows the lowest and highest total operating expenses deducted from portfolio assets (before waiver or reimbursement) during the fiscal year ended December 31, 2011. Expenses of the portfolios may be higher or lower in the future. More detail concerning each portfolio's fees and expenses is contained in the prospectus for each portfolio.

Total Annual Portfolio Operating Expenses:

	Lowest		**Highest**
Total Annual Portfolio Operating Expenses[1] (total of all expenses that are deducted from portfolio assets, including management fees, distribution or service fees (12b-1 fees), and other expenses)	0.10%	-	2.00%

[1] The portfolio expenses used to prepare this table were provided to Midland National by the **funds** or their fund managers. Midland National has not independently verified such information. The expenses reflect those incurred as of December 31, 2011. Current or future expenses may be greater or less than those shown.

These fees and expenses are paid out of the assets of the portfolio companies. A comprehensive discussion of the risks, charges and expenses of each portfolio company may be found in the fund or portfolio company's prospectus. You can obtain a current copy of the portfolio companies' prospectuses by contacting Us at:

Midland National Life Insurance Company
One Sammons Plaza
Sioux Falls, SD 57193
Phone: (800) 272-1642
Fax: (605) 335-3621 or toll-free (877) 208-6136

For information concerning compensation paid for the sale of the policies, see "Distribution of the Policies" on page 73.

SUMMARY OF ADVISOR VARIABLE UNIVERSAL LIFE

DEATH BENEFIT OPTIONS

Advisor Variable Universal Life provides life insurance on the Insured person. If the policy is **inforce** We will pay a **death benefit** when the Insured person dies. You can choose between two **death benefit** options:

- Option 1: **death benefit** equals the **face amount** of the insurance policy. This is sometimes called a "level" **death benefit**.
- Option 2: **death benefit** equals the **face amount** plus the **policy fund**. This is sometimes called a "variable" **death benefit**.

The **death benefit** may be even greater in some circumstances. See "Death Benefit" on page 19.

We deduct any **policy debt** and unpaid charges before paying any benefits. The **beneficiary** can take the **death benefit** in a lump sum or under a variety of payment plans.

You may change the **death benefit** option You have chosen. You may also increase or decrease the **face amount** of Your policy, within limits.

FLEXIBLE PREMIUM PAYMENTS

You may pay premiums whenever and in whatever amount You want, within certain limits. We require an initial premium at issue which is at least equal to one month's no lapse guarantee premium. The no-lapse guarantee premium is based on the policy's **face amount** and the Insured person's **age**, sex and underwriting class. We are not required to accept premium and We currently reject any premium of less than $50.00. However under Midland National's current Company practice, if paid by monthly bank draft, We will accept a premium as low as $30.00.

You may choose a planned periodic premium. But **payment of the planned premiums may not ensure that Your policy will remain inforce**. Additional premiums may be required to keep Your policy from lapsing. You need not pay premiums according to the planned schedule. Whether Your policy lapses or remains **inforce** can depend on the amount of Your **policy fund** (less any **policy debt** and **surrender charge**). The **policy fund**, in turn, depends on the investment performance of the **investment divisions** You select. (The **policy fund** also depends on the premiums You pay and the charges We deduct.) However, You can ensure that Your policy stays **inforce** during the **no lapse guarantee period** by paying premiums equal to those required to meet the no lapse guarantee premium requirement described in "Premium Provisions During The No Lapse Guarantee Period" on page 24.

INVESTMENT CHOICES

You may allocate Your **policy fund** to up to ten of the fifty-eight available **investment divisions**.

You bear the complete investment risk for all amounts allocated to any of these **investment divisions**. For more information, see "The Funds" on page 33.You may also allocate Your **policy fund** to Our General Account, where We guarantee the safety of principal and a minimum interest rate. See the "THE GENERAL ACCOUNT" on page 53.

YOUR POLICY FUND

Your **policy fund** begins with Your first premium payment. From Your premium We deduct any per premium expenses as described in the "Deductions From Your Premiums" section on page 54 and the first monthly deduction as described in "Monthly Deductions From Your Policy Fund" on page 55. The balance of the premium is Your beginning **policy fund**.

Your **policy fund** reflects:

- the amount and frequency of premium payments,
- deductions for the cost of insurance, additional benefits and other charges,
- the investment performance of Your chosen **investment divisions**,
- interest earned on amounts allocated to the General Account,
- the impact of loans, and
- the impact of partial withdrawals.

There is no guaranteed **policy fund** for amounts allocated to the **investment divisions**. See "The Policy Fund" on page 43.

<u>Transfers</u>

You may transfer Your **policy fund** among the **investment divisions** and between the General Account and the various **investment divisions**. We require a minimum amount for each transfer, usually $200. Currently, We allow an unlimited number of free transfers. We reserve the right to charge a $25 fee after the 12th transfer in a **policy year**. There are additional limitations on transfers to and from the General Account. See "Transfer Of Policy Fund" on page 45. Completed transfer requests received at Our **Administrative Office** in good order before the New York Stock Exchange closes for regular trading (usually, 3:00 p.m. Central Time) are priced at the unit value determined at the close of that regular trading session of the New York Stock Exchange. If We receive Your completed transfer request in good order after the close of regular trading on the New York Stock Exchange, We will process the transfer request at the unit value determined at the close of the next regular trading session of the New York Stock Exchange. If you send your request by fax (facsimile), be sure to use the correct fax number. See "Correspondence, Inquiries, and Transactions" on page 16. We reserve the right to eliminate and/or severely restrict the transfer privilege in any manner We deem appropriate for some, all or specific policy **owners**.

<u>Policy Loans</u>

You may borrow Your **net cash surrender value** (the **policy fund** less the **surrender charge** minus any **policy debt**) less any loan interest that will accrue to the next **policy anniversary**. Your policy will be the sole security for the loan. Your policy states a minimum loan amount, usually $200. Policy loan interest accrues daily at an annual adjusted rate. See "Policy Loans" on page 51. Policy loan interest is not tax deductible on policies owned by an individual. There may be federal tax consequences for taking a policy loan. See "TAX EFFECTS" on page 59.

<u>Withdrawing Money</u>

You may make a partial withdrawal from Your **policy fund**. The current minimum withdrawal amount is $200. The maximum partial withdrawal You can make in the first **policy year** is 50% of Your **net cash surrender value**; thereafter it is 90% of the **net cash surrender value**. The **net cash surrender value** is the **policy fund** minus any **surrender charge** minus any **policy debt**. Withdrawals are subject to other requirements. If You make more than one withdrawal in a **policy year**, then We deduct a service charge (no more than $25) for each subsequent withdrawal. See "Withdrawing Money From Your Policy Fund" on page 52. Withdrawals could considerably reduce or eliminate some benefits or guarantees of the policy. Withdrawals and surrenders may have negative tax effects. See "TAX EFFECTS" on page 59. Completed partial withdrawal requests received in good order at Our **Administrative Office** before the New York Stock Exchange closes for regular trading (usually, 3:00 p.m. Central Time) are priced at the unit value determined at the close of that regular trading session of the New York Stock Exchange. If We receive Your completed partial withdrawal request after the close of regular trading on the

New York Stock Exchange, We will process the partial withdrawal request at the unit value determined at the close of the next regular trading session of the New York Stock Exchange. If you send your request by fax (facsimile), be sure to use the correct fax number. See "Correspondence, Inquiries, and Transactions" on page 16.

Surrendering Your Policy

You can surrender Your policy for cash and then We will pay You the **net cash surrender value**. A **surrender charge** will be deducted if You surrender Your policy or allow it to lapse during the **surrender charge** period. It is possible that You will receive no **net cash surrender value** if You surrender Your policy, especially in the first few **policy years.** Taxes and a tax penalty may apply. See "Surrendering Your Policy" on page 53. See "TAX EFFECTS" on page 59. If You purchase the Waiver of **Surrender Charges** Option, there will not be a **surrender charge**.

Completed surrender requests received in good order at Our **Administrative Office** before the New York Stock Exchange closes for regular trading (usually, 3:00 p.m. Central Time) are priced at the unit value determined at the close of that regular trading session of the New York Stock Exchange. If We receive Your completed surrender request after the close of regular trading on the New York Stock Exchange, We will process the surrender request at the unit value determined at the close of the next regular trading session of the New York Stock Exchange. If you send your request by fax (facsimile), be sure to use the correct fax number. See "Correspondence, Inquiries, and Transactions" on page 16.

DEDUCTIONS AND CHARGES

Deductions From Your Premiums

If You elect to pay premiums by Civil Service Allotment, We deduct a 46¢ (forty-six cents) service charge from each bi-weekly premium payment. See "Deductions From Your Premiums" on page 54.

Deductions From Your Policy Fund

Certain amounts are deducted from Your **policy fund** monthly. These are:

- an expense charge of $10.00
- a cost of insurance deduction. The amount of this charge is based on a number of factors, including, but not limited to, the Insured person's **attained age**, sex, risk class, and the amount of insurance under Your policy; and
- charges for additional benefits.

In addition, We can deduct fees when You make:

- a partial withdrawal of **net cash surrender value** more than once in a **policy year** or
- more than twelve transfers a year between **investment divisions**. (We currently waive this charge).

See "Monthly Deductions From Your Policy Fund" on page 55.

We also deduct a daily charge at an annual rate of 1.40% of the assets in every **investment division**. We currently intend to reduce this charge to 0.25% after the 20th **policy year**. (This reduction is not guaranteed.) This charge is for certain mortality and expense risks.

Surrender Charge

We deduct a **surrender charge** only if You surrender Your policy for its **net cash surrender value** or let Your policy lapse during the **surrender charge** period (this period is the earlier of the first 15 **policy years** or **attained age** of 95). If You keep this policy **inforce** for longer than the **surrender charge** period, then You will not incur a **surrender charge** on the original **face amount** of insurance. As explained in the sections entitled "Surrender Charge" on page 58 a **face amount** increase will result in a new 15 year **surrender charge** period on the amount of the increase.

The **surrender charge** varies by the issue **age**, sex and class of the Insured at the time of issue. The per $1,000 of **face amount surrender charge** is highest in the first year of Your policy and decreases to $0.00 after the end of the **surrender charge** period (this period is the earlier of 15 **policy years** after date of issue or an increase in **face amount**, or **attained age** 95). For example, a male with an issue **age** of 35 and a class of preferred nonsmoker will have a first year **surrender charge** of $8.13 per $1,000 of **face amount**, but a male with an issue **age** of 65 and a class of preferred nonsmoker will have a first year **surrender charge** of $22.90 per $1,000 of **face amount**. The maximum first year **surrender charge** for all ages, sexes, and classes is $32.81 per $1,000 of **face amount**. The $32.81 per $1,000 of **face amount surrender charge** occurs for males issued at a smoker class with issue **ages** at 63 or older.

The **surrender charge** at the time of surrender is determined by multiplying the **surrender charge** listed in Your policy form, for the appropriate **policy year**, times the appropriate **face amount** of insurance and dividing by 1,000. If You decrease Your **face amount** after Your policy is issued, the **surrender charge** will not change. If You increase Your **face amount** after Your policy is issued, We will send You an endorsement which specifies a new **surrender charge** and a new 15 year **surrender charge** period for the amount of the increase. See "Surrender Charge" on page 58 for a full description of how the new **surrender charges** are determined for a **face amount** increase and for examples of the **surrender charges** for various issue **ages**, sexes and classes.

ADDITIONAL INFORMATION ABOUT THE POLICIES

Your Policy Can Lapse

Your policy remains **inforce** if the **net cash surrender value** can pay the monthly deductions. In addition, during the **no lapse guarantee period,** Your policy will remain **inforce** as long as You meet the applicable no lapse guarantee premium requirements. However, the policy can lapse (1) during the **no lapse guarantee period** if You do not meet the no lapse guarantee premium requirement and (2) after the **no lapse guarantee period** no matter how much You pay in premiums, if the **net cash surrender value** is insufficient to pay the monthly deductions (subject to the grace period). See "Your Policy Can Lapse" on page 66.

Correspondence, Inquiries, and Transactions

You can write to Us or call Us at Our **Administrative Office** to request transactions under Your policy, such as paying premiums, making transfers between **investment divisions**, or changing the **face amount** of Your policy, or with questions or to request information or service for Your policy. Our **Administrative Office** is located at:

Midland National Life Insurance Company
One Sammons Plaza
Sioux Falls, SD 57193
(800) 272-1642

FAX (Facsimile) Numbers

We have different fax (facsimile) numbers for different types of services.

Transaction Requests

To send Us transaction requests by fax (facsimile), **You should use** the following fax numbers:

(605) 373-8557
(877) 841-6709 (toll-free)

Some examples of transaction requests are:

1. Partial Withdrawals
2. Loan requests
3. Surrender requests
4. Transfers among **funds**
5. Fund or General Account additions/deletions
6. Premium allocation changes
7. Monthly deduction changes
8. Dollar Cost Averaging set-up
9. Portfolio rebalancing set-up

Transaction requests must be in "good order" and received at Our **Administrative Office**, at the address or number(s) above, to be processed (see "Policy Fund Transactions and "Good Order"" on page 45.) Any transaction requests sent to another number (including the fax numbers below under "*Service Requests*") or address may not be considered received and may not receive that day's price.

Service Requests

To send Us service requests by fax (facsimile), You should use the following fax numbers:

(605) 335-3621
(877) 208-6136 (toll-free)

Transaction requests should not be faxed to these numbers, but instead to the Transaction Request fax numbers, above.

Some examples of service requests would be:

1. Ownership changes
2. **Beneficiary** changes
3. Collateral Assignments
4. Address changes
5. Request for general policy information
6. Adding or canceling Riders or Additional Benefits
7. Requesting prospectuses (or other information and documents) about the policy or the underlying **funds**

The procedures We follow for facsimile requests include a written confirmation sent directly to You following any transaction request. We may record all telephone requests. We will employ reasonable procedures to confirm that instructions communicated by telephone or facsimile are genuine. The procedures We follow for transactions initiated by telephone may include requirements that callers identify themselves and the policy owner by name, social security number, date of birth of the owner or the Insured, or other identifying information. We only allow certain transaction requests to be made with a telephone request. Partial withdrawal, transfer, surrender and loan requests must be in good order, and may be made in writing or facsimile to Our **Administrative Office**. Facsimile, internet, and telephone correspondence and transaction requests may not always be available. Facsimile, internet, and telephone systems can experience outages or slowdowns for a variety of reasons. These outages or slowdowns may prevent or delay Our receipt of Your request. If You are experiencing problems, You should make Your correspondence and transaction request in writing. There are risks associated with requests made by facsimile, internet, or telephone when the original request is not sent to Our **Administrative Office**. You bear these risks. Accordingly, We disclaim any liability for losses resulting from allegedly unauthorized facsimile, internet, or telephone requests that We believe are genuine.

<u>State Variations</u>

Certain provisions of the policies may be different than the general description in the prospectus, and certain riders and options may not be available, because of legal restrictions in Your state. See Your policy for specific variations since any such variations will be included in Your policy or in riders or endorsements attached to Your policy. See Your agent or contact Our **Administrative Office** for additional information that may be applicable to Your state.

<u>Tax-Free "Section 1035" Exchanges</u>

You can generally exchange one life insurance policy for another in a "tax-free exchange" under Section 1035 of the Internal Revenue Code. Before making an exchange, You should compare both policies carefully. Remember that if You exchange another policy for the one described in this prospectus, You might have to pay a **surrender charge** and income taxes, including a possible penalty tax, on Your old policy, and there will be a new **surrender charge** period for this policy and other charges may be higher (or lower) and the benefits may be different. You should not exchange another policy for this one unless You determine, after knowing all the facts, that the exchange is in Your best interest and not just better for the person trying to sell You this policy (that person will generally earn a commission if You buy this policy through an exchange or otherwise). If You purchase the policy in exchange for an existing life insurance policy from another company, We may not receive Your premium payment from the other company for a substantial period of time after You sign the application and send it to Us, and We cannot credit Your premium to the policy until We receive it. You should consult with and rely upon a tax advisor if You are considering a policy exchange. See "TAX EFFECTS" on page 59.

DETAILED INFORMATION ABOUT ADVISOR VARIABLE UNIVERSAL LIFE

INSURANCE FEATURES

This prospectus describes Our Advisor Variable Universal Life policy. There may be contractual variances because of requirements of the state where Your policy is delivered.

<u>How the Policies Differ From Whole Life Insurance</u>

Advisor Variable Universal Life provides insurance coverage with flexibility in **death benefits** and premium payments. It enables You to respond to changes in Your life and to take advantage of favorable financial conditions. The policy differs from traditional whole life insurance because You may choose the amount and frequency of premium payments, within limits.

In addition, Advisor Variable Universal Life has two types of **death benefit** options. You may switch back and forth between these options. The policy also allows You to change the **face amount** (within limits) without purchasing a new insurance policy. However, **evidence of insurability** may be required.

Advisor Variable Universal Life is "variable" life insurance because the **policy fund** and other benefits will vary up or down depending on the investment performance of the **investment divisions** or options You select. You bear the risk of poor investment performance, but You get the benefit of good performance.

<u>Application for Insurance</u>
To apply for a policy You must submit a completed application. We decide whether to issue a policy based on the information in the application and Our standards for issuing insurance and classifying risks. If We decide not to issue a policy, then We will return the sum of premiums paid plus interest credited. The maximum issue **age** is 75.

There may be delays in Our receipt of applications that are outside of Our control because of the failure of the selling broker-dealer or life insurance agent to forward the application to Us promptly, or because of delays in determining that the policy is suitable for You. Any such delays will affect when Your policy can be issued and when Your **net premium** is allocated among Our General Account and/or **investment divisions**.

We offer other variable life insurance policies that have different **death benefits**, policy features, and optional benefits. However, these other policies also have different charges that would affect Your investment performance and **policy fund**. To obtain more information about these other policies, contact Our **Administrative Office**.

<u>Death Benefit</u>
As long as Your policy remains **inforce**, We will pay the **death benefit** to the **beneficiary** when the Insured dies (outstanding **policy debt** will be deducted from the proceeds). As the owner, You may choose between two **death benefit** options:

- Option 1 provides a benefit that equals the **face amount** of the policy. This "level" **death benefit** is for owners who prefer insurance coverage that does not vary in amount and has lower insurance charges. Except as described below, the option 1 **death benefit** is level or fixed at the **face amount**.
- Option 2 provides a benefit that equals the **face amount** of the policy plus the **policy fund** on the day the Insured person dies. This "variable" **death benefit** is for owners who prefer to have investment performance reflected in the amount of their insurance coverage. Under option 2, the value of the **death benefit** fluctuates with Your **policy fund**.

Under either option, the length of time Your policy remains **inforce** depends on the **net cash surrender value** of Your policy and whether You meet the **no lapse guarantee period** requirements. Your coverage lasts as long as Your **net cash surrender value** can cover the monthly deductions from Your **policy fund**. In addition, during the **no lapse guarantee period**, Your policy remains **inforce** if the sum of Your premium payments (minus any loans or withdrawals) is greater than or equal to the premiums, required under the no lapse guarantee premium provision as described in "Premium Provisions During The No Lapse Guarantee Period" on page 24.

Under both options, federal tax law may require a greater benefit. The guideline minimum **death benefit** is the minimum **death benefit** Your policy must have to qualify as life insurance under section 7702 of the Internal Revenue Code. The policy has two **death benefit** qualification tests – the cash value accumulation test and the guideline minimum premium test. Your choice depends on the premiums You want to pay. You must choose a test on Your application and, once chosen, You can never change Your test.

These tests determine the guideline minimum **death benefit**. If You do not want limits (subject to Company minimums and maximums and the policy becoming a **modified endowment contract**) on the amount of premium You can pay into the policy, then the cash value accumulation test is usually the better choice. Under the cash value accumulation test, the minimum **death benefit** is the accumulation value of Your policy (i.e., Your **policy fund**) divided by a net single premium factor. A table of net single premium factors and some examples of how they work are in the statement of additional information which is available free upon request (see back cover).

The guideline premium test will usually result in a lower minimum **death benefit** than the cash value accumulation test. Your choice depends on the premiums You want to pay. THE GUIDELINE PREMIUM TEST IS THE DEFAULT TEST FOR YOUR POLICY, AND HISTORICALLY HAS BEEN THE MORE POPULAR CHOICE. Under the guideline premium test, the guideline minimum **death benefit** is the accumulation value of Your policy (Your **policy fund**) times a **death benefit** percentage. The **death benefit** percentage varies by the **attained age** of the Insured(s) at the start of the **policy year** and declines as the Insured gets older (this is referred to as the "corridor" percentage). The minimum **death benefit** will be Your **policy fund** on the day the Insured dies multiplied by the corridor percentage for his or her **age**. For this purpose, **age** is the **attained age** (last birthday) at the beginning of the **policy year** of the Insured's death. A table of corridor percentages and some examples of how they work are in the statement of additional information, which is available free upon request (see back cover).

The investment performances of the **investment divisions** and the interest earned in the General Account affect Your **policy fund**. Therefore, the returns from these investment choices can affect the length of time Your policy remains **inforce**.

The minimum initial **face amount** is $100,000.

<u>Notice and Proof of Death</u>

We require satisfactory proof of the Insured person's death before We pay the **death benefit**. That can be a certified copy of a death certificate, a written statement by the attending physician, a certified copy of a decree of a court of competent jurisdiction as to the finding of death, or any other proof satisfactory to Us.

<u>Payment of Death Benefits and Lump Sum Payments</u>

When a **death benefit** is paid in a lump sum the **beneficiary** has two options available to them. The first option is payment in a lump sum check in the amount of the **death benefit** proceeds. The other option is payment of the **death benefit** by establishing an interest bearing draft account, called the "Midland National Access Account," for the **beneficiary**, in the amount of the **death benefit** proceeds. We will send the **beneficiary** a draft account book and the **beneficiary** will have access to the account simply by writing a draft for all or any part of the amount of the **death benefit**. We do not guarantee to credit a minimum interest rate on amounts left in the Midland National Access Account. Any interest paid on amounts in the Midland National Access Account is currently taxable to the **beneficiary**. The Midland National Access Account is not available in all jurisdictions.

The Midland National Access Account is a draft account and is part of Our General Account. It is not a bank account or a checking account and it is not insured by the FDIC or any government agency. As part of Our General Account, it is subject to the claims of Our creditors. We receive a benefit from all amounts left in the Midland National Access Account.

Maturity Benefit

If the Insured person is still living on the maturity date, We will pay You the **policy fund** less any outstanding loans. The policy will then end. The maturity date is the **policy anniversary** after the Insured person's 100th birthday. See "Maturity Date" on page 67. In certain circumstances, You may extend the maturity date (doing so may have tax consequences). See "TAX EFFECTS" on page 59.

Changes In Advisor Variable Universal Life

Advisor Variable Universal Life gives You the flexibility to choose from a variety of strategies that enable You to increase or decrease Your insurance protection. Changing Your insurance protection may have tax consequences. You should consult a tax adviser before changing Your insurance protection.

A reduction in **face amount** lessens the emphasis on a policy's insurance coverage by reducing both the **death benefit** and the amount of pure insurance provided. The amount of pure insurance is the difference between the **death benefit** and the **policy fund**. This is the amount of risk We take. A reduced amount at risk results in lower cost of insurance deductions from Your **policy fund**.

Increases in the **face amount** have the exact opposite effect of decreases.

A partial withdrawal reduces the **policy fund** and will reduce the **death benefit**, while providing You with a cash payment, but generally does not reduce the amount at risk.

Choosing not to make premium payments may have the effect of reducing the **policy fund**.

Under **death benefit** option 1, a reduction in the **policy fund**, due to negative market performance, has the following effect:

- it increases the amount at risk (thereby increasing the cost of insurance deductions); and
- it leaves the **death benefit** unchanged.

Under **death benefit** option 2, a reduction in the **policy fund**, due to negative market performance, has the following effect:

- it decreases the **death benefit;** and
- it either decreases the amount at risk or leaves it unchanged.

A reduction in the **policy fund** due to a partial withdrawal may have a different effect as shown in the example below.

Death Benefit Option 2 -- Face Amount + Policy Fund

		Policy NOT in Corridor	Policy IN Corridor	Corridor Factor	
Before Partial Withdrawal	Face Amount	$ 100,000	$ 100,000	Age 35	2.5
	Policy Fund	$ 30,000	$ 75,000		
	Death Benefit	$ 130,000	$ 187,500		
	Amount at Risk	$ 100,000	$ 112,500		
	Partial Withdrawal	$ 10,000	$ 10,000		
After Partial Withdrawal	Face Amount	$ 100,000	$ 100,000		
	Policy Fund	$ 20,000	$ 65,000		
	Death Benefit	$ 120,000	$ 165,000		
	Amount at Risk	$ 100,000	$ 100,000		

Under **death benefit** option 1, a partial withdrawal results in a dollar for dollar reduction of both the **policy fund** and the **face amount** (and hence **death benefit**).

Changing The Face Amount of Insurance

You may change the **face amount** of Your policy by submitting a fully completed policy change application, in good order, to Our **Administrative Office**. You can only change the **face amount** twice each **policy year**. All changes are subject to Our approval and to the following conditions:

For increases:

- Increases in the **face amount** must be at least $25,000. By Midland National's current company practice, We may allow amounts lower than this.
- To increase the **face amount**, You must provide a fully completed policy change application and satisfactory **evidence of insurability**. If the Insured person has become a more expensive risk, then We charge higher cost of insurance fees for the additional amounts of insurance (We reserve the right to change this procedure in the future).
- Monthly cost of insurance deductions from Your **policy fund** will increase. These begin on the date the **face amount** increase takes effect.
- The right to examine this policy does not apply to **face amount** increases. (It only applies when You first purchase the policy).
- There will be an increase in the no lapse guarantee premium requirement.
- A new **surrender charge** period and a new or increased **surrender charge** will apply to the amount of the **face amount** increase.

For decreases:

- The **surrender charge** remains unchanged at the time of decrease.
- You cannot reduce the **face amount** below the minimum issue amount as noted on the Schedule of Policy Benefits page of Your policy.
- Monthly cost of insurance deductions from Your **policy fund** will decrease.
- The federal tax law may limit a decrease in the **face amount**. If that limit applies, then Your new **death benefit** will be Your **policy fund** multiplied by the corridor percentage the federal tax law specifies for the Insured's **age** at the time of the change.
- If You request a **face amount** decrease after You have already increased the **face amount** at substandard (i.e., higher) cost of insurance deductions, and the original **face**

amount was at standard cost of insurance charges, then We will first decrease the **face amount** that is at substandard cost of insurance charges. We reserve the right to change this procedure.

- There will be no decrease in the contractual no lapse guarantee premium requirement. By Midland National's current company practice, the no lapse guarantee premium is reduced when a decrease in **face amount** is processed.

Changing the **face amount** may have tax consequences. You should consult a tax advisor before making any change.

<u>Changing Your Death Benefit Option</u>

You may change Your **death benefit** option from option 1 to option 2 by submitting a fully completed policy change application to Our **Administrative Office**. We require satisfactory **evidence of insurability** to make this change. If You change from option 1 to option 2, the **face amount** decreases by the amount of Your **policy fund** on the date of the change. This keeps the **death benefit** and net amount at risk the same as before the change. We may not allow a change in **death benefit** option if it would reduce the **face amount** below the minimum issue amounts as noted on the Schedule of Policy Benefits.

You may change Your **death benefit** option from option 2 to option 1 by sending a written request to Our **Administrative Office**. If You change from option 2 to option 1, then the **face amount** increases by the amount of Your **policy fund** on the date of the change. These increases and decreases in **face amount** are made so that the amount of the **death benefit** remains the same on the date of the change. When the **death benefit** remains the same, there is no change in the net amount at risk. This is the amount on which the cost of insurance deductions are based.

Changing the **death benefit** option may have tax consequences. You should consult a tax advisor before making any change.

<u>When Policy Changes Go Into Effect</u>

Any changes in the **face amount** or the **death benefit** option will go into effect on the **monthly anniversary** after the date We approve Your request. After Your request is approved, You will receive a written notice showing each change. You should attach this notice to Your policy. We may also ask You to return Your policy to Us at Our **Administrative Office** so that We can make a change. We will notify You in writing if We do not approve a change You request. For example, We might not approve a change that would disqualify Your policy as life insurance for income tax purposes.

Policy changes may have negative tax consequences. See "TAX EFFECTS" on page 59. You should consult a tax advisor before making any change.

<u>Flexible Premium Payments</u>

You may choose the amount and frequency of premium payments, within the limits described below.

Even though Your premiums are flexible, Your Schedule of Policy Benefits page will show a "planned" periodic premium. You determine the planned premium when You apply and can change it at any time. You will specify the frequency to be on a quarterly, semi-annual or annual basis. Planned periodic premiums may be monthly if paid by pre-authorized check. Premiums may be bi-weekly if paid by Civil Service Allotment. If You decide to make bi-weekly premium payments, We will assess the Civil Service Allotment Service Charge of $0.46 per bi-weekly premium. The planned premiums may not be enough to keep Your policy **inforce**.

The insurance goes into effect when We receive Your initial minimum premium payment (and approve Your application). We determine the initial minimum premium based on:

1) the **age**, sex and premium class of the Insured,
2) the initial **face amount** of the policy, and
3) any additional benefits selected.

All premium payments should be payable to Midland National. After Your first premium payment, all additional premiums should be sent directly to Our **Administrative Office**.

We will send You premium reminders based on Your planned premium schedule. You may make the planned payment, skip the planned payment, or change the frequency or the amount of the payment. Generally, You may pay premiums at any time. Amounts must be at least $50, unless made by a pre-authorized check. Under Midland National's current Company practice, amounts made by a pre-authorized check can be as low as $30.

Payment of the planned premiums does not guarantee that Your policy will stay inforce. Additional premium payments may be necessary. The planned premiums increase when the **face amount** of insurance increases.

If You send Us a premium payment that would cause Your policy to cease to qualify as life insurance under federal tax law, then We will notify You and return that portion of the premium that would cause the disqualification.

Premium Provisions During The No Lapse Guarantee Period

During the **no lapse guarantee period**, You can keep Your policy **inforce** by meeting a no lapse guarantee premium requirement. In most states, the **no lapse guarantee period** for issue ages of 60 or less is 10 years; for issue ages 61+ it is 5 **policy years**. A monthly no lapse guarantee premium is shown on Your Schedule of Policy Benefits page. (This is not the same as the planned premiums.) The no lapse guarantee premium requirement will be satisfied if the sum of premiums You have paid, less Your loans and withdrawals, is equal to or greater than the sum of the monthly no lapse guarantee premiums required on each **monthly anniversary**. On a current basis, We will not require that You meet the no lapse guarantee premium requirement on each **monthly anniversary**. Currently, We will allow You to pay sufficient premiums to "catch-up" any required no lapse guarantee premiums at the time the policy's net cash value is insufficient to pay Your monthly deductions. This "catch-up" provision is not guaranteed and We can discontinue this at any time. The no lapse guarantee premium increases when the **face amount** increases.

During the **no lapse guarantee period**, Your policy will enter a grace period and lapse if:

- the **net cash surrender value** cannot cover the monthly deductions from Your **policy fund**; and
- the premiums You have paid, less Your loans and withdrawals, are less than the monthly no lapse guarantee premiums for that **monthly anniversary**. Currently, We allow a "catch-up" provision as described above.

Remember that the **net cash surrender value** is Your **policy fund** <u>minus</u> any **surrender charge** and <u>minus</u> any outstanding **policy debt**.

This policy lapse can occur even if You pay all of the planned premiums.

Premium Provisions After The No Lapse Guarantee Period.
After the **no lapse guarantee period**, Your policy will enter a grace period and lapse if the **net cash surrender value** cannot cover the monthly deductions from Your **policy fund**. Paying Your planned premiums may not be sufficient to maintain Your policy because of investment performance, charges and deductions, policy changes or other factors. Therefore, additional premiums may be necessary to keep Your policy **inforce**.

Allocation of Premiums
Each **net premium** will be allocated to the **investment divisions** or to Our General Account on the later of the day We receive Your premium payment in good order at Our **Administrative Office** (if We receive it before the close of regular trading on the New York Stock Exchange (usually 3:00 p.m. Central Time)) or on the **record date**. When premium is received before the **record date**, the **net premium** will be held and earn interest in the General Account until the day after the **record date**. When this period ends, Your instructions will dictate how We allocate the **net premium**.

There may be delays in Our receipt of applications that are outside of Our control because of the failure of the selling broker-dealer or life insurance agent to forward the application to Us promptly, or because of delays in determining that the policy is suitable for You. Any such delays will affect when Your policy can be issued and when Your **net premium** is allocated among Our General Account and/or **investment divisions**. Once We receive the application and initial premium from the selling broker-dealer, Your instructions will dictate how We allocate the **net premium**.

The **net premium** is the premium minus any applicable service charge. (**Please note:** the first monthly deduction is also taken from the initial premium). Each **net premium** is put into Your **policy fund** according to Your instructions. Your policy application may provide directions to allocate **net premiums** to Our General Account or the **investment divisions**. You may not allocate Your **policy fund** to more than 10 **investment divisions** at any one point in time. Your allocation instructions will apply to all of Your premiums unless You write to Our **Administrative Office** with new instructions. You may also change Your allocation instructions by calling Us at (800) 272-1642 or faxing Us at (605) 373-8557 or toll-free (877) 841-6709. Changing Your allocation instructions will not change the way Your existing **policy fund** is apportioned among the **investment divisions** or the General Account. Allocation percentages may be any whole number from 0 to 100. The sum of the allocation percentages must equal 100. Of course, You may choose not to allocate a premium to any particular **investment division**. See "THE GENERAL ACCOUNT" on page 53. If at any time You elect to have **policy fund** in the General Account, then any Sammons Advisor's asset allocation model You are using will be cancelled and Your **policy fund** will become self-directed.

If You use a third party registered investment adviser in connection with allocations among the **investment divisions**, it is Your responsibility to pay the advisory fees. Your use of any third party investment advisory or asset allocation service, whether or not by a Company affiliate, does not constitute Us providing investment advice.

Additional Benefits
You may include additional benefits in Your policy. Certain benefits result in an additional monthly deduction from Your **policy fund**. Except for the Waiver of **Surrender charge** option, You may cancel these benefits at any time. However, canceling these benefits may have adverse tax consequences and You should consult a tax advisor before doing so. The following briefly summarizes the additional benefits that are currently available:

1. **Accelerated Benefit Rider – Chronic Illness:** This rider is automatically included on all newly issued policies and it can be added upon request to any policy issued prior to November 15, 2007. This benefit provides You with the ability to accelerate a portion of Your policy's **death benefit** as an accelerated **death benefit**. The actual payment made is called the **accelerated benefit payment**. We do not charge a fee for this rider prior to the time of the **accelerated benefit payment**.

   You can elect to accelerate a portion of Your policy's **death benefit** under this rider if the Insured person is "Chronically Ill" as defined in the rider. Generally, "Chronically Ill" means that a Physician, as defined in the rider, has certified within the last 12 months that the insured is permanently unable to perform, for at least 90 consecutive days, at least two out of six "Activities of Daily Living," which are Bathing, Continence, Dressing, Eating, Toileting, and Transferring or severe cognitive impairment (each as defined in the rider). Please refer to the actual rider for Our right to require a second opinion from another Physician.

   The tax consequences associated with receiving an accelerated benefit payment under the Accelerated Benefit Rider – Chronic Illness are unclear. It is possible that such distributions may be treated as taxable withdrawals. Moreover, the tax consequences associated with reducing the death benefit after We pay an accelerated death benefit are also unclear. You should consult a qualified tax advisor about the consequences of adding this rider to a policy or requesting an advanced sum payment under this rider.

   The accelerated benefit payment will be equal to the following:
      1. The accelerated **death benefit**, less
      2. An amount for future interest and also expected mortality, less
      3. Any debt repayment amount, less
      4. An administrative fee (this fee may not exceed $200)

   On the date that We make an **accelerated benefit payment**, We will reduce the **death benefit** of Your policy by the amount of the accelerated **death benefit**. This will occur on each payment date if You choose to receive periodic payments under the accelerated **death benefits** for Chronic Illness.

   The **specified amount**, any **policy fund** and any **policy debt** will be reduced by the ratio of 1. divided by 2., where 1. and 2. are as described below

      1. Accelerated **death benefit** on the election date.
      2. **death benefit** immediately prior to the election date.

   You can choose the amount of the **death benefit** to accelerate at the time of the claim. The maximum accelerated **death benefit** is 24% of the eligible **death benefit** (which is the **death benefit** of the policy plus the sum of any additional **death benefits** on the life of the Insured person provided by any eligible riders) at each election to receive an accelerated **death benefit**, or $240,000, whichever is less. This amount may be smaller for a final election. An election is valid for 12 months and only one election can be made in that 12 month period.

   Your ability to accelerate a portion of the **death benefit** is subject to the terms and conditions of the rider itself.

2. **Accelerated Benefit Rider – Terminal Illness:** This rider is automatically included on all newly issued policies and it can be added upon request to any policy issued prior to November 15, 2007. This benefit provides the ability to accelerate a portion of Your policy's **death benefit** as an accelerated **death benefit**. The actual payment made is called the

accelerated benefit payment. We do not charge a fee for this rider prior to the time of the **accelerated benefit payment**.

You can choose to accelerate a portion of Your policy's **death benefit** under this rider if the Insured person has a terminal illness (terminal illness is defined as a condition in which a Physician, as defined in the rider, has certified that the insured's life expectancy is 24 months or less - but this may be defined by a longer period of time if required by state law). Please refer to the actual rider form for Our rights to require a second opinion from another Physician.

Pursuant to the Health Insurance Portability and Accountability Act of 1996, We believe that for federal income tax purposes an advanced sum payment made under the Accelerated Benefit Rider– Terminal Illness, should be fully excludable from the gross income of the recipient, as long as the recipient is the Insured person under the policy (except in certain business contexts) and the Insured person's life expectancy is 24 months or less, as certified by a licensed physician. You should consult a tax advisor if such an exception should apply. The tax consequences associated with reducing the death benefit after We pay an accelerated benefit are unclear, however. You should consult a qualified tax advisor about the consequences of adding this rider to a policy or requesting an advanced sum payment under this rider.

The **accelerated benefit payment** will be equal to the following:

1) The accelerated **death benefit**, less
2) An amount for future interest, less
3) Any debt repayment amount, less
4) An administrative fee (this fee may not exceed $200)

On the day We make the accelerated benefit payment, We will reduce the **death benefit** of Your Policy by the amount of the accelerated **death benefit**.

The **specified amount**, any **policy fund** and any **policy debt** will be reduced by the ratio of 1. divided by 2., where 1. and 2. are as described below

1. accelerated **death benefit** on the election date.
2. **death benefit** immediately prior to the election date:

You can choose the amount of the **death benefit** to accelerate at the time of the claim. The maximum accelerated **death benefit** is 50% of the eligible **death benefit** (which is the **death benefit** of the policy) at the time You elect to receive an accelerated **death benefit**, or $500,000, whichever is less.

Your ability to accelerate a portion of the **death benefit** is subject to the terms and conditions of the rider itself.

3. **Accidental Death Benefit Rider:** This rider can be selected at the time of application or added to an **inforce** policy. Under this rider, We will pay an additional benefit if the Insured person dies from a physical injury that results from an accident, provided the Insured person dies before the **policy anniversary** that is within a half year of his or her 70th birthday. We charge a fee for this rider on the **rider date** and on each **monthly anniversary** thereafter.

4. **Benefit Extension Rider**: This rider can prevent the policy from lapsing due to high amounts of **policy debt**, *provided* certain conditions are met. If You choose this rider and exercise its benefits, there is a risk that the **death benefit** may be substantially reduced. This rider can be

selected at the time of application or added to an **inforce** policy. There is no additional charge for this benefit.

You may elect this benefit while You meet the conditions listed below by sending Us written notice. When the benefit availability conditions listed below are satisfied and the **policy debt** is equal to or greater than 87% of the **policy fund**, We will send a written notice to Your last known address, at least once each **policy year**, that the benefit election is available to You. If You decide to elect this benefit at that time, You must send Us written notice within 30 days of the date We mail this notice.

This benefit is not available unless all of the following conditions are met.

- The policy has been **inforce** for at least 15 **policy years**;
- the Insured's policy **age** or **attained age** must be at least **age** 65;
- You have made withdrawals of all Your premium; and
- **policy debt** does not exceed the benefit election amount as defined below.

The benefit election amount is as follows:

- 89% of the **policy fund** for policy ages or **attained** ages that are greater than or equal to **age** 65 but less than or equal to **age** 74;
- 93% of the **policy fund** for policy ages or **attained** ages that are greater than or equal to **age** 75.

However, if You choose to take a loan or withdrawal that causes the **policy debt** to exceed the benefit election amount during the 30 days after the written notice has been sent, this benefit election will not be available.

The effective date of this benefit will be the **monthly anniversary** date that follows the date We receive Your written notice. The entire amount of Your **policy fund** must be allocated to the General Account on and after the effective date. If You have any portion of the **policy fund** in any **investment division** of the **Separate Account** on the effective date, We will transfer it to Our General Account on that date. No transfer charge will apply to this transaction and it will not count toward the maximum number of transfers allowed in a **policy year**.

The benefit extension period begins as of the effective date of the rider and ends (and the rider terminates) on the earlier of:

- the Insured's death; or
- surrender of the policy; or
- the date any loans or withdrawals are taken.

During the benefit extension period:

- We guarantee Your policy will remain **inforce** until the insured's death provided the policy is not terminated due to surrender, and You do not take loans or withdrawals after the effective date of this benefit.
- The excess **policy debt** provision in the policy will be suspended.
- All monthly deductions will be taken from the General Account.
- We will not allow any:
  - premium payments; or
  - transfers to the **Separate Account**; or
  - **face amount** changes; or
  - **death benefit** option changes.

- The **death benefit** option will be **death benefit** option 1, and the **death benefit** will be subject to the minimum **death benefit** provisions below.
- If the **policy debt** does not exceed the **face amount** as of the rider's effective date, the **face amount** will be decreased to equal the **policy fund** as of the effective date. We will send You an endorsement to reflect the new **face amount**.
- Any riders and supplemental benefits attached to the policy will terminate.

During the benefit extension period, the **death benefit** will be determined exclusively by **death benefit** option 1 and will be equal to the greatest of the following amounts for the then current **policy year**:

- 100% of the **policy fund** as of the date We receive due proof of the Insured's death;
- The minimum amount of **death benefit** necessary for the policy to continue its qualification as a life insurance contract for federal tax purposes.
- The **specified amount** (the option 1 **death benefit**).

In some circumstances, electing the benefit can cause Your policy to become a **modified endowment contract** ("MEC"). You should consult with and rely on a tax advisor when making policy changes, taking loans or withdrawals to help You avoid situations that may result in Your policy becoming a MEC.

You may make loan repayments at anytime. Loan repayments will be allocated to the General Account. Interest charged on **policy debt** will continue to accrue during the benefit extension period. Making loan repayments does not terminate the rider.

This Rider will terminate upon the earliest of:

- The date of the Insured's death; or
- The date You surrender the policy; or
- The date any loans or withdrawals are taken during the benefit extension period.

Anyone contemplating the purchase of the policy with the Benefit Extension Rider should be aware that the tax consequences of the Benefit Extension Rider have not been ruled on by the IRS or the courts and it is possible that the IRS could assert that the outstanding loan balance should be treated as a taxable distribution when the Benefit Extension Rider causes the policy to be converted into a fixed policy. You should consult with and rely on a tax advisor as to the tax risk associated with the Benefit Extension Rider. See "TAX EFFECTS" on page 59.

5. **Children's Insurance Rider:** This rider provides term life insurance on the lives of the Insured person's children. Coverage under this rider includes natural children, stepchildren, and legally adopted children, between the ages of 15 days and 21 years. They are covered until the Insured person reaches **age** 65 or the child reaches **age** 25, whichever is earlier. **The Children's Insurance Rider is no longer available for issue on policies.**

6. **Children's Insurance Rider 2:** This rider can be selected at the time of application or added to an **inforce** policy. This rider provides term life insurance on the lives of the Insured person's children. Coverage under this rider includes natural children, stepchildren, and legally adopted children, between the ages of 15 days and 18 years. They are covered until the Insured person reaches **age** 65 or the child reaches **age** 23, whichever is earlier. We charge a fee for this rider on the **rider date** and on each **monthly anniversary** thereafter.

7. **Enhanced Dollar Cost Averaging (EDCA):** Currently, the EDCA benefit provides that if the DCA source account is the General Account, We will pay an effective annual interest rate

of 10% until the end of the first **policy year** on monies allocated into the EDCA program during the first four **policy months**. Neither the EDCA program nor the 10% annual effective rate is guaranteed and both are subject to change or termination without notice. We do not charge You a fee for this feature.

8. **Extended Maturity Option:** This option is automatically included on all newly issued policies. This benefit provides You with the ability to request an extension of the maturity date indefinitely, or as long as allowed by the IRS and Your state. If the Insured is alive on the maturity date and this policy is still **inforce** and not in the grace period, this option may be elected.

   Generally, in order to elect this option, all of the **policy fund** must be transferred to either the General Account or the Money Market **investment division** and the **death benefit** option must be elected as option 1, unless Your state requires otherwise. Once Your policy is extended beyond the maturity date, We will not charge any further monthly deductions against Your **policy fund** and We will only allow transfers to the General Account or the Money Market **investment division**.

   Furthermore, We will not allow any of the following to occur:
   - Increase in the **face amount** of insurance
   - Changes in the **death benefit** options
   - Premium payments

   The Extended Maturity Option may have tax consequences. Consult Your tax advisor before making this election. See "TAX EFFECTS" on page 59.

9. **Family Insurance Rider:** This rider provides term life insurance on the Insured person's children as does the Children's Insurance Rider. This rider also provides decreasing term life insurance on the Insured's spouse. **The Family Insurance Rider is no longer available for issue on policies.**

10. **Flexible Disability Benefit Rider:** This rider must be selected at the time of application. Under this rider, We pay a set amount into Your **policy fund** each month (the amount is on Your Schedule of Policy Benefits). The benefit is payable when the Insured person becomes totally disabled on or after his/her 15^{th} birthday and the disability continues for at least 6 months. The disability must start before the **policy anniversary** following the Insured person's 60^{th} birthday. The benefit will continue for as long as the disability lasts or until the Insured person reaches **age** 65, whichever is earlier. If the amount of the benefit paid into the **policy fund** is more than the amount permitted under the income tax code, the monthly benefit will be paid to the Insured.

    The maximum monthly benefit that can be purchased is the smaller of $200 or the Guideline Level Annual Premium under **death benefit** option 1 divided by 12. For example, if Your Guideline Level Annual Premium under Option 1 is $3,000, the maximum monthly benefit You can elect is $200.00 (since $200 is smaller than $3,000/12 = $250).

    We charge a fee for this rider on the **rider date** and on each **monthly anniversary** thereafter until the **policy anniversary** on which the Insured reaches **attained age** 60.

    This rider is longer available for issue on policies.

11. **Flexible Disability Benefit Rider 2:** This rider must be selected at the time of application and is only available if You have selected the Waiver of Surrender Charge Option. Under this rider, We pay a set amount into Your **policy fund** each month (the amount is on Your Schedule of Policy Benefits). The benefit is payable when the Insured person becomes totally disabled on or after his/her 15^{th} birthday and the disability continues for at least 6 months. The disability must start before the **policy anniversary** following the Insured person's 60^{th} birthday. The benefit will continue for as long as the disability lasts or until the Insured person reaches **age** 65, whichever is earlier. If the amount of the benefit paid into the **policy fund** is more than the amount permitted under the income tax code, the monthly benefit will be paid to the Insured.

    The maximum monthly benefit that can be purchased is the smaller of $500 or the Guideline Level Annual Premium under **death benefit** option 1 divided by 12. For example, if Your Guideline Level Annual Premium under Option 1 is $3,000, the maximum monthly benefit You can elect is $250.00 (since $3,000/12 = $250 and $250 is smaller than $500).

    We charge a fee for this rider on the **rider date** and on each **monthly anniversary** thereafter until the **policy anniversary** on which the Insured reaches **attained age** 60.

12. **Guaranteed Insurability Rider:** This rider must be selected at the time of application. This benefit provides for additional amounts of insurance without further **evidence of insurability**. We charge a fee for this rider on the **rider date** and on each **monthly anniversary** thereafter.

13. **Living Needs Rider:** This rider can be selected at the time of application or added to an **inforce** policy. This benefit provides an accelerated **death benefit** as payment of an "Advanced Sum," in the event the Insured person is expected to die within 12 months (or a longer period if required by state law).

    Pursuant to the Health Insurance Portability and Accountability Act of 1996, We believe that for federal income tax purposes an advanced sum payment made under the Living Needs Rider should be fully excludable from the gross income of the beneficiary, as long as the beneficiary (the tax payer) is the Insured person under the policy (except in certain business contexts). You should consult a tax advisor if such an exception should apply. The tax consequences associated with reducing the death benefit after We pay an accelerated death benefit are unclear, however. You should consult a qualified tax advisor about the consequences of adding this rider to a policy or requesting an advanced sum payment under this rider.

    There is no charge for this benefit prior to the time of a payment. This amount of the advanced sum is reduced by expected future interest and may be reduced by a charge for administrative expenses. Currently, We charge an administrative fee of $200 at the time benefits are paid from this rider. We reserve the right to increase this amount.

    On the day We pay the accelerated **death benefit**, We will reduce the following in proportion to the reduction in the eligible **death benefit**:

    a. the **death benefit** of the policy and of each eligible rider
    b. the **face amount**
    c. any **policy fund**
    d. any outstanding loan

When We reduce the **policy fund**, We allocate the reduction based on the proportion that Your unloaned amounts in the General Account and Your amounts in the **investment divisions** bear to the total unloaned portion of Your **policy fund**.

You can choose the amount of the **death benefit** to accelerate at the time of the claim. The maximum advanced sum is 50% of the eligible **death benefit** (which is the **death benefit** of the policy plus the sum of any additional **death benefits** on the life of the Insured person provided by any eligible riders). Currently, We have a maximum advanced sum of $250,000 and a minimum advanced sum of $5,000.

This rider is longer available for issue on policies.

14. **Waiver of Charges Rider:** This rider can be selected at the time of application or added to an **inforce** policy with proof of insurability. With this benefit, We waive monthly deductions from the **policy fund** during the total disability of the Insured, if the Insured person becomes totally disabled on or after his/her 15th birthday and the disability continues for at least 6 months. If a disability starts before the **policy anniversary** following the Insured person's 60th birthday, then We will waive monthly deductions from the **policy fund** for as long as the disability continues. If a disability starts after the **policy anniversary** following the Insured person's 60th birthday, then You will not receive any benefit under this rider.

    We charge a fee for this rider on the **rider date** and on each **monthly anniversary** thereafter.

15. **Waiver of Surrender Charge Option:** This option must be selected at the time of application and, once elected, may not be cancelled. This benefit allows You to eliminate Your **surrender charge** in all years of the **surrender charge** period. If this option is chosen, the revised **surrender charge** and the charge for this option will be shown on the Schedule of Policy Benefits page of Your policy. The charge for this option is deducted on the **policy date** and on each **monthly anniversary** thereafter only in **policy years** 1 through 15.

The Children's Insurance Riders, the Family Insurance Rider and the Additional Insured Rider all provide term insurance. Term insurance, unlike base coverage, does not provide a cash value or an opportunity for the **death benefit** to grow. However, the cost of term insurance may be lower than the cost of base coverage.

SEPARATE ACCOUNT INVESTMENT CHOICES

Our Separate Account And Its Investment Divisions

The "**Separate Account**" is Our **Separate Account** A, established under the insurance laws of the State of Iowa. It is a unit investment trust registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940 but this registration does not involve any SEC supervision of its management or investment policies. The **Separate Account** meets the definition of a "**Separate Account**" under the federal securities laws. Income, gains and losses credited to, or charged against, the **Separate Account** reflects the investment experience of the **Separate Account** and not the investment experience of Midland National's other assets. Midland National is obligated to pay all amounts guaranteed under the policy.

The **Separate Account** has a number of **investment divisions**, each of which invests in the shares of a corresponding portfolio of the **funds**. You may allocate part or all of Your **net premiums** in up to ten of the fifty-eight **investment divisions** currently available in Our **Separate Account** at any one time.

The Funds
Each of the portfolios available under the policy is a "series" of its respective investment company. Currently there are fifty-eight **investment divisions.**

The **funds**' shares are bought and sold by Our **Separate Account** at net asset value. More detailed information about the **funds** and their investment objectives, policies, risks, expenses and other aspects of their operations, appear in their prospectuses, which accompany this prospectus.

The **funds**, their managers, or affiliates thereof, may make payments to Midland National and/or its affiliates. These payments may be derived, in whole or in part, from the advisory fee deducted from fund assets and/or from "Rule 12b-1" fees deducted from fund assets. Policy owners, through their indirect investment in the **funds**, bear the costs of these advisory and 12b-1 fees. The amount of these payments may be substantial, may vary between **funds** and portfolios, and generally are based on a percentage of the assets in the **funds** that are attributable to the Policies and other variable insurance products issued by Midland National. These percentages currently range up to 0.25% annually. Midland National may use these payments for any corporate purpose, including payment of expenses that Midland National and/or its affiliates incur in promoting, marketing, and administering (i) the Policies, and (ii) in its role as an intermediary, the **funds**. Midland National and its affiliates may profit from these payments.

Investment Policies Of The Portfolios
Each portfolio tries to achieve a specified investment objective by following certain investment policies. A portfolio's objectives and policies affect its returns and risks. Each **investment division's** performance depends on the experience of the corresponding portfolio. The objectives of the portfolios are as follows:

Portfolio	**Investment Objective**
AIM Variable Insurance Funds (Invesco Variable Insurance Funds)	
Invesco V.I. Diversified Dividend Fund – Series I Shares (Formerly Invesco V.I. Dividend Growth Fund)	The Fund's investment objective is to provide reasonable current income and long-term growth of income and capital. The Fund will normally invest at least 80% of net assets (plus any borrowings for investment purposes) in common stocks of companies which pay dividends and have the potential for increasing dividends.
Invesco V.I. Global Health Care Fund – Series I Shares	The Fund's investment objective is long-term growth of capital. The Fund invests, under normal circumstances, at least 80% of net assets (plus borrowings for investment purposes) in securities issued by domestic and foreign companies and governments engaged primarily in the healthcare industry.
Invesco V.I. International Growth Fund – Series I Shares	The Fund's investment objective is long-term growth of capital. The Fund invests primarily in a diversified portfolio of international securities whose issuers are considered by the Fund's portfolio managers to have strong earnings growth. The Fund invests primarily in equity securities.
The Alger Portfolios	
Alger Capital Appreciation Portfolio	Seeks long-term capital appreciation.
Alger Large Cap Growth Portfolio	Seeks long-term capital appreciation.
Alger Mid Cap Growth Portfolio	Seeks long-term capital appreciation.
Alger Small Cap Growth Portfolio**	Seeks long-term capital appreciation.

Portfolio	Investment Objective
American Century Variable Portfolios, Inc.	
American Century VP Balanced Fund**	Seeks capital growth and current income. Invests approximately 60 percent of its assets in common stocks and the rest in fixed income securities.
American Century VP Capital Appreciation Fund	Seeks capital growth.
American Century VP Income & Growth Fund**	Seeks capital growth by investing in common stocks. Income is a secondary objective.
American Century VP International Fund	Seeks capital growth.
American Century VP Value Fund	Seeks long-term capital growth. Income is a secondary objective.
Fidelity® Variable Insurance Products	
VIP Asset Manager℠ Portfolio	Seeks to obtain high total return with reduced risk over the long term by allocating its assets among stocks, bonds, and short-term instruments.
VIP Asset Manager: Growth® Portfolio	Seeks to maximize total return by allocating its assets among stocks, bonds, short-term instruments, and other investments.
VIP Balanced Portfolio	Seeks income and capital growth consistent with reasonable risk.
VIP Contrafund® Portfolio	Seeks long-term capital appreciation.
VIP Equity-Income Portfolio	Seeks reasonable income. Will also consider the potential for capital appreciation. The fund's goal is to achieve a yield which exceeds the composite yield on the securities comprising the S&P 500® Index.
VIP Freedom 2010 Portfolio	Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond.
VIP Freedom 2015 Portfolio	Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond.
VIP Freedom 2020 Portfolio	Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond.
VIP Freedom 2025 Portfolio	Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond.
VIP Freedom 2030 Portfolio	Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond.
VIP Freedom Income Portfolio	Seeks high total return with a secondary objective of principal preservation.
VIP Growth & Income Portfolio	Seeks high total return through a combination of current income and capital appreciation.
VIP Growth Opportunities Portfolio	Seeks to provide capital growth.
VIP Growth Portfolio	Seeks to achieve capital appreciation.
VIP High Income Portfolio	Seeks a high level of current income, while also considering growth of capital.
VIP Index 500 Portfolio	Seeks to provide investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the S&P 500® Index.
VIP Investment Grade Bond Portfolio	Seeks as high a level of current income as is consistent with the preservation of capital.
VIP Mid Cap Portfolio	Seeks long-term growth of capital.

Portfolio	Investment Objective
VIP Money Market Portfolio*	Seeks as high a level of current income as is consistent with preservation of capital and liquidity.
VIP Overseas Portfolio	Seeks long-term growth of capital.
Goldman Sachs Variable Insurance Trust	
Goldman Sachs VIT Large Cap Value Fund	Seeks long-term capital appreciation.
Goldman Sachs VIT Structured Small Cap Equity Fund	Seeks long-term growth of capital.
Lord Abbett Series Fund, Inc.	
Lord Abbett Capital Structure Portfolio	Seeks current income and capital appreciation.
Lord Abbett Growth and Income Portfolio	Seeks long-term growth of capital and income without excessive fluctuations in market value.
Lord Abbett International Opportunities Portfolio	Seeks long-term capital appreciation.
Lord Abbett Mid Cap Stock Portfolio (Formerly Lord Abbett Series Fund, Inc. Mid Cap Value Portfolio)	Seeks capital appreciation through investments, primarily in equity securities, which are believed to be undervalued in the marketplace.
MFS Variable Insurance Trusts	
MFS VIT Growth Series	Seeks capital appreciation. The fund's objective may be changed without shareholder approval.
MFS VIT Investors Trust Series**	Seeks capital appreciation. The fund's objective may be changed without shareholder approval.
MFS VIT New Discovery Series	Seeks capital appreciation. The fund's objective may be changed without shareholder approval.
MFS VIT Research Series	Seeks capital appreciation. The fund's objective may be changed without shareholder approval.
MFS VIT Total Return Series	Seeks total return. The fund's objective may be changed without shareholder approval.
MFS VIT Utilities Series	Seeks total return. The fund's objective may be changed without shareholder approval.
Neuberger Berman Advisers Management Trust	
Neuberger Berman AMT Mid Cap Intrinsic Value Portfolio (Formerly Neuberger Berman AMT Regency Portfolio)	Seeks growth of capital.
PIMCO Variable Insurance Trust	
PIMCO VIT High Yield Portfolio***	Seeks maximum total return, consistent with preservation of capital and prudent investment management.
PIMCO VIT Low Duration Portfolio**	Seeks maximum total return consistent with preservation of capital and prudent investment management.
PIMCO VIT Real Return Portfolio	Seeks maximum real return, consistent with preservation of real capital and prudent investment management.
PIMCO VIT Total Return Portfolio	Seeks maximum total return, consistent with preservation of capital and prudent investment management.
ProFunds Trust	
ProFund VP Japan	Seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Nikkei 225 Stock Average. The Fund seeks to provide a return consistent with an investment in the component equities in the Index hedged to U.S. Dollars. The Fund determines its success in meeting this investment objective by comparing its daily return on a given day with the daily performance of the dollar-denominated Nikkei 225 futures contracts traded in the United States.

Portfolio	Investment Objective
ProFund VP Oil & Gas	Seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Dow Jones U.S. Oil & Gas Index.
ProFund VP Small-Cap Value	Seeks daily investment results, before fees and expenses, that correspond to the daily performance of the S&P SmallCap 600 Value Index.
ProFund VP Ultra Mid-Cap	Seeks daily investment results, before fees and expenses, that correspond to twice (2x) the daily performance of the S&P MidCap 400®. The Fund does not seek to achieve its stated investment objective over a period of time greater than a single day.
Van Eck VIP Trust	
Van Eck VIP Global Hard Assets Fund	Seeks long-term capital appreciation by investing primarily in “hard asset” securities. Income is a secondary consideration. Hard assets include precious metals (including gold), base and industrial metals, energy, natural resources and other commodities.
Vanguard Variable Insurance Fund Portfolios	
Vanguard® VIF Balanced Portfolio	Seeks to provide long-term capital appreciation and reasonable current income.
Vanguard® VIF High Yield Bond Portfolio****	Seeks to provide high level of current income.
Vanguard® VIF International Portfolio	Seeks to provide long-term capital appreciation.
Vanguard® VIF Mid-Cap Index Portfolio	Seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks.
Vanguard® VIF REIT Index Portfolio	Seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs.
Vanguard® VIF Short-Term Investment-Grade Portfolio	Seeks to provide current income while maintaining limited price volatility.
Vanguard® VIF Small Company Growth Portfolio	Seeks to provide long-term capital appreciation.
Vanguard® VIF Total Bond Market Index Portfolio	Seeks to track the performance of a broad, market-weighted bond index.
Vanguard® VIF Total Stock Market Index Portfolio	Seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

*During extended periods of low interest rates, the yields of the money market **investment division** may become extremely low and possibly negative.
These **investment divisions were closed to new investors as of June 15, 2007. If You had money invested in any of these **investment divisions** as of the close of business on Thursday, June 14, 2007, You may continue to make additional investments into that portfolio. However, if You redeem or transfer completely out of any of these **investment divisions** after that date, You will not be able to reinvest in the portfolio.
***Under normal circumstances, the fund invests at least 80% of its assets in a diversified portfolio of high yield securities (commonly known as "junk bonds").
****The fund invests mainly in a diversified group of high-yielding, higher risk corporate bonds, commonly known as "junk bonds," with lower-range credit quality ratings.

American Century Investment Management, Inc. manages the American Century VP Portfolios. Fidelity Management & Research Company (FMR) is the manager for the Fidelity Variable Insurance Products (VIP) Portfolios except for the Fidelity Freedom fund’s which are managed by Strategic Advisers, Inc. Fred Alger Management, Inc. manages The Alger American

Portfolios. Goldman Sachs Asset Management, L.P. serves as an investment adviser to the Goldman Sachs Variable Insurance Trust Funds. Invesco Advisers, Inc. manages the AIM Variable Insurance Funds (Invesco Variable Insurance Funds). Lord, Abbett & Co. LLC manages the Lord Abbett Series Fund, Inc. MFS® Investment Management manages the MFS Variable Insurance Trust. Neuberger Berman Management LLC manages the Neuberger Berman AMT Portfolios. Pacific Investment Management Company LLC manages the PIMCO Variable Insurance Trust. ProFund Advisors LLC is the investment advisor to ProFunds Trust. Van Eck Associates Corporation manages the Van Eck VIP Trust. The Vanguard Group, Inc. offers the Vanguard Variable Insurance Fund. Of the portfolios offered within the Fund, Vanguard provides investment advisory services for the Mid-Cap Index Portfolio, the REIT Portfolio, the Short-Term Investment-Grade Portfolio, the Total Bond Market Index Portfolio, and the Total Stock Market Index Portfolio. Vanguard and Granahan Investment Management, Inc. provide investment advisory services for the Small Company Growth Portfolio. Wellington Management Company, LLP provides investment advisory services for the Balanced Portfolio and the High Yield Bond Portfolio. Baillie Gifford Overseas Ltd., M&G Investment Management Limited, and Schroder Investment North America Inc. provide investment advisory services for the International Portfolio. Vanguard is a trademark of the Vanguard Group, Inc.

The **fund** portfolios available under these policies are not available for purchase directly by the general public. In addition, the **fund** portfolios are not the same as the mutual **funds** with very similar or nearly identical names that are sold directly to the public. However, the investment objectives and policies of the portfolios are very similar to the investment objectives and policies of other (publicly available) mutual **fund** portfolios that have very similar or nearly identical names and that are or may be managed by the same investment adviser or manager. Nevertheless, the investment performance and results of any of the **funds**' portfolios that are available under the policies may be lower, or higher, than the investment results of such other (publicly available) portfolios. There can be no assurance, and no representation is made, that the investment results of any of the available portfolios will be comparable to the investment results of any other portfolio or mutual **fund**, even if the other portfolio or mutual **fund** has the same investment adviser or manager and the same investment objectives and policies and a very similar or nearly identical name.

The **fund** portfolios offered through the policy are selected by Midland National based on several criteria, including asset class coverage, the strength of the manager's reputation and tenure, brand recognition, performance, and the capability and qualification of each sponsoring investment firm. Another factor that We consider during the selection process is whether the **fund** or one of its service providers (*e.g.,* the investment adviser) will make payments to Us, and the amount of any such payments. We may use such payments for any corporate purpose, including payment of expenses that We incur in promoting, marketing, and administering the policies, and, in Our role as an intermediary, the **funds**. We may profit from these payments. You are responsible for choosing the **fund** portfolios, and the amounts allocated to each, that are appropriate for Your own individual circumstances and Your investment goals, financial situation, and risk tolerance. Since investment risk is borne by You, decisions regarding investment allocations should be carefully considered.

In making Your investment selections, We encourage You to thoroughly investigate all of the information regarding the fund portfolios that is available to You, including each fund's prospectus, statement of additional information and annual and semi/annual reports. Other sources such as the fund's website or newspapers and financial and other magazines provide more current information, including information about any regulatory actions or investigations relating to a fund or portfolio. You should monitor and periodically re-evaluate Your allocations to determine if they are still appropriate.

You bear the risk of any decline in the policy fund of Your policy resulting from the performance of the portfolios You have chosen.

Midland National does not provide investment advice and does not recommend or endorse any particular fund or portfolio.

You should carefully consider the investment objectives, risks, and charges and expenses of the portfolios before investing. The portfolios' prospectuses contain this and other information and should be read carefully before investing. You can receive a current copy of a prospectus for each of the portfolios by contacting Your registered representative and by contacting Us at:

Midland National Life Insurance Company
One Sammons Plaza
Sioux Falls, SD 57193
Phone: (800) 272-1642
Fax: (605) 335-3621 or toll-free (877) 208-6136

Effects of Market Timing

Frequent, large, programmed, or short-term transfers among the **investment divisions** or between the **investment divisions** and the General Account ("Harmful Trading) can cause risks with adverse effects for other policy owners (and **beneficiaries** and portfolios). These risks and harmful effects include: (1) dilution of the interests of long-term investors in an **investment division** if transfers into the division are made at unit values that are priced below the true value or transfers out of the **investment division** are made at unit values priced higher than the true value (some "market timers" attempt to do this through methods known as "time-zone arbitrage" and "liquidity arbitrage"); (2) an adverse effect on portfolio management, such as causing the portfolio to maintain a higher level of cash than would otherwise be the case, or causing a portfolio to liquidate investments prematurely (or otherwise at an inopportune time) in order to pay withdrawals; and (3) increased brokerage and administrative expenses.

The ProFunds portfolios are designed for, and affirmatively permit, frequent and short term trading. Therefore, they may be more susceptible to these harmful effects than other portfolios. These portfolios might not be appropriate for long-term investors.

In addition, because other insurance companies and/or retirement plans may invest in the portfolios, the risk exists that that the portfolios may suffer harm from frequent, programmed large, or short-term transfers among **investment divisions** of variable policies issued by other insurance companies or among investment options available to retirement plan participants.

Charges In The Funds

The **funds** charge for managing investments and providing services. Each portfolio's charges vary.

The Fidelity VIP portfolios have an annual management fee. That is the sum of an individual fund fee rate and a group fee rate based on the monthly average net assets of Fidelity Management & Research Company's mutual **funds**. In addition, each of these portfolios' total operating expenses includes fees for management and shareholder services and other expenses (custodial, legal, accounting, and other miscellaneous fees). The fees for the Fidelity VIP portfolios are based on the Initial Class. See the Fidelity VIP portfolio prospectuses for additional information on how these charges are determined and on the minimum and maximum charges allowed.

The **funds,** with the exception of the Fidelity VIP portfolios, have annual management fees that are based on the monthly average of the net assets in each of the portfolios. The **funds** may also impose redemption fees, which We would deduct from Your **policy fund.** See each portfolio company's prospectus for details.

ASSET ALLOCATION PROGRAM

The following is a general description of the asset allocation program available under the policy. A complete description of each model is available in the consumer brochure for the asset allocation program that is available upon request from Your registered representative.

General

Under Midland National's asset allocation program, five models have been developed based on different profiles of an investor's financial goals, willingness to accept investment risk, investment time horizon and other factors. You can elect one of these models or create Your own "self-directed" portfolio.

The asset allocation models available are not offered by this prospectus and are not part of Your policy. Asset allocation models are a separate service We make available in connection with the policy at no additional charge to You, to help You select investment options. Asset allocation programs are an investment strategy for distributing assets among asset classes to help attain an investment goal. For Your policy, the asset allocation models can help with decisions You need to make about how to allocate Your **policy fund** among available subaccounts (and their corresponding portfolios). The theory behind an asset allocation strategy is that diversification among asset classes can help reduce volatility over the long term.

There is no assurance that investment returns will be better through participation in an asset allocation program. Your policy may still lose money and experience volatility.

The Asset Allocation Models

There are five asset allocation models currently available. All of the models involve some degree of investment risk, including the risk of investment losses.

Conservative – The conservative investor is particularly sensitive to short-term losses, but still has the goal of beating expected inflation over the long run. A conservative investor's aversion to short-term losses could compel him/her to shift into the most conservative investment if losses occur. Conservative investors would accept lower long-term return in exchange for smaller and less frequent changes in portfolio value (i.e., less volatility). Analyzing the risk-return choices available, a conservative investor is usually willing to accept a lower return in order to seek relatively more safety of his or her investment. However, even this model involves some risk of investment loss.

Moderate Conservative – This model is appropriate for the investor who seeks both modest capital appreciation and income from his/her portfolio. This investor will have either a moderate time horizon or a slightly higher risk tolerance than the most conservative investor in a conservative range. While this model is still designed to preserve the investor's capital over the long term, fluctuation in value (and investment losses) may occur from year to year.

Moderate – The moderate investor is willing to accept more risk than the conservative investor is, and does not try to minimize investment losses but is probably not comfortable with and less willing to accept the short-term risk associated with achieving a long-term return substantially above the inflation rate. A moderate investor is somewhat concerned with short-term losses and would shift to a more conservative option in the event of significant short-term losses.

Achieving long-term return and safety of investment are of equal importance to the moderate investor.

Moderate Aggressive – Designed for investors with a high tolerance for risk and a longer time horizon. This investor has little need for current income and seeks above-average growth from his/her investable assets. The main objective of this range is capital appreciation, and these investors should be able to tolerate fluctuation in value and some losses in their portfolio values.

Aggressive - The aggressive portfolio should be constructed with the goal of maximizing long-term expected returns rather than to minimize possible short-term losses. The aggressive investor values high returns relatively more and can tolerate both large and frequent fluctuations in portfolio value in exchange for a potentially higher long-term return.

The Current Models

Asset allocation models allocate **policy fund** among different asset classes, as discussed above, and one or more specific fund portfolios is/are used within each asset class. Just as the percentages of **policy fund** allocated to each asset class may change from time to time, the ***specific fund portfolios used within each asset class may change from time to time*** as the result of a number of factors, such as investment performance, style drift, the availability of fund portfolios (because of fund mergers, fund liquidations, fund closings, etc.).

Currently, the asset allocation models are made up of the following target percentages of asset classes:

Conservative
- 60% Intermediate Bonds
- 12% Cash Equivalents
- 6% Large Cap Value
- 6% High-Yield Bonds
- 5% International Equity
- 4% Large Cap Growth
- 4% Mid Cap Equity
- 3% Global Hard Assets

Moderate Conservative
- 45% Intermediate Bonds
- 7% Cash Equivalents
- 10% Large Cap Value
- 5% High-Yield Bonds
- 11% International Equity
- 8% Large Cap Growth
- 8% Mid Cap Equity
- 3% Small Cap Equity
- 3% Global Hard Assets

Moderate
- 33% Intermediate Bonds
- 3% Cash Equivalents
- 13% Large Cap Value
- 4% High-Yield Bonds

- 16% International Equity
- 11% Large Cap Growth
- 11% Mid Cap Equity
- 5% Small Cap Equity
- 4% Global Hard Assets

Moderate Aggressive
- 19% Intermediate Bonds
- 16% Large Cap Value
- 3% High-Yield Bonds
- 22% International Equity
- 14% Large Cap Growth
- 14% Mid Cap Equity
- 7% Small Cap Equity
- 5% Global Hard Assets

Aggressive
- 5% Intermediate Bonds
- 18% Large Cap Value
- 29% International Equity
- 16% Large Cap Growth
- 17% Mid Cap Equity
- 10% Small Cap Equity
- 5% Global Hard Assets

Currently, the asset allocation models are made up of the following fund portfolios, by asset class:

Intermediate Bonds**:**
- PIMCO VIT Total Return Portfolio
- Fidelity VIP Investment Grade Bond Portfolio

Cash Equivalents**:**
- Fidelity VIP Money Market Portfolio

Large Cap Value**:**
- American Century VP Value Fund

Large Cap:
- Fidelity VIP Index 500 Portfolio

High-Yield Bonds**:**
- Fidelity VIP High Income Portfolio

International Equity**:**
- Invesco V.I. International Growth Fund
- Vanguard VIF International Portfolio

Large Cap Growth**:**
- MFS® VIT Growth Series

Mid Cap Equity**:**

- Vanguard VIF Mid-Cap Index Portfolio

Small Cap Equity**:**

- Vanguard VIF Small Company Growth Portfolio
- ProFunds VP Small-Cap Value

Hard Assets**:**

- Van Eck VIP Global Hard Assets Fund

Selecting an Asset Allocation Model

If You participate in the asset allocation program, then You must complete a questionnaire that, among other things, solicits information about Your personal investment risk tolerance, investment time horizon, financial goals and other factors. Based on Your responses to that questionnaire, a particular asset allocation model may be suggested for Your use. Although You may only use one model at a time, You may elect to change to a different model at any time as Your tolerance for risk and/or Your needs and objectives change or for any other reason. Using the questionnaire and in consultation with Your representative, You may determine a different model better meets Your risk tolerance and time horizons. There is no fee to change to a different model.

If You elect to participate in the asset allocation program, You can also elect to become a client of Sammons Advisor Services, a division of Sammons Securities Inc., an investment advisor registered under the Investment Advisers Act of 1940 and an affiliate of Midland National. If You have elected to become a client of Sammons Advisor Services, You will be provided with a packet of information that includes the following information:

- Sammons Advisor Services Client Agreement — 2 copies
- Midland National Authorization Form for Sammons Advisor Services
- Instructions on how to complete and submit the above referenced forms
- Part II Disclosure Brochure for Sammons Advisor Services, a division of Sammons Securities, Inc.
- Sammons Advisor Services Privacy Notice

Upon completion of the forms, Sammons Advisor Services will serve as Your investment advisor, but solely for the purpose of developing and updating the asset allocation models. Sammons Advisor Services currently follows the recommendations of an independent third-party consultant to develop and update the models. From time to time, Sammons Advisor Services may select a different third-party consultant to provide recommendations, to the extent permitted under applicable law, or they may develop and/or update model portfolios without retaining a third party.

It is Your responsibility to select or change Your asset allocation model. Your representative can provide You with information that may assist You in selecting a model appropriate for Your risk tolerance. Although the models are designed to maximize investment returns and reduce volatility for a given level of risk, there is no guarantee they will perform better than a self-directed portfolio. A model may fail to perform as intended, or may perform worse than any single investment portfolio, asset class or different combination of investment options. In addition, the models are subject to all of the risks associated with the **separate account** investment portfolios.

Periodic Updates of Asset Allocation Models and Notices of Updates

Sammons Advisor Services, through its third-party consultant as described above, periodically reviews the models (generally on an annual basis) and may find that asset allocations within a particular model may need to be changed. Similarly, the principal investments, investment style, or investment manager of an investment portfolio may change such that it is no longer appropriate for a model, or conversely, it may become appropriate for a model.

If You have elected to become a client of Sammons Advisor Services, We will provide notice regarding any such changes 30 days prior to the date the changes become effective. If You do not wish to have Your **policy fund** reallocated and rebalanced to the new model, You must "opt-out" of the change by notifying Us prior to the effective date of the change. If You take no action within the allotted 30 days, Your current allocations will be automatically rebalanced to the new model on the effective date of the changes and future premium allocations will be changed to match the new model. As a Sammons Advisor Services client You cannot allocate funds to the General Account. If at any time You elect to have **policy fund** in the General Account, Your model will be cancelled and Your **policy fund** will become self-directed.

Generally, You are free to move from one allocation model to another and to move in and out of the allocation models. If You elect to opt-out of an announced model change or otherwise direct Us to reallocate Your **policy fund** or future premium outside of these models, Your **policy fund** will become a self-directed portfolio on the date the change becomes effective. However, if You have an optional rider that limits Your investment options, and You opt out of a change or otherwise reallocate Your **policy fund** or premium in a way that is not permitted by the rider, then the rider will terminate.

If You submit an opt-out notice in response to an announced model change, Your investment options and future premium allocations will not be changed until You provide Us with new instructions. You will continue to receive notifications of future model changes for as long as Your agreement with Sammons Advisor Services is in effect. If You wish to re-enter an asset allocation model in the future, You must opt-in by notifying Us in writing.

If You do not elect to become a client of Sammons Advisor Services, You will not be notified of changes to the asset allocation models and Your **policy fund** and future premiums will not be reallocated to the new model. Your **policy fund** and future premium allocations will remain static based on the model that was in effect at the time You elected the model unless You provide Us with new instructions.

Other Information

Midland National may perform certain administrative functions on behalf of Our affiliate, Sammons Advisor Services, including but not limited to communication regarding its recommendations and services on its behalf. However, We are not registered as an investment advisor and are not providing any investment advice in making asset allocation models or self-directed portfolios available to Our policy owners. Furthermore, Your registered representative is not providing any investment advice related to the asset allocation program.

USING YOUR POLICY FUND

The Policy Fund

Your **policy fund** is the sum of Your amounts in the various **investment divisions** and in the General Account (including any amount in Our General Account securing a policy loan). Your **policy fund** reflects various charges. See "Deductions and Charges" on page 54. Monthly deductions are made on the **policy date** and on the first day of each **policy month**. Transaction and **surrender charges** are made on the effective date of the transaction. Charges against Our **Separate Account** are reflected daily.

Your **policy fund** begins with Your first premium payment. From Your premium We deduct the first monthly deduction, any applicable service charge, (and any per premium expenses) as described in the "Deductions From Your Premiums" section on page 54. The balance of the premium is Your beginning **policy fund**.

Your **policy fund** reflects:

- the amount and frequency of premium payments,
- deductions for the cost of insurance, additional benefits and other charges,
- the investment performance of Your chosen **investment divisions**,
- interest earned on amounts allocated to the General Account,
- the impact of loans, and
- the impact of partial withdrawals.

We guarantee amounts allocated to the General Account. The guarantee is subject to Our financial strength and claims-paying ability. There is no guaranteed minimum **policy fund** for amounts allocated to the **investment divisions** of Our **Separate Account**. An **investment division's** performance will cause Your **policy fund** to go up or down. You bear that investment risk.

Amounts In Our Separate Account

Amounts allocated or transferred to the **investment divisions** are used to purchase **accumulation units**. **Accumulation units** of an **investment division** are purchased when You allocate **net premiums**, repay loans or transfer amounts to that division. **Accumulation units** are redeemed when You make withdrawals, when You transfer amounts from an **investment division** (including transfers for loans), when We make monthly deductions and charges, and when We pay the **death benefit**. The number of **accumulation units** purchased or redeemed in an **investment division** is calculated by dividing the dollar amount of the transaction by the division's **accumulation unit** value next determined at the end of the **business day** on which the transaction occurs; if the transaction occurs after 3:00 p.m. Central Time, then We will use the **investment division's accumulation unit** value on the next **business day**. The value You have in an **investment division** is the **accumulation unit** value times the number of **accumulation units** credited to You. The number of **accumulation units** credited to You will not vary because of changes in **accumulation unit** values.

How We Determine The Accumulation Unit Value

We determine **accumulation unit** values for the **investment divisions** at the end of each **business day**. **Accumulation unit** values fluctuate with the investment performance of the corresponding portfolios of the **funds**. They reflect investment income, the portfolio's realized and unrealized capital gains and losses, the **funds**' expenses, and Our deductions and charges. The **accumulation unit** value for each **investment division** is set at $10.00 on the first day there are policy transactions in Our **Separate Account** associated with these policies. After that, the **accumulation unit** value for any **business day** is equal to the **accumulation unit** value for the previous **business day** multiplied by the net investment factor for that division on that **business day**.

We determine the net investment factor for each **investment division** every **business day** as follows:

- We take the value of the shares belonging to the division in the corresponding fund portfolio at the close of business that day (before giving effect to any policy transactions for that day, such as premium payments or surrenders). We use the share value reported to Us by the fund.
- We add any dividends or capital gains distributions paid by the portfolio on that day.
- We divide this amount by the value of the amounts in the **investment division** at the close of business on the preceding **business day** (after giving effect to any policy transactions on that day).
- We subtract a daily asset charge for each calendar day between **business days** (for example, a Monday calculation may include charges for Saturday and Sunday). The daily charge is 0.0038091%, which is an effective annual rate of 1.40%. We currently intend to reduce this charge to an effective annual rate of 0.25% after the 20^{th} **policy year**. (This reduction is not guaranteed). (See "Mortality and Expense Risk" on page 54.)
- We may also subtract any daily charge for taxes or amounts set aside as tax reserves.

Policy Fund Transactions and "Good Order"

The transactions described below may have different effects on Your **policy fund**, **death benefit**, **face amount** or cost of insurance deductions. You should consider the net effects before making any **policy fund** transactions. Certain transactions have fees. Remember that upon completion of these transactions, You may not have Your **policy fund** allocated to more than 10 **investment divisions**.

Good Order. We cannot process Your requests for transactions relating to Your **policy fund** until We have received them in good order at Our **Administrative Office**. "Good order" means the actual receipt of the requested transaction in writing, along with all information and supporting legal documentation necessary to effect the transaction. This information and documentation generally includes, to the extent applicable, Your completed application, the policy number, the transaction amount (in dollars), the full names of and allocations to and/or from the **investment divisions** affected by the requested transaction, the signatures of all policy owners (exactly as registered on the policy), social security number or taxpayer I.D., and any other information or supporting documentation that We may require. With respect to purchase requests, "good order" also generally includes receipt of sufficient funds by Us to effect the purchase. We may, in Our sole discretion, determine whether any particular transaction request is in good order, and We reserve the right to change or waive any good order requirements at any time.

Transfer Of Policy Fund

You may transfer amounts among the **investment divisions** and between the General Account and any **investment divisions**. To make a transfer of **policy fund**, write to Our **Administrative Office** at the address shown on the page one of this prospectus. You may also call-in Your requests to Our **Administrative Office** toll-free at (800) 272-1642 or fax Your requests to Our **Administrative Office** at (605) 373-8557 or toll-free (877) 841-6709. Any requests sent to other numbers may not be considered received in Our **Administrative Office**. Currently, You may make an unlimited number of free transfers of **policy fund** in each **policy year** (subject to "Effects of Market Timing" below). However, We reserve the right to assess a $25 charge for each transfer after the 12^{th} transfer in a **policy year**. We reserve the right to eliminate and/or severely restrict the transfer privilege in any manner We deem appropriate for some, all or specific policy owners. If We charge You for making a transfer, then We will allocate the charge as described under "Deductions and Charges – How Policy Fund Charges Are Allocated" on page 57. Although a single transfer request may include multiple transfers, it will be considered a single transfer for the purpose of assessing any transfer charge.

The total amount that can be transferred from the General Account to the **Separate Account**, in any **policy year**, cannot exceed the larger of:

1. 25% of the unloaned amount in the General Account at the beginning of the **policy year**, or
2. $25,000. (We reserve the right to decrease this to $1,000.)

These restrictions may prolong the period of time it takes to transfer Your total **policy fund** assets in the General Account to **investment divisions** and, therefore, You should carefully consider whether investment in the General Account meets Your investment criteria.

These limits do not apply to transfers made in a Dollar Cost Averaging program or an Enhanced Dollar Cost Averaging program that extends over a time period of 12 or more months.

Completed transfer requests received in good order at Our **Administrative Office** before the New York Stock Exchange closes for regular trading (usually, 3:00 p.m. Central Time) are priced at the unit value determined at the close of that regular trading session of the New York Stock Exchange. If We receive Your completed transfer request after the close of regular trading on the New York Stock Exchange, We will process the transfer request at the unit value determined at the close of the next regular trading session of the New York Stock Exchange. We may delay transfers under certain circumstances. See "When We Pay Proceeds From This Policy" on page 71.

The minimum transfer amount is $200. The minimum amount does not have to come from or be transferred to just one **investment division**. The only requirement is that the total amount transferred that day equals the minimum transfer amount.

<u>Transfer Limitations</u>

Frequent, large, programmed or short-term transfers among **investment divisions**, such as those associated with "market timing" transactions, can adversely affect the portfolios and the returns achieved by policy owners. In particular, such transfers may dilute the value of the portfolios' shares, interfere with the efficient management of the portfolios' investments, and increase brokerage and administrative costs of the portfolios. In order to try to protect Our policy owners and the portfolios from potentially harmful trading activity, We have implemented certain market timing policies and procedures (the "market timing procedures"). Our market timing procedures are designed to detect and prevent frequent or short-term transfer activity among the **investment divisions** of the **Separate Account** that may adversely affect other policy owners or portfolio shareholders.

More specifically, currently Our market timing procedures are intended to detect potentially harmful trading or transfer activity by monitoring for any two interfund transfer requests on a policy within a five **business day** period, in which the requests are moving to and from identical subaccounts (for example, a transfer from MFS VIT New Discovery Series to Fidelity VIP Money Market portfolio, followed by a transfer from Money Market back to New Discovery within five **business days**).

We will review transfer requests, daily blotters, and transaction logs in an attempt to identify transfers that exceed these transfer parameters. When We identify a second trade within five **business days** of the first, We will review those transfers (and other transfers in the same policy) to determine if, in Our judgment, the transfers are part of a market timing strategy or otherwise have the potential to be harmful. We will honor and process the second transfer request, but if We believe that the activity is potentially harmful, We will suspend that policy's transfer privileges and We will not accept another transfer request for 14 **business days**. We will attempt to inform the policy owner (or registered representative) by telephone that their transfers have been deemed potentially harmful to others and that their transfer privilege is suspended for 14 **business days**. If We do not succeed in reaching the policy owner or registered representative by phone, We will send a letter by first class mail to the policy owner's address of record.

We apply Our market timing procedures to all of the **investment divisions** available under the policy, including those **investment divisions** that invest in portfolios that affirmatively permit frequent and short-term trading (such as the ProFunds portfolios). However, We offer other variable products that do not apply market-timing procedures with respect to those portfolios (that is, frequent or short-term trading is permitted). In addition, other insurance companies offer variable life insurance and annuity contracts that may permit short-term and frequent trading in those portfolios. Therefore, if You allocate premiums or Your **policy fund** to **investment divisions** that invest in the ProFunds portfolios, You may indirectly bear the effects of market timing or other frequent trading. These portfolios might not be appropriate for long-term investors.

In addition to Our own market timing procedures, managers of the investment portfolios might contact Us if they believe or suspect that there is market timing or other potentially harmful trading, and, if so, We will take appropriate action to protect others. In particular, We may, and We reserve the right to, reverse a potentially harmful transfer. If so, We will inform the policy owner and/or registered representative. The policy owner will bear any investment loss involved in a reversal.

To the extent permitted by applicable law, We reserve the right to delay or reject a transfer request at any time that We are unable to purchase or redeem shares of any of the portfolios available through **Separate Account** A, because of any refusal or restriction on purchases or redemptions of their shares on the part of the managers of the investment portfolios as a result of their own policies and procedures on market timing activities or other potentially abusive transfers. If this occurs, We will attempt to contact You by telephone for further instructions. If We are unable to contact You within 5 business days after We have been advised that Your transfer request has been refused or delayed by the investment portfolio manager, the amount intended for transfer will be retained in or returned to the originating **investment division**.

You should be aware that, as required by SEC regulation, We have entered into a written agreement with each underlying **fund** or principal underwriter that obligates Us to provide the **fund**, upon written request, with information about You and Your trading activities in the **investment divisions** investing in the **fund's** portfolios. In addition, We are obligated to execute instructions from the **funds** that may require Us to restrict or prohibit Your investment in a specific **investment division** investing in a **fund** portfolio if the corresponding **fund** identifies You as violating the frequent trading policies that the **fund** has established for that portfolio. You should read the prospectuses of the portfolios for more details on their ability to refuse of restrict purchases or transfers of their shares.

If We receive a premium payment from You with instructions to allocate it into a portfolio of a **fund** that has directed Us to restrict or prohibit Your trades into the **investment division** investing in the same portfolio, then We will request new allocation instructions from You. If You request a transfer into an **investment division** investing in a portfolio of a **fund** that has directed Us to restrict or prohibit Your trades, then We will not effect the transfer.

In Our sole discretion, We may revise Our market timing procedures at any time without prior notice as We deem necessary or appropriate to better detect and deter frequent, programmed, large, or short-term transfers that may adversely affect other policy owners or portfolio shareholders, to comply with state or federal regulatory requirements, or to impose additional or alternate restrictions on market timers (such as dollar or percentage limits on transfers). We may change Our parameters to monitor for a different number of transfers with different time periods, and We may include other factors, such as the size of transfers made by policy owners within given periods of time, as well as the number of "round trip" transfers into and out of particular **investment divisions**. For purposes of applying the parameters used to detect potential market timing and other potentially harmful activity, We may aggregate transfers made in two or more policies that We believe are connected (for example, two policies with the same owner, or owned by spouses, or owned by different partnerships or corporations that are under common control, etc.).

We do not include transfers made pursuant to the dollar cost averaging program, enhanced dollar cost averaging program and portfolio rebalancing program in these limitations. We may vary Our market timing procedures from **investment division** to **investment division**, and may be more restrictive with regard to certain **investment divisions** than others. We may not always apply these detections methods to **investment divisions** investing in portfolios that, in Our judgment, would not be particularly attractive to market timers or otherwise susceptible to harm by frequent transfers.

We reserve the right to place restrictions on the methods of implementing transfers for all policy owners that We believe might otherwise engage in trading activity that is harmful to others. For example, We might only accept transfers by original "wet" policy owner signature conveyed through the U.S. mail (that is, We can refuse transfer requests submitted by phone, facsimile, e-mail or by any other electronic means). We also reserve the right to implement and administer redemption fees imposed by one or more of the portfolios in the future.

Policy owners seeking to engage in frequent, programmed, large, or short-term transfer activity may deploy a variety of strategies to avoid detection. Our ability to detect and deter such transfer activity is limited by operational systems and technological limitations. In addition, the terms of the policy may also limit Our ability to restrict or deter harmful transfers. Furthermore, the identification of policy owners determined to be engaged in transfer activity that may adversely affect other policy owners or portfolios' shareholders involves judgments that are inherently subjective. Accordingly, despite Our best efforts, We cannot guarantee that Our market timing procedures will detect every potential market timer. Some market timers may get past Our controls undetected and may cause dilution in unit values to others. We apply Our market timing procedures consistently to all policy owners without special arrangement, waiver, or exception. We may vary Our market timing procedures among Our other variable insurance products to account for differences in various factors, such as operational systems and contract provisions. In addition, because other insurance companies and/or retirement plans may invest in the portfolios, We cannot guarantee that the portfolios will not suffer harm from frequent, programmed, large, or short-term transfers among **investment divisions** of variable contracts issued by other insurance companies or among investment options available to retirement plan participants.

Dollar Cost Averaging

The Dollar Cost Averaging (DCA) program enables You to make monthly transfers of a predetermined dollar amount from the DCA source account (any **investment division** or the General Account) into one or more of the **investment divisions**. By allocating monthly, as opposed to allocating the total amount at one time, You may reduce the impact of market fluctuations. This plan of investing does not insure a profit or protect against a loss in declining markets. The minimum monthly amount to be transferred using DCA is $200.

You can elect the DCA program at any time. You must complete the proper request form and send it to Us at Our **Administrative Office**, and there must be a sufficient amount in the DCA source account. The minimum amount required in the DCA source account for DCA to begin is the sum of $2,400 and the minimum premium. You can get a sufficient amount by paying a premium with the DCA request form, allocating **net premiums**, or transferring amounts to the DCA source account. The DCA election will specify:

a. the DCA source account from which DCA transfers will be made,
b. that any money received with the form is to be placed into the DCA source account,
c. the total monthly amount to be transferred to the other **investment divisions**, and
d. how that monthly amount is to be allocated among the **investment divisions**.

The DCA request form must be received with any premium payments You intend to apply to DCA.

Once DCA is elected, additional **net premiums** can be deposited into the DCA source account by sending them in with a DCA request form. All amounts in the DCA source account will be available for transfer under the DCA program.

Any **net premium** payments received while the DCA program is in effect will be allocated using the allocation percentages from the DCA request form, unless You specify otherwise. You may change the DCA allocation percentages or DCA transfer amounts twice during a **policy year**.

If it is requested when the policy is issued, then DCA will start at the beginning of the 2nd **policy month**. If it is requested after issue, then DCA will start at the beginning of the 1st **policy month** which occurs at least 30 days after the request is received.

DCA will last until the value in the DCA source account is exhausted or until We receive Your written termination request. DCA automatically terminates on the maturity date.

We do not charge any specific fees for You to participate in a DCA program. However, transfers made through a DCA program which only extends for fewer than 12 months will be included in counting the number of transfers of **policy fund**. While We currently allow an unlimited number of free transfers, We do reserve the right to charge for each transfer after the 12th one in any **policy year**.

We reserve the right to end the DCA program by sending You one month's notice.

Enhanced Dollar Cost Averaging (EDCA)
By current Company practice, if the source account is the General Account, We will pay an effective annual interest rate of 10% on the declining balance in the General Account until the end of the first **policy year** on monies allocated into the EDCA program during the first four **policy months**. Neither the EDCA program nor the 10% annual effective rate is guaranteed and both are subject to change without notice. There is no charge for this feature.

Portfolio Rebalancing
The Portfolio Rebalancing Option allows policyowners, who are not participating in a Dollar Cost Averaging program, to have Midland National automatically reset the percentage of **policy fund** allocated to each **investment division** to a pre-set level. For example, You may wish to specify that 30% of Your **policy fund** be allocated to the Fidelity VIP Growth **investment**

division, 40% in the Fidelity VIP High Income **investment division** and 30% in Fidelity VIP Overseas **investment division**. Over time, the variations in the **investment division's** investment results will shift the percentage allocations of Your **policy fund**. If You elect this option, then at each **policy anniversary**, We will transfer amounts needed to "balance" the **policy fund** to the specified percentages selected by You.

Rebalancing is not available to amounts in the General Account. Rebalancing may result in transferring amounts from an **investment division** earning a relatively high return to one earning a relatively low return.

Even with a Portfolio Rebalancing Option, You can only allocate Your total **policy fund** in up to at most 10 **investment divisions**. Portfolio Rebalancing will remain in effect until We receive Your written termination request. We reserve the right to end the Portfolio Rebalancing Option by sending You one month's notice. Contact Us at Our **Administrative Office** to elect the Portfolio Rebalancing Option.

We do not charge any specific fees for You to participate in a portfolio rebalancing program. However, transfers made through a portfolio rebalancing program which only extends for fewer than 12 months will be included in counting the number of transfers of **policy fund**. While We currently allow an unlimited number of free transfers, We do reserve the right to charge for each transfer after the 12th one in any **policy year**.

Automatic Distribution Option

You may choose to receive automatic distributions of Your **net cash surrender value** on a monthly, quarterly, semi-annual, or annual basis at any time by completing the Request for Automatic Distributions form and sending it to Us. This option allows You to receive periodic income from Your policy's **net cash surrender value** by simply filling out one form and allowing Us to process the necessary loans and partial withdrawals. While this option is available at any time during the life of Your policy, it is best to delay distributions from Your life insurance policy for as long as possible. Any distributions that You take from Your policy result in reductions to the policy proceeds payable at the time of the insured's death and cash value (**policy fund**) of the policy. This automatic distribution option is mainly intended for distributions after Your **surrender charge** period has expired and is often used during retirement years.

When We receive the completed Automatic Distribution form, We will begin processing partial withdrawals on the following **monthly anniversary**. Such partial withdrawals will be taken from the **net cash surrender value** in the amount and frequency You selected until We have distributed an amount equal to all premiums paid. Partial withdrawals processed under the automatic distribution option will not be subject to the $25 dollar fee that We normally charge when there is more than one partial withdrawal in a **policy year**. When the amount distributed equals the amount of all premiums paid, We will begin processing loans in the amount and frequency You selected for as long as the policy's **net cash surrender value** will support these loans.

The automatic distributions will continue until You send Us a written request to discontinue the distributions or until the policy's **net cash surrender value** is insufficient to support additional withdrawals or loans. There is not a separate charge for the automatic distribution option. Any policy loans or partial withdrawals will result in a reduction to the policy proceeds from what would otherwise be payable to Your **beneficiary** at the insured's death and the policy's cash value (i.e., **policy fund**). There may be tax consequences in taking automatic distributions from Your policy if it is or becomes a **modified endowment contract**. Please consult a tax advisor prior to beginning an automatic distribution program so that You are knowledgeable about the tax impact of any partial withdrawals and policy loans.

Policy Loans

Using only Your policy as security, You may borrow up to the **full loan value**, which is the **net cash surrender value** (the **policy fund** less the **surrender charge** minus any **policy debt**) minus any loan interest that will accrue up until the next **policy anniversary**. If You request an additional loan, then the outstanding loan and loan interest will be added to the additional loan amount and the original loan will be canceled. Thus, You will only have one outstanding loan.

A loan taken from, or secured by, a policy may have federal income tax consequences. See "TAX EFFECTS" on page 59.

Interest Credited on Policy Loans. The portion of the General Account that is equal to the policy loan will be credited with interest at a rate of 3.5% per year.

Policy Loan Interest Charged. Currently, the annual interest rate We charge on standard loans is 5.5%. We guarantee that the rate charged on standard loans will not exceed 8% per year.

Interest is due on each **policy anniversary** or, if earlier, on the date of loan repayment, surrender, or Insured's death. If You do not pay the interest when it is due, then it will be added to Your outstanding loan and allocated based on the deduction allocation percentages for Your **policy fund**. This means We make an additional loan to pay the interest and will transfer amounts from the General Account or the **investment divisions** to make the loan. If We cannot allocate the interest based on these percentages, then We will allocate it as described below.

After the 5th **policy year**, We guarantee that We will offer zero cost loans on the **full loan value** unless a higher interest rate is required by the Internal Revenue Service. If the Internal Revenue Service requires a higher policy loan interest rate, We will charge the minimum interest rate allowed after the 5th **policy year**. The annual interest rate charged on zero cost loans is guaranteed to be 3.5% (which is the same rate We guarantee to credit on zero cost loans). A zero cost loan may have tax consequences. See "TAX EFFECTS" on page 59.

You may request a loan by writing to Our **Administrative Office**. You may also request a policy loan by faxing Us at Our **Administrative Office** at (605) 373-8557 or toll-free (877) 841-6709. Any requests sent to another number will not be considered received in Our **Administrative Office**. You should tell Us how much of the loan You want taken from Your unloaned amount in the General Account or from the **Separate Account investment divisions**. If You do not tell Us how to allocate Your loan, the loan will be allocated according to Your deduction allocation percentages as described under "How Policy Fund Charges Are Allocated" on page 57. If the loan cannot be allocated this way, then We will allocate it in proportion to the unloaned amounts of Your **policy fund** in the General Account and each **investment division**. We will redeem units from each **investment division** equal in value to the amount of the loan allocated to that **investment division** and transfer these amounts to the General Account.

Repaying The Loan. You may repay all or part of a policy loan while Your policy is **inforce**. While You have a policy loan, We assume that any money You send Us is meant to repay the loan. If You wish to have any of these payments serve as premium payments, then You must tell Us in writing.

You may choose how You want Us to allocate Your repayments. If You do not give Us instructions, We will allocate Your repayments based on Your premium allocation percentages.

The Effects Of A Policy Loan On Your Policy Fund. A loan against Your policy will have a permanent effect on Your **policy fund** and benefits, even if the loan is repaid. When You borrow on Your policy, We transfer Your loan amount into Our General Account where it earns a declared rate of interest. You cannot invest that loan amount in any **Separate Account investment divisions**. You may earn more or less on the loan amount, depending on the performance of the **investment divisions** and whether they are better or worse than the 3.5% annual interest We credit on the portion of the General Account securing the loan. A policy loan will reduce the policy's ultimate **death benefit** and net **cash surrender value**.

Your Policy May Lapse. Your loan may affect the amount of time that Your policy remains **inforce**. For example, Your policy may lapse because the loaned amount cannot be used to cover the monthly deductions that are taken from Your **policy fund**. If these deductions are more than the **net cash surrender value** of Your policy, then the policy's lapse provisions may apply. Since the policy permits loans up to the **net cash surrender value** (the **policy fund** less the **surrender charge** minus any **policy debt**) less any loan interest that will accrue to the next **policy anniversary**, loan repayments or additional premium payments may be required to keep the policy **inforce**, especially if You borrow the maximum. We may withhold two months of anticipated policy costs from the total amount available for loan to help prevent your policy from immediately entering a grace period.

<u>Withdrawing Money From Your Policy Fund</u>
You may request a partial withdrawal of Your **net cash surrender value** by writing to Our **Administrative Office**. You may also request a partial withdrawal by faxing Us at Our **Administrative Office** at (605) 373-8557 or toll-free (877) 841-6709. Any requests sent to another number will not be considered received in Our **Administrative Office**. If You make more than one partial withdrawal in a **policy year**, We will impose a partial withdrawal charge as explained in the paragraph entitled "Withdrawal Charges" listed below. Partial withdrawals are subject to certain conditions. They must:

- be at least $200,
- in the first **policy year**, total no more than 50% of the **net cash surrender value** (the limit is 90% in subsequent **policy years**),
- allow the **death benefit** to remain above the minimum for which We would issue the policy at that time, and
- allow the policy to still qualify as life insurance under applicable tax law.

You may specify how much of the withdrawal You want taken from each **investment division** and Our General Account. If You do not tell Us, then We will make the withdrawal as described in "Deductions and Charges – How Policy Fund Charges Are Allocated" on page 57.

Completed partial withdrawal requests received in good order at Our **Administrative Office** before the New York Stock Exchange closes for regular trading (usually, 3:00 p.m. Central Time) are priced at the unit value determined at the close of that regular trading session of the New York Stock Exchange. If We receive Your completed partial withdrawal request after the close of regular trading on the New York Stock Exchange, We will process the partial withdrawal request at the unit value determined at the close of the next regular trading session of the New York Stock Exchange.

In general, We do not permit You to make a withdrawal on monies for which Your premium check has not cleared Your bank.

Withdrawal Charges. When You make a partial withdrawal more than once in a **policy year**, a charge of $25 (or 2% of the amount withdrawn, whichever is less), will be deducted from Your **policy fund**. If You do not give Us instructions for deducting the charge, then it will be deducted as described under "Deductions and Charges – How Policy Fund Charges Are Allocated" on page 57. This charge does not apply to withdrawals under the Automatic Distribution Option.

The Effects Of A Partial Withdrawal. A partial withdrawal reduces the amount in Your **policy fund**, the **cash surrender value** and generally the **death benefit** on a dollar-for-dollar basis. However if, the **death benefit** is based on the corridor percentage multiple, then the **death benefit** reduction could be greater. If You have elected **death benefit** option 1, then We will also reduce the **face amount** of Your policy so that there will be no change in the net amount at risk. Both the withdrawal and any reductions will be effective as of the **business day** We receive Your request in good order at Our **Administrative Office** if it is received before 3:00 p.m. Central Time. If We receive Your request in good order at Our **Administrative Office** after 3:00 p.m. Central Time, then it will be effective on the following **business day.**

Depending on individual circumstances, a policy loan might be better than a partial withdrawal if You need temporary cash. A withdrawal may have tax consequences. See "TAX EFFECTS" on page 59.

Surrendering Your Policy

You may surrender Your policy for its **net cash surrender value** while the Insured person is living. You do this by sending both a written request and the policy to Our **Administrative Office**. If You surrender Your policy or allow it to lapse during the **surrender charge** period, We will assess a **surrender charge**. The **net cash surrender value** equals the **cash surrender value** minus any **policy debt.** The **net cash surrender value** may be very low, especially during the early **policy years**. During the **surrender charge** period (this period of time is the earlier of 15 **policy years** after the date of issue or an increase in **face amount** or **attained age** 95), the **cash surrender value** is the **policy fund** minus the **surrender charge**. After the **surrender charge** period, the **cash surrender value** equals the **policy fund**. We will compute the **net cash surrender value** as of the **business day** We receive Your request in good order and policy at Our **Administrative Office**. All of Your insurance coverage will end on that date.

If You have selected the Waiver of **Surrender charge** Option, the **cash surrender value** always equals the **policy fund**.

Completed surrender requests received in good order at Our **Administrative Office** before the New York Stock Exchange closes for regular trading (usually, 3:00 p.m. Central Time) are priced at the unit value determined at the close of that regular trading session of the New York Stock Exchange. If We receive Your completed surrender request in good order after the close of regular trading on the New York Stock Exchange, We will process the surrender request at the unit value determined at the close of the next regular trading session of the New York Stock Exchange.

A surrender may have income tax consequences. See "TAX EFFECTS" on page 59.

THE GENERAL ACCOUNT

You may allocate all or some of Your **policy fund** to the General Account. The General Account pays interest at a declared rate. We guarantee the principal after deductions. The General Account supports Our insurance and annuity obligations. Any amounts in the General

Account are subject to Our financial strength and claims-paying ability and Our long-term ability to make such payments. We issue other types of insurance policies and financial products as well, and We also pay Our obligations under those products from Our assets in the General Account.

Because of applicable exemptive and exclusionary provisions, interests in the General Account have not been registered under the Securities Act of 1933, and the General Account has not been registered as an investment company under the Investment Company Act of 1940. Accordingly, neither the General Account nor any interests therein are generally subject to regulation under the 1933 Act or the 1940 Act.

You may accumulate amounts in the General Account by:

- allocating **net premium** and loan payments,
- transferring amounts from the **investment divisions**,
- securing any policy loans, or
- earning interest on amounts You already have in the General Account.

This amount is reduced by transfers, withdrawal and allocated deductions.

We pay interest on all Your amounts in the General Account. The annual interest rates will never be less than 3.5%. We may, at Our sole discretion, credit interest in excess of 3.5% per year**. You assume the risk that interest credited may not exceed 3.5% per year.** We may pay different rates on unloaned and loaned amounts in the General Account. Interest compounds daily at an effective annual rate that equals the annual rate We declare.

You may request a transfer between the General Account and one or more of the **investment divisions**, within limits. See "Transfer Of Policy Fund" on page 45.

The General Account may not be available in all states. Your state of issue will determine if the General Account is available on Your policy. Please check Your policy form to see if the General Account is available on Your policy.

DEDUCTIONS AND CHARGES

Deductions From Your Premiums

In some cases, We deduct a service charge from each premium upon receipt. The rest of each premium (called the **net premium**) is placed in Your **policy fund**.

Civil Service Allotment Service Charge. If You have chosen the Civil Service Allotment Mode, then We deduct $.46 (forty-six cents) from each premium payment. The $.46 covers the extra expenses We incur in processing bi-weekly premium payments.

Charges Against The Separate Account

Fees and charges assessed to the **investment divisions** reduce the amount in Your **policy fund**.

Mortality and Expense Risk. We charge for assuming mortality and expense risks. We guarantee that monthly administrative and insurance deductions from Your **policy fund** will never be greater than the maximum amounts shown in Your policy. The mortality risk We assume is that Insured people will live for shorter periods than We estimated. When this happens, We have to pay a greater amount of **death benefits** than We expected. The expense risk We assume is that the cost of issuing and administering policies will be greater than We expected. We deduct a daily charge for mortality and expense risks at an effective annual rate of 1.40% of the value of assets in the **Separate Account** attributable to the policy. We currently intend to reduce this charge to 0.25% after the 20th **policy year** (this reduction is not guaranteed). The **investment divisions**' **accumulation unit** values reflect this charge. See "Using Your **Policy Fund –** How We Determine The **Accumulation Unit** Value" on page 44. If the money We collect from this charge more than covers our actual expenses of assuming mortality risks and issuing and administering policies, then We profit. We expect to make money from this charge. To the extent sales expenses are not covered by the **surrender charge**, Our General Account assets, which may include amounts derived from this mortality and expense risk charge, will be used to cover sales expenses.

Tax Reserve. We reserve the right to charge for taxes or tax reserves, which may reduce the investment performance of the **investment divisions**. Currently, no such charge is made.

<u>Monthly Deductions From Your Policy Fund</u>

At the beginning of each **policy month** (including the **policy date**), the following three deductions may be taken from Your **policy fund**.

1. **Expense Charge:** This charge is $10.00 per month. This charge covers the continuing costs of maintaining Your policy, such as premium billing and collections, claim processing, policy transactions, record keeping, communications with owners and other expense and overhead items.
2. **Charges for Additional Benefits:** Monthly deductions are made for the cost of certain additional benefits. With the exception of the Living Needs Rider, the charges for any additional benefits You select will be deducted on the policy rider date and each **monthly** anniversary thereafter. See the "FEE TABLE" on page 9 and "Additional Benefits" on page 25. We may change these charges, but Your policy contains tables showing the guaranteed maximum rates for all of these insurance costs.
3. **Cost of Insurance Deduction:** The cost of insurance deduction is Our current monthly cost of insurance rate times the net amount at risk at the beginning of the **policy month**. The net amount at risk is the difference between Your **death benefit** and Your **policy fund**. If the current **death benefit** for the month is increased due to the requirements of federal tax law, then Your net amount at risk for the month will also increase. For this purpose, Your **policy fund** amount is determined before deduction of the cost of insurance deduction, but after all of the other deductions due on that date. The amount of the cost of insurance deduction will vary from month to month with changes in the net amount at risk. We may profit from this charge.

The cost of insurance rate is based on a number of factors, including, but not limited to, the sex, **attained age**, **face amount** of insurance, and rating class of the Insured person at the time of the charge. (In Montana, there are no distinctions based on sex.) We place the Insured person that is a standard risk in the following rate classes: preferred plus non-smoker, preferred non-smoker, non-smoker, preferred smoker, and smoker. The Insured person may also be placed in a rate class involving a higher mortality risk, known as a substandard class. We may change the cost of insurance rates, but they will never be more than the guaranteed maximum rates set forth in Your policy. The maximum charges are based on the charges specified in the Commissioner's 1980 Standard Ordinary Mortality Table. The table below shows the current and guaranteed maximum monthly cost of insurance rates per $1,000 of net amount at risk for a male, preferred, non-smoker, standard risk at various ages assuming a specified **face amount** of insurance of $200,000 in the first **policy year**.

Illustrative Table of Monthly Cost of Insurance Rates (Rounded) per $1,000 of Net Amount at Risk

Male Issue Age	Guaranteed Maximum Rate	Current Rate for **Policy year** One (Male Preferred Non-Smoker) Rate
25	.13	.11
35	.14	.12
45	.29	.16
55	.69	.27
65	1.87	.64

For example, for a male preferred non-smoker, **age** 35 with a $200,000 **face amount death benefit** option 1 policy and an initial premium of $1,000, the first monthly deduction (taken on the date the policy is issued) is $33.88. This example assumes the current monthly expense charge of $10.00 and the current cost of insurance deduction of $23.88. The $23.88 is calculated by multiplying the current monthly cost of insurance rate per $1,000 ($0.12) times the amount at risk ($200,000 **face amount** less the initial cash value of $990, which is $1,000 of premium less the $10.00 expense charge). This example assumes that there are no charges for riders or other additional benefits.

The preferred smoker cost of insurance rates are lower than the smoker cost of insurance rates and the non-smoker cost of insurance rates are lower than the preferred smoker cost of insurance rates. To qualify for the non-smoker rates, an Insured must be a standard risk and must meet additional requirements that relate to smoking habits. The reduced cost of insurance rates depends on such variables as the **attained age** and sex of the Insured.

The preferred non-smoker cost of insurance rates are lower than the non-smoker cost of insurance rates, and the preferred plus non-smoker rates are lower than the preferred non-smoker rates. To qualify for the preferred non-smoker classes, the Insured person must be **age** 20 or over and meet certain underwriting requirements.

Current cost of insurance rates also depend on the initial **face amount** of insurance. The charge is generally lower for policies with an initial **face amount** of insurance of $1,000,000 or higher than for policies with lower **face amounts** (this is known as "banding"). The minimum **face amount** is $100,000.

If Advisor Variable Universal Life is purchased in connection with an employment-related insurance or benefit plan, employers and employee organizations should consider, in consultation with counsel, the impact of Title VII of the Civil Rights Act of 1964. In 1983, the United States Supreme Court held that under Title VII, optional annuity benefits under a deferred compensation plan could not vary on the basis of sex.

Changes in Monthly Deductions. Any changes in the cost of insurance, charges for additional benefits or expense charges will be by class of Insured and will be based on changes in future expectations of investment earnings, mortality, the length of time policies will remain in effect, expenses and taxes.

Waiver of Surrender Charge Option. You can elect to eliminate Your **surrender charge** in all years of the **surrender charge** period. You must select this option at the time of application. Once selected, this option cannot be terminated while the policy is **inforce**. There is an extra charge for this option as noted in the "FEE TABLE" on page 9. The amount of the charge depends upon the **face amount** of Your policy. The charge remains in effect for the 15-year **surrender charge** period regardless of whether You have **face amount** increases or decreases.

However, the charge is applied to the highest **face amount** of insurance **inforce** on any **monthly anniversary** since issue up through the current **monthly anniversary**. If purchased, the elimination of **surrender charges** and the cost for this option will be shown on the Schedule of Policy Benefits page of Your policy.

Transaction Charges

In addition to the deductions described above, We charge fees for certain policy transactions:

- Partial Withdrawal of net **cash surrender value**. You may make one partial withdrawal during each **policy year** without a charge. There is an administrative charge of $25 or 2 percent of the amount withdrawn, whichever is less, each time You make a partial withdrawal if more than one withdrawal is made during a year. This does not apply to withdrawals under the Automatic Distribution Option. This charge is to cover Our administrative expenses for processing the withdrawal.
- Transfers. Currently, We do not charge when You make transfers of **policy fund** among **investment divisions**. We reserve the right to assess a $25 charge for each transfer after the twelfth transfer in a **policy year**.

How Policy Fund Charges Are Allocated

Generally, deductions from Your **policy fund** for monthly or partial withdrawal charges are made from the **investment divisions** and the unloaned portion of the General Account. They are made in accordance with Your specified deduction allocation percentages unless You instruct Us otherwise. Your deduction allocation percentages may be any whole numbers (from 0 to 100) which add up to 100. You may change Your deduction allocation percentages by writing to Our **Administrative Office**. Changes will be effective as of the date We receive them in good order.

If We cannot make a deduction in accordance with these percentages, then We will make deductions from any unloaned portion of the General Account and any amounts in **investment divisions** (in Your **policy fund**) on a pro rata basis. If there is no unloaned portion of the General Account in Your **policy fund**, then We will make all deductions (on a pro rata basis) from amounts You have allocated to **investment divisions**.

Deductions for transfer charges are made equally between the **investment divisions** from which the transfer was made. For example, if the transfer is made from two **investment divisions**, then the transfer charge assessed to each of the **investment divisions** will be $12.50.

Loan Charge

Loan interest is charged in arrears on the outstanding loan. Loan interest that is unpaid when due will be added to the outstanding loan on each **policy anniversary** (or, if earlier, on the date of loan repayment, policy lapse, surrender, policy termination, or the Insured's death) and will bear interest at the same rate of the loan. We currently charge an annual interest rate of 5.5% on loans.

After offsetting the 3.5% annual interest rate that We guarantee We will credit to the portion of Our General Account securing the loan against the maximum loan interest rate of 8.0%, the maximum guaranteed net cost of the loans is 4.5% annually in **policy years** 1-5. However, the current net cost of the loans is 2.0% annually in **policy years** 1-5. The current net cost of 2.0% for **policy years** 1 – 5 is derived by taking the 5.5% annual interest rate that We currently charge on loans and reducing it by the 3.5% annual interest rate We credit to the portion of the General Account securing the standard loan. If You take a loan after the 5th **policy year**, We guarantee that the net cost of the loan will be 0%. See "Policy Loans" on page 51.

Surrender Charge

The **surrender charge** is the difference between the amount in Your **policy fund** and Your policy's **cash surrender value** for the **surrender charge** period (this period of time is the earlier of 15 **policy years** after the date of issue or increase in **face amount**, or **attained age** 95). It is a contingent charge designed to partially recover Our expenses in distributing and issuing policies which are terminated by surrender or lapse in their early years. It is a contingent load because You pay it only if You surrender Your policy (or let it lapse) during the **surrender charge** period. The amount of the charge in a **policy year** is not necessarily related to Our actual sales expenses in that year. We anticipate that the **surrender charge** will not fully cover Our sales expenses. If sales expenses are not covered by the **surrender charges**, We will cover them with other assets. The **net cash surrender value**, the amount We pay You if You surrender Your policy for cash, equals the **cash surrender value** minus any **policy debt**. The **cash surrender value** is the **policy fund** minus the **surrender charge**. See "Surrendering Your Policy" on page 53.

The first year **surrender charge** varies by the issue **age**, sex and class of the Insured at the time the policy is issued. The maximum charge for Your policy per $1,000 of **face amount** is the first year charge. The first year charge, on a per $1,000 of **face amount** basis, gradually decreases over the **surrender charge** period (this period of time is the earlier of 15 **policy years** after the date of issue or increase in **face amount**, or **attained age** 95) and is $0.00 after the **surrender charge** period expires. For a schedule showing how the charge declines, see the Statement of Additional Information.

The following table provides some examples of the first year **surrender charge**. The maximum first year **surrender charge** for all issue ages, sexes, and classes is $32.81 per $1,000 of **face amount**. The $32.81 per $1,000 of **face amount surrender charge** occurs for males issued at a smoker class with issue ages at 63 or older. Your policy will specify the actual **surrender charge** rate at issue, per $1,000 of **face amount**, for all durations in the **surrender charge** period. The table below is only intended to give You an idea of the level of first year **surrender charges** for a few sample issue ages, sexes and classes.

Table of First Year Surrender Charges
Per $1,000 of Face Amount

Issue Age	Sex	Class	Surrender charge Per $1,000 of Face Amount
15	Male	Non-Smoker	$4.24
15	Female	Non-Smoker	$5.13
35	Male	Non-Smoker	$9.03
35	Male	Smoker	$9.76
55	Female	Non-Smoker	$12.13
55	Female	Smoker	$16.25
65	Male	Smoker	$32.81
65	Female	Smoker	$26.25

A **face amount** decrease will not reduce the **surrender charge**. If the **face amount** is increased, then there will be a new **surrender charge** and a new **surrender charge** period for the amount of the increase. The **surrender charge** for the **face amount** increase will equal the **surrender charge** for a new policy with:

(a) The initial **face amount** set equal to the **face amount** increase
(b) The Insured's policy **age** on the **policy date** equal to the policy **age** on the date of the **face amount** increase; and
(c) The premium class for the **face amount** increase.

Suppose You bought Your policy at issue **age** 35 under a male nonsmoker class with a **face amount** of $200,000. During the 10th **policy year**, You decided to increase Your **face amount** by $100,000 to obtain a total **face amount** of $300,000. If the **face amount** increase was determined to be acceptable to Us under the nonsmoker class, the **surrender charge** for Your $100,000 of increase would be the same as a new policy with the following **surrender charge** criteria:

(a) **face amount** of $100,000
(b) a policy **age** of 44 (the increase was effective during the 10th **policy year** before the **policy anniversary** at which You **attained age** 45)
(c) a premium class of male nonsmoker

The original $200,000 of **face amount** would continue to fall under the **surrender charge** schedule established at the issue date of the policy, but the $100,000 of **face amount** increase would begin a new **surrender charge** schedule with the criteria stated in (a) through (c) above. At the time a **face amount** increase becomes effective We will send You an endorsement to Your policy which states the **surrender charge** criteria and **surrender charge** amounts.

<u>Portfolio Expenses</u>
The value of the net assets of each **investment division** reflects the management fees and other expenses incurred by the corresponding portfolio in which the **investment divisions** invest. Some portfolios also deduct 12b-1 fees from portfolio assets and some may impose redemption fees. You pay these fees and expenses indirectly (or directly for redemption fees). The **funds** may also impose redemption fees, which We would administer and deduct from Your **policy fund.** Any redemption fee would be retained by or paid to the portfolio and not retained by Us. For further information, consult the portfolios' prospectuses.

TAX EFFECTS

INTRODUCTION
The following summary provides a general description of the federal income tax considerations associated with the policy and does not purport to be complete or to cover all tax situations. This discussion is not intended as tax advice. Counsel or other competent tax advisors should be consulted for more complete information. This discussion is based upon Our understanding of the present federal income tax laws. No representation is made as to the likelihood of continuation of the present federal income tax laws or as to how they may be interpreted by the Internal Revenue Service.

TAX STATUS OF THE POLICY
In order to qualify as a life insurance policy for federal income tax purposes and to receive the tax treatment normally accorded life insurance policies under federal tax law, a policy must satisfy certain requirements which are set forth in the Internal Revenue Code. Guidance as to how these requirements are to be applied is limited. Nevertheless, We believe that a policy issued on a standard rate class basis should satisfy the applicable requirements. There is less

guidance, however, with respect to policies issued on a substandard basis and it is not clear whether such policies will in all cases satisfy the applicable requirements, particularly if You pay the full amount of premiums under this policy. If it is subsequently determined that a policy does not satisfy the applicable requirements, We may take appropriate steps to bring the policy into compliance with such requirements and We reserve the right to restrict policy transactions in order to do so.

In some circumstances, owners of variable policies who retain excessive control over the investment of the underlying **Separate Account** assets may be treated as the owners of those assets and may be subject to tax on income produced by those assets. Although published guidance in this area does not address certain aspects of the policies, We believe that the owner of a policy should not be treated as the owner of the **Separate Account** assets. We reserve the right to modify the policies to bring them into conformity with applicable standards should such modification be necessary to prevent owners of the policies from being treated as the owners of the underlying **Separate Account** assets.

In addition, the Code requires that the investments of the **Separate Account** be "adequately diversified" in order for the policies to be treated as life insurance policies for federal income tax purposes. It is intended that the **Separate Account**, through the **funds**, will satisfy these diversification requirements.

The following discussion assumes that the policy will qualify as a life insurance policy for federal income tax purposes.

TAX TREATMENT OF POLICY BENEFITS

In General

We believe that the **death benefit** under a policy should generally be excludible from the gross income of the **beneficiary.** Federal, state and local transfer, and other tax consequences of ownership or receipt of policy proceeds depend on the circumstances of each policy owner or **beneficiary**. A tax advisor should be consulted on these consequences.

Generally, the policy owner will not be deemed to be in constructive receipt of the policy cash value until there is a distribution. When distributions from a policy occur, or when loans are taken out from or secured by a policy, the tax consequences depend on whether the policy is classified as a "**modified endowment contract**."

Modified Endowment Contracts

Under the Internal Revenue Code, certain life insurance policies are classified as "**Modified Endowment Contracts**" (**MEC**), with less favorable tax treatment than other life insurance policies. Due to the flexibility of the policies as to premiums and benefits, the individual circumstances of each policy will determine whether it is classified as a **MEC**. In general a policy will be classified as a **MEC** if the amount of premiums paid into the policy causes the policy to fail the "7-pay test." A policy will fail the 7-pay test if at any time in the first seven **policy years**, the amount paid into the policy exceeds the sum of the level premiums that would have been paid at that point under a policy that provided for paid-up future benefits after the payment of seven level annual payments.

If there is a reduction in the benefits under the policy during the first seven years, for example, as a result of a partial surrender, the 7-pay test will have to be reapplied as if the policy had originally been issued at the reduced **face amount**. If there is a "material change" in the policy's benefits or other terms, the policy may have to be retested as if it were a newly issued policy. A material change may occur, for example, when there is an increase in the **death benefit**, which is due to the payment of an unnecessary premium. Unnecessary premiums are premiums paid into the policy which are not needed in order to provide a **death benefit** equal to the lowest **death benefit** that was payable in the first seven **policy years**. To prevent Your policy from becoming a **MEC**, it may be necessary to limit premium payments or to limit reductions in benefits. A current or prospective policy owner should consult a tax advisor to determine whether a policy transaction will cause the policy to be classified as a **MEC**.

<u>Distributions Other Than Death Benefits from Modified Endowment Contracts</u>
Policies classified as **modified endowment contracts** are subject to the following tax rules:

1. All distributions other than **death benefits**, including distributions upon surrender and withdrawals, from a **modified endowment contract** will be treated first as distributions of gain taxable as ordinary income and as tax-free recovery of the policy owner's investment in the policy only after all gain has been distributed.
2. Loans taken from or secured by a policy classified as a **modified endowment contract** are treated as distributions and taxed accordingly.
3. A 10 percent additional income tax is imposed on the amount subject to tax except where the distribution or loan is made when the policy owner has **attained age** 59½ or is disabled, or where the distribution is part of a series of substantially equal periodic payments for the life (or life expectancy) of the policy owner or the joint lives (or joint life expectancies) of the policy owner and the policy owner's **beneficiary** or designated **beneficiary.**

If a policy becomes a **modified endowment contract**, distributions that occur during the **policy year** will be taxed as distributions from a **modified endowment contract**. In addition, distributions from a policy within two years before it becomes a **modified endowment contract** may be taxed in this manner. This means that a distribution made from a policy that is not a **modified endowment contract** could later become taxable as a distribution from a **modified endowment contract**.

<u>Distributions Other Than Death Benefits from Policies that are not Modified Endowment Contracts</u>
Distributions other than **death benefits** from a policy that is not classified as a **modified endowment contract** are generally treated first as a recovery of the policy **owner's** investment in the policy and only after the recovery of all investment in the policy as taxable income. However, certain distributions which must be made in order to enable the policy to continue to qualify as a life insurance policy for federal income tax purposes if policy benefits are reduced during the first 15 **policy years** may be treated in whole or in part as ordinary income subject to tax.

Loans from or secured by a policy that is not a **modified endowment contract** are generally not treated as distributions. However, the tax consequences associated with zero cost loans are less clear and a tax advisor should be consulted about such loans.

Finally, neither distributions from nor loans from or secured by a policy that is not a **modified endowment contract** are subject to the 10 percent additional income tax.

<u>Investment in the Policy</u>
Your investment in the policy is generally Your aggregate premiums. When a distribution is taken from the policy, Your investment in the policy is reduced by the amount of the distribution that is tax-free.

<u>Policy Loans and the Benefit Extension Rider</u>
In general, interest on a policy loan will not be deductible. If a policy loan is outstanding when a policy is canceled or lapses, the amount of the outstanding indebtedness will be added to the amount distributed and will be taxed accordingly. Before taking out a policy loan, You should consult a tax advisor as to the tax consequences.

This policy may be purchased with the intention of accumulating cash value on a tax-free basis for some period (such as, until retirement) and then periodically borrowing from the policy without allowing the policy to lapse. The aim of this strategy is to continue borrowing from the policy until its contract value is just enough to pay off the policy loans that have been taken out and then relying on the Benefit Extension Rider to keep the policy in force until the death of the Insured. Anyone contemplating taking advantage of this strategy should be aware that it involves several risks. First, if the **death benefit** under the benefit extension rider is lower than the policy's original **death benefit**, then the policy might become a **MEC** which could result in a significant tax liability attributable to the balance of any **policy debt**. Second, this strategy will fail to achieve its goal if the policy is a **MEC** or becomes a **MEC** after the periodic borrowing begins. Third, this strategy has not been ruled on by the Internal Revenue Service (the "IRS") or the courts and it may be subject to challenge by the IRS, since it is possible that loans under this policy may be treated as taxable distributions when the rider causes the policy to be converted to a fixed policy. In that event, assuming policy loans have not already been subject to tax as distributions, a significant tax liability could arise. Anyone considering using the policy as a source of tax-free income by taking out policy loans should, <u>before</u> purchasing the policy, consult with and rely on a competent tax advisor about the tax risks inherent in such a strategy.

<u>Withholding</u>
To the extent that policy distributions are taxable, they are generally subject to withholding for the recipient's federal income tax liability. Recipients can generally elect however, not to have tax withheld from distributions.

<u>Life Insurance Purchases by Residents of Puerto Rico</u>
In Rev. Rul. 2004-75, 2004-31 I.R.B. 109, the Internal Revenue Service announced that income received by residents of Puerto Rico under life insurance or annuity contracts issued by a Puerto Rico branch of a United States life insurance company is U.S.-source income that is generally subject to United States Federal income tax.

<u>Life Insurance Purchases by Nonresident Aliens and Foreign Corporations</u>
The discussion above provides general information regarding U.S. federal income tax consequences to life insurance purchasers that are U.S. citizens or residents. Purchasers that are not U.S. citizens or residents will generally be subject to U.S. federal withholding tax on taxable distributions from life insurance policies at a 30% rate, unless a lower treaty rate applies. In addition, purchasers may be subject to state and/or municipal taxes and taxes that may be imposed by the purchaser's country of citizenship or residence. Prospective purchasers are advised to consult with and rely a qualified tax advisor regarding U.S. state, and foreign taxation with respect to a life insurance policy purchase.

<u>Multiple Policies</u>
All **modified endowment contracts** that are issued by Us (or Our affiliates) to the same policy owner during any calendar year are treated as one **modified endowment contract** for purposes of determining the amount includible in the policy owner's income when a taxable distribution occurs.

Continuation of Policy Beyond Age 100
The tax consequences of continuing the policy beyond the Insured's 100th year are unclear. You should consult a tax advisor if You intend to keep the policy **inforce** beyond the Insured's 100th year.

Section 1035 Exchanges
Generally, there are no tax consequences when You exchange one life insurance policy for another, so long as the same person is being insured (a change of the insured is a taxable event). Paying additional premiums under the new policy may cause it to be treated as a **modified endowment contract**. The new policy may also lose any "grandfathering" privilege, where You would be exempt from certain legislative or regulatory changes made after Your original policy was issued, if You exchange Your policy. You should consult with a tax advisor if You are considering exchanging any life insurance policy.

Accelerated Benefit Rider—Terminal Illness
We believe that payments received under the Accelerated Benefit Rider—Terminal Illness should be fully excludable from the gross income of the recipient if the recipient is the Insured under the policy (except in certain business contexts) and the insured person's life expectancy is 24 months or less. However, tax consequences associated with reducing Your **death benefit** after We pay an accelerated benefit under this rider are uncertain. You should consult a qualified tax advisor about the consequences of adding this rider to a policy or requesting payment under this rider.

Accelerated Benefit Rider—Chronic Illness
The tax consequences associated with receiving an accelerated benefit payment under the Accelerated Benefit Rider—Chronic Illness are unclear. It is possible that such distribution may be treated as taxable withdrawals. Moreover, the tax consequences associated with reducing the **death benefit** after We pay an accelerated **death benefit** are also unclear. You should consult a qualified tax advisor about the consequences of adding this rider to a policy or requesting an advanced sum payment under this rider.

Living Needs Rider
We believe that payments received under the Living Needs rider should be fully excludable from the gross income of the **beneficiary** if the **beneficiary** is the Insured under the policy. However, You should consult a qualified tax adviser about the consequences of adding this rider to a policy or requesting payment under this rider.

Business Uses of Policy
Businesses can use the policies in various arrangements, including nonqualified deferred compensation or salary continuance plans, split dollar insurance plans, executive bonus plans, tax exempt and nonexempt welfare benefit plans, retiree medical benefit plans and others. The tax consequences of such plans may vary depending on the particular facts and circumstances. If You are purchasing the policy for any arrangement the value of which depends in part on its tax consequences, You should consult a qualified tax advisor.

Employer-Owned Life Insurance Policies
Pursuant to recently enacted section 101(j) of the Code, unless certain eligibility, notice and consent requirements are satisfied, the amount excludible as a **death benefit** payment under an employer-owned life insurance policy will generally be limited to the premiums paid for such policy (although certain exceptions may apply in specific circumstances). An employer-owned life insurance policy is a life insurance policy owned by an employer that insures an employee of the employer and where the employer is a direct or indirect **beneficiary** under such policy. It is

the employer's responsibility to verify the eligibility of the intended Insured under employer-owned life insurance policies and to provide the notices and obtain the consents required by section 101(j). These requirements generally apply to employer-owned life insurance policies issued or materially modified after August 17, 2006. A tax adviser should be consulted with and relied on by anyone considering the purchase or modification of an employer-owned life insurance policy.

Non-Individual Owners and Business Beneficiaries of Policies

If a policy is owned or held by a corporation, trust or other non-natural person, this could jeopardize some (or all) of such entity's interest deduction under Code Section 264, even where such entity's indebtedness is in no way connected to the policy. In addition, under Section 264(f)(5), if a business (other than a sole proprietorship) is directly or indirectly a **beneficiary** of a policy, this policy could be treated as held by the business for purposes of the Section 264(f) entity-holder rules. Therefore, it would be advisable to consult with and rely a qualified tax advisor before any non-natural person is made an owner or holder of a policy, or before a business (other than a sole proprietorship) is made a **beneficiary** of a policy.

Split-Dollar Arrangements

The IRS and the Treasury Department have issued guidance that substantially affects split-dollar arrangements. Consult a qualified tax advisor before entering into or paying additional premiums with respect to such arrangements.

Additionally, the Sarbanes-Oxley Act of 2002 (the "Act") prohibits, with limited exceptions, publicly-traded companies, including non-U.S. companies that have securities listed on exchanges in the United States, from extending, directly or through a subsidiary, many types of personal loans to their directors or executive officers. It is possible that this prohibition may be interpreted as applying to split-dollar life insurance policies for directors and executive officers of such companies, since such insurance arguably can be viewed as involving a loan from the employer for at least some purposes.

Although the prohibition on loans is generally effective as of July 30, 2002, there is an exception for loans outstanding as of the date of enactment, so long as there is no material modification to the loan terms and the loan is not renewed after July 30, 2002. Any affected business contemplating the payment of a premium on an existing policy, or the purchase of a new policy, in connection with a split-dollar life insurance arrangement should consult legal counsel.

Alternative Minimum Tax

There may also be an indirect tax upon the income in the policy or the proceeds of a policy under the federal corporate alternative minimum tax, if the owner is subject to that tax.

Estate, Gift, and Generation-Skipping Transfer Tax Considerations

The transfer of the policy or designation of a **beneficiary** may have federal, state, and/or local transfer and inheritance tax consequences, including the imposition of gift, estate, and generation-skipping transfer ("GST") taxes. For example, when the insured dies, the death proceeds will generally be includable in the owner's estate for purposes of federal estate tax if the insured owned the policy. If the owner was not the insured, the fair market value of the policy would be included in the owner's estate upon the owner's death. The policy would not be includable in the insured's estate if the insured neither retained incidents of ownership at death nor had given up ownership within three years before death.

Moreover, under certain circumstances, the Code may impose a "generation skipping transfer tax" when all or part of a life insurance policy is transferred to, or a **death benefit** is paid to, an individual two or more generations younger than the owner. Regulations issued under the Code may require Us to deduct the tax from Your policy, or from any applicable payment, and pay it directly to the IRS.

Qualified tax advisors should be consulted concerning the estate and gift tax consequences of policy ownership and distributions under federal, state and local law. The individual situation of each owner or **beneficiary** will determine the extent, if any, to which federal, state, and local transfer and inheritance taxes may be imposed and how ownership or receipt of policy proceeds will be treated for purposes of federal, state and local estate, inheritance, generation-skipping and other taxes.

For 2012, the federal estate tax, gift tax and GST tax exemptions and maximum rates are $5,120,000 and 35%, respectively. After 2012, in the absence of legislative action, the federal estate tax, gift tax and GST tax exemptions and rates will return to their 2001 levels (with inflation adjustments for the GST tax exemption but not for the estate or gift tax exemptions). This would result in significantly lower exemptions and significantly higher tax rates. Between now and the end of 2012, Congress may make the current exemptions and rates permanent, it may do nothing and allow the 2001 levels to go into effect, or it may change the applicable exemptions and/or tax rates.

The uncertainty as to how the current law might be modified in coming years underscores the importance of seeking guidance from a qualified adviser to help ensure that your estate plan adequately addresses your needs and those of your beneficiaries under all possible scenarios.

Medicare Tax on Investment Income

Beginning in 2013, the newly enacted 3.8% Medicare tax on investment income applies to individuals whose income exceeds certain threshold amounts. You should consult a tax advisor about the impact of this new tax on distributions from your policy.

Foreign Tax Credits

We may benefit from any foreign tax credits attributable to taxes paid by certain **funds** to foreign jurisdictions to the extent permitted under federal tax law.

Possible Tax Law Changes

Although the likelihood of legislative changes is uncertain, there is always the possibility that the tax treatment of the policy could change by legislation or otherwise. Consult a tax advisor with respect to legislative developments and their effect on the policy.

Our Income Taxes

Under current federal income tax law, We are not taxed on the **Separate Account's** operations. Thus, currently We do not deduct a charge from the **Separate Account** for federal income taxes. We reserve the right to charge the **Separate Account** for any future federal income taxes We may incur.

Under current laws in several states, We may incur state and local taxes (in addition to premium taxes). These taxes are not now significant and We are not currently charging for them. If they increase, We may deduct charges for such taxes.

ADDITIONAL INFORMATION ABOUT THE POLICIES

YOUR RIGHT TO EXAMINE THIS POLICY

For a limited period of time, as specified in Your policy, You had a right to examine the policy. If for any reason You were not satisfied with it, then You could cancel the policy by sending it to Our **Administrative Office** along with a written cancellation request.

Generally, if You canceled Your policy during the right to examine period, then We would return all of the charges deducted from Your paid premiums and **policy fund**, plus the **policy fund**. The **policy fund** would reflect both the positive and negative investment performance of the **investment divisions** chosen by You in the policy application. Where required by state law, We refunded the sum of all premiums paid.

Insurance coverage would end when You **sent** Your request.

YOUR POLICY CAN LAPSE

Your Advisor Variable Universal Life insurance coverage continues as long as the **net cash surrender value** of Your policy is enough to pay the monthly deductions that are taken out of Your **policy fund**. During the **no lapse guarantee period**, coverage continues if Your paid premiums (less loans and withdrawals) exceed the schedule of required no lapse guarantee premiums. If neither of these conditions is true at the beginning of any **policy month**, then We will send written notification to You and any assignees on Our records that a 61-day grace period has begun and that a **specified amount** of current premium is due.

If We receive payment of this amount before the end of the grace period, then We will use that amount to pay the overdue deductions. We will put any remaining balance in Your **policy fund** and allocate it in the same manner as Your previous premium payments.

If We do not receive payment within 61 days, then Your policy will lapse without value. We will withdraw any amount left in Your **policy fund**. We will apply this amount to the deductions owed to Us, including any applicable **surrender charge**. We will inform You and any assignee that Your policy has ended without value.

If the Insured person dies during the grace period, We will pay the insurance benefits to the **beneficiary,** minus any loan, loan interest, and overdue deductions.

YOU MAY REINSTATE YOUR POLICY

You may reinstate the policy within 5 years after lapse. To reinstate the policy, You must:

- fully complete an application for reinstatement,
- provide satisfactory **evidence of insurability** for the person or persons to be Insured,
- pay enough premium to cover all overdue monthly deductions or minimum premium depending on the duration of the policy and the **no lapse guarantee period**,
- increase the **policy fund** so that the **policy fund** minus any **policy debt** equals or exceeds the **surrender charge**,
- pay or restore any **policy debt**.

The effective date of reinstatement will be the beginning of the **policy month** that coincides with or follows the date that We approve Your reinstatement application. Previous loans will be reinstated.

You may not reinstate a **policy** once it is surrendered.

POLICY PERIODS AND ANNIVERSARIES

We measure **policy years**, **policy months**, and policy anniversaries from the **policy date** shown on Your Schedule of Policy Benefits. Each **policy month** begins on the same day in each calendar month. The calendar days of 29, 30, and 31 are not used. Our right to challenge a policy and the suicide exclusion are measured from the **policy date**. See "Limits On Our Right To Challenge The Policy" on page 68.

MATURITY DATE

The maturity date is the first **policy anniversary** after the Insured's 100^{th} birthday. The policy ends on that date if the Insured is still alive and the maturity benefit is paid.

If the Insured survives to the maturity date and You would like to continue the policy, We will extend the maturity date as long as this policy still qualifies as life insurance according to the Internal Revenue Service and Your state.

In order to extend the maturity date, all of the following conditions must be satisfied.

(a) The policy cannot be in the grace period;
(b) All of the **policy fund** must be transferred to either the General Account or the Money Market **investment division**;
(c) **Death benefit** option 1 must be elected.

(See "Extended Maturity Option" on page 26 for further details about this option).

If the maturity date is extended, the policy may not qualify as life insurance and there may be tax consequences. A tax advisor should be consulted before You elect to extend the maturity date. See "TAX EFFECTS" on page 59. In order to continue the policy beyond the original maturity date, We require that the **death benefit** not exceed the **policy fund** on the original maturity date.

WE OWN THE ASSETS OF OUR SEPARATE ACCOUNT

We own the assets of Our **Separate Account** and use them to support Your policy and other variable life policies. We may permit charges owed to Us to stay in the **Separate Account**. Thus, We may also participate proportionately in the **Separate Account**. These accumulated amounts belong to Us and We may transfer them from the **Separate Account** to Our General Account. The assets in the **Separate Account** generally are not chargeable with liabilities arising out of any other business We conduct. Your **policy fund** values and the assets supporting them in the **Separate Account** are protected from and against any claims arising out of Our other businesses not involving the **Separate Account**. Under certain unlikely circumstances, one **investment division** of the **Separate Account** may be liable for claims relating to the operations of another division.

CHANGING THE SEPARATE ACCOUNT

We have the right to modify how We operate Our **Separate Account**. We have the right to:

- add **investment divisions** to, or remove **investment divisions** from, Our **Separate Account**;
- combine two or more **investment divisions** within Our **Separate Account**;
- withdraw assets relating to the policy from one **investment division** and put them into another;
- eliminate the shares of a portfolio and substitute shares of another portfolio of the **funds** or another open-end investment company. This may happen if the shares of the portfolio are no longer available for investment or, if in Our judgment, further investment in the portfolio is inappropriate in view of the purposes of **Separate Account** A;
- register or end the registration of Our **Separate Account** under the Investment Company Act of 1940;
- operate Our **Separate Account** under the direction of a committee or discharge such a committee at any time (the committee may be composed entirely of interested parties of Midland National);
- disregard instructions from policy owners regarding a change in the investment objectives of the portfolio or the approval or disapproval of an investment advisory policy. (We would do so only if required by state insurance regulatory authorities or otherwise pursuant to insurance law or regulation); and
- operate Our **Separate Account** or one or more of the **investment divisions** in any other form the law allows, including a form that allows Us to make direct investments. In choosing these investments, We will rely on Our own judgment or that of an outside adviser for advice. In addition, We may disapprove of any change in investment advisers or in investment policies unless a law or regulation provides differently.

If automatic allocations (such as premiums automatically deducted from Your paycheck or bank account, or dollar cost averaging or automatic rebalancing) are being made into an **investment division** that is removed or no longer available, and if You do not give Us other instructions, then any amounts that would have gone into the removed or closed **investment division** will be allocated to the Fidelity VIP Money Market **investment division** until You tell Us otherwise.

LIMITS ON OUR RIGHT TO CHALLENGE THE POLICY

We can challenge the validity of Your insurance policy (based on material misstatements in the application) if it appears that the Insured person is not actually covered by the policy under Our rules. There are limits on how and when We can challenge the policy:

- We cannot challenge the policy after it has been in effect, during the Insured person's lifetime, for two years from the date the policy was issued or reinstated. (Some states may require Us to measure this in some other way.)
- We cannot challenge any policy change that requires **evidence of insurability** (such as an increase in **face amount**) after the change has been in effect for two years during the Insured's lifetime.
- We **can** challenge at any time (and require proof of continuing disability) an additional benefit that provides benefits to the Insured person in the event that the Insured person becomes totally disabled.
- If the Insured person dies during the time that We may challenge the validity of the policy, then We may delay payment until We decide whether to challenge the policy.
- If the Insured person's **age** or sex is misstated on any application, then the **death benefit** and any additional benefits will be changed. They will be those which would be

purchased by the most recent deduction for the cost of insurance and the cost of any additional benefits at the Insured person's correct **age** and sex.

- If the Insured person commits suicide within two years after the date on which the policy was issued, then the **death benefit** will be limited to the total of all paid premiums minus the **policy debt** minus any partial withdrawals of net **cash surrender value**. If the Insured person commits suicide within two years after the effective date of Your requested **face amount** increase, then We will pay the **face amount** which was in effect before the increase, plus the monthly cost of insurance deductions for the increase (Some states require Us to measure this time by some other date).

YOUR PAYMENT OPTIONS

You may choose for policy benefits and other payments (such as the **net cash surrender value** or **death benefit**) to be paid immediately in one lump sum or in another form of payment. Payments under these options are not affected by the investment performance of any **investment division**. Instead, interest accrues pursuant to the option chosen. If You do not arrange for a specific form of payment before the Insured person dies, then the **beneficiary** will have this choice. However, if You do make an arrangement with Us for how the money will be paid, then the **beneficiary** cannot change Your choice. Payment options will also be subject to Our rules at the time of selection.

Lump Sum Payments

When a **death benefit** is paid in a lump sum the **beneficiary** has two options available to them. The first option is payment in a lump sum check in the amount of the **death benefit** proceeds. The other option is payment of the **death benefit** by establishing an interest bearing draft account, called the "Midland National Access Account," for the **beneficiary**, in the amount of the **death benefit** proceeds. We will send the **beneficiary** a draft account book and the **beneficiary** will have access to the account simply by writing a draft for all or any part of the amount of the **death benefit**. We do not guarantee to credit a minimum interest rate on amounts left in the Midland National Access Account. Any interest paid on amounts in the Midland National Access Account is currently taxable to the **beneficiary**. The Midland National Access Account is not available in all jurisdictions.

The Midland National Access Account is a draft account and is part of Our General Account. It is not a bank account or a checking account and it is not insured by the FDIC or any government agency. As part of Our General Account, it is subject to the claims of Our creditors. We receive a benefit from all amounts left in the Midland National Access Account.

Optional Payment Methods

Our consent is required when an optional payment is selected and the payee is either an assignee or not a natural person (*i.e.,* a corporation). Currently, these alternate payment options are only available if the proceeds applied are more than $1,000 and periodic payments are at least $20.

You have the following payment options:

1. **Interest Payments:** The money will stay on deposit with Us for a period that We agree upon. You will receive interest on the money at a declared interest rate.
2. **Installment Options:** There are two ways that We pay installments:
   (a) Fixed Period: We will pay the amount applied in equal installments plus applicable interest, for a specified time, up to 30 years.
   (b) Fixed Amount: We will pay the sum in installments in an amount that We agree upon. We will continue to pay the installments until We pay the original amount, together with any interest You have earned.

3. **Monthly Life Income Option:** We will pay the money as monthly income for life. You may choose from 1 of 5 ways to receive the income. We will guarantee payments for:
   1) at least 5 years (called "5 Years Certain");
   2) at least 10 years (called "10 Years Certain");
   3) at least 15 years (called "15 Years Certain");
   4) at least 20 years (called "20 Years Certain");
   5) payment for life. With a life only payment option, payments will only be made as long as the payee is alive. **Therefore, if the payee dies after the first payment, only one payment will be made.**
4. **Other:** You may ask Us to apply the money under any option that We make available at the time the benefit is paid.

We guarantee interest under the deposit and installment options at 2.75% a year, but We may allow a higher rate of interest.

The **beneficiary,** or any other person who is entitled to receive payment, may name a successor to receive any amount that We would otherwise pay to that person's estate if that person died. The person who is entitled to receive payment may change the successor at any time.

We must approve any arrangements that involve more than one of the payment options, or a payee who is a fiduciary or not a natural person. Also, the details of all arrangements will be subject to Our rules at the time the arrangements take effect. These include:

- rules on the minimum amount We will pay under an option,
- minimum amounts for installment payments,
- withdrawal or commutation rights (Your rights to receive payments over time, for which We may offer You a lump sum payment),
- the naming of people who are entitled to receive payment and their successors, and
- the ways of proving **age** and survival.

You will choose a payment option (or any later changes) and Your choice will take effect in the same way as it would if You were changing a **beneficiary.** (See "Your **Beneficiary** " below). Any amounts that We pay under the payment options will not be subject to the claims of creditors or to legal process, to the extent that the law provides.

Even if the **death benefit** under the policy is excludible from income, payments under payment options may not be excludible in full. This is because earnings on the **death benefit** after the Insured's death are taxable and payments under the payment options generally include such earnings. You should consult a tax advisor as to the tax treatment of payments under payment options.

YOUR BENEFICIARY

You name Your **beneficiary** in Your policy application. The **beneficiary** is entitled to the **death benefits** of the policy. You may change the **beneficiary** during the Insured's lifetime by writing to Our **Administrative Office**. If no **beneficiary** is living when the Insured dies, We will pay the **death benefit** to the owner or the owner's estate.

ASSIGNING YOUR POLICY

You may assign Your rights to this policy. You must send a copy of the assignment to Our **Administrative Office**. We are not responsible for the validity of the assignment or for any payment We make or any action We take before We receive notice of the assignment. An absolute assignment is a change of ownership. There may be tax consequences.

The assignment does not take effect until We accept and approve it. We reserve the right, except to the extent prohibited by applicable laws, regulations, or actions of the State insurance commissioner, to refuse assignments or transfers at any time on a non-discriminatory basis.

This policy, or any of its riders, is not designed for resale, speculation, arbitrage, viatical settlements or any type of collective investment scheme. This policy may not be traded on any stock exchange or secondary market. By purchasing this policy, You represent and warrant that You are not purchasing or intending to use this policy, or any of its riders, for resale, speculation, arbitrage, viatical settlements or any type of collective investment scheme.

WHEN WE PAY PROCEEDS FROM THIS POLICY

We will generally pay any **death benefits**, net **cash surrender value**, or loan proceeds within seven days after receiving the required form(s) at Our **Administrative Office**. **Death benefits** are determined as of the date of the Insured person's death and will not be affected by subsequent changes in the **accumulation unit** values of the **investment divisions**. We pay interest from the date of death to the date of payment.

We may delay payment and transfers for one or more of the following reasons:

1. We are investigating the claim, contesting the policy, determining that the **beneficiary** is qualified to receive the proceeds (e.g., is not a minor or responsible for causing the death), or resolving other issues that must be determined before payment (e.g., conflicting claims to the proceeds).
2. We cannot determine the amount of the payment because the New York Stock Exchange is closed, the SEC has restricted trading in securities, or the SEC has declared that an emergency exists.
3. The SEC permits Us to delay payment to protect Our policy **owners**.

If, pursuant to SEC rules, the Fidelity VIP Money Market Fund suspends payment of redemption proceeds in connection with a liquidation of the **Fund**, then We will delay payment of any transfer, partial withdrawal, surrender, loan, or **death benefit** from the corresponding **investment division** until the **Fund** is liquidated.

We may also delay any payment until Your premium checks have cleared Your bank. We may defer payment of any loan amount, withdrawal, or surrender from the General Account for up to six months after We receive Your request. We will not defer payment if it is used to pay premiums on policies with Us.

Federal laws designed to counter terrorism and prevent money laundering by criminals might, in certain circumstances, require Us to reject a premium payment and/or "freeze" or block Your **policy fund**. If these laws apply in a particular situation, We would not be allowed to process any request for withdrawals, surrenders, loans, or **death benefits**, make transfers, or continue making payments under Your payment option. If a **policy fund** were frozen, the **policy fund** would be moved to a special segregated interest bearing account and held in that account until

We receive instructions from the appropriate federal regulator. We may also be required to provide information about You and Your policy to the government agencies and departments.

CHANGE OF ADDRESS NOTIFICATION

To protect You from fraud or theft, We may verify any changes in address You request by sending a confirmation of the change of address to Your old address.

YOUR VOTING RIGHTS AS AN OWNER

We invest the assets of Our **Separate Account** divisions in shares of the **funds**' portfolios. Midland National is the legal owner of the shares and has the right to vote on certain matters. Among other things, We may vote:

- to elect the **funds**' Boards of Directors,
- to ratify the selection of independent auditors for the **funds**, and
- on any other matters described in the **funds**' current prospectuses or requiring a vote by shareholders under the Investment Company Act of 1940.

Even though We own the shares, We give You the opportunity to tell Us how to vote the number of shares that are allocated to Your policy. We will vote at shareholder meetings according to Your instructions.

The **funds** will determine how often shareholder meetings are held. As We receive notice of these meetings, We will ask for Your voting instructions. The **funds** are not required to hold a meeting in any given year.

If We do not receive instructions in time from all policy owners, then We will vote those shares in the same proportion as We vote shares for which We have received instructions in that portfolio. We will also vote any **fund** shares that We alone are entitled to vote in the same proportions that policy owners vote. The effect of this proportional voting is that a small number of policy owners may control the outcome of a vote. If the federal securities laws or regulations or interpretations of them change so that We are permitted to vote shares of the **fund** in Our own right or to restrict policy owner voting, then We may do so.

You may participate in voting only on matters concerning the **fund** portfolios in which Your **policy fund** has been invested. We determine Your voting shares in each division by dividing the amount of Your **policy fund** allocated to that division by the net asset value of one share of the corresponding **fund** portfolio. This is determined as of the **record date** set by the **funds**' Board for the shareholders meeting. We count fractional shares.

If You have a voting interest, We will provide You proxy material and a form for giving Us voting instructions. In certain cases, We may disregard instructions relating to changes in the **funds**' adviser or the investment policies of its portfolios. We will advise You if We do.

Other insurance companies own shares in the **funds** to support their variable insurance products. We do not foresee any disadvantage to this. Nevertheless, the **funds**' Boards of Directors will monitor events to identify conflicts that may arise and determine appropriate action. If We disagree with any **fund** action, then We will see that appropriate action is taken to protect Our policy owners.

DISTRIBUTION OF THE POLICIES

We have entered into a distribution agreement with Our affiliate, Sammons Securities Company, LLC ("Sammons Securities Company") for the distribution and sale of the policies. Sammons Securities Company is an indirect wholly owned subsidiary of Sammons Enterprises, Inc., of Dallas, Texas, the ultimate parent company of Midland National Life Insurance Company. Sammons Securities Company offers the policies through its registered representatives. Sammons Securities Company may enter into written sales agreements with other broker-dealers ("selling firms") for the sale of the policies. We pay commissions to Sammons Securities Company for sales of the Policies by its registered representatives as well as by selling firms.

Sales commissions may vary, but the maximum commission payable for policy sales is 90% of premiums during **policy year** 1, 4.5% during **policy years** 2-15, and 0% following **policy year** 15. We may also pay additional commissions calculated as a percentage of Your **policy fund** value at specified times (e.g. at the end of the fifth **policy year**). Further, for each premium received following an increase in base **face amount**, a commission on that premium will be paid up to the target premium for the increase in each year. The commission for the increase in **face amount** will be calculated using the commission rates for the corresponding **policy year**. We pay commissions for policies sold to policy owners in the substandard risk underwriting class and for rider premiums based on Our rules at the time of payment. We may also pay additional amounts and reimburse additional expenses of Sammons Securities Company based on various factors.

We also pay for some of Sammons Securities Company's expenses, including the following sales expenses: registered representative training allowances; compensation and bonuses for the Sammons Securities Company's management team; advertising expenses; and all other expenses of distributing the policies. Sammons Securities Company pays its registered representatives all or a portion of the commissions received for their sales of policies. Registered representatives and their managers are also eligible for various cash benefits, such as bonuses, insurance benefits and financing arrangements, and non-cash compensation items that We may provide jointly with Sammons Securities Company.

Non-cash items that We and Sammons Securities Company may provide include conferences, seminars and trips (including travel, lodging and meals in connection therewith), entertainment, merchandise and other similar items. In addition, Sammons Securities Company's registered representatives who meet certain productivity, persistency and length of service standards and/or their managers may be eligible for additional compensation. Sales of the policies may help registered representatives and/or their managers qualify for such benefits. Sammons Securities Company's registered representatives and managers may receive other payments from Us for services that do not directly involve the sale of the Policies, including payments made for the recruitment and training of personnel, production of promotional literature and similar services.

A portion of the payments made to selling firms may be passed on to their registered representatives in accordance with their internal compensation programs. Those programs may also include other types of cash and non-cash compensation and other benefits. Ask Your registered representative for further information about what Your registered representative and the selling firm for which he or she works may receive in connection with Your purchase of a policy.

We intend to recoup commissions and other sales expenses indirectly through the following fees and charges deducted under the policy: (a) deductions from Your premiums; (b) the **surrender charge**; (c) the mortality and expense charge; (d) the cost of insurance charge; (e) payments, if any, received from the **funds** or their managers; and (f) investment earnings on amounts allocated under policies to the General Account. Commissions and other incentives or payments described above are not charged directly to You or the **Separate Account** but they are reflected in the fees and charges that You do pay directly or indirectly.

The Statement of Additional Information (SAI) can provide You with more detailed information about distribution expenses, commissions, and compensation than is contained in this prospectus. A free copy of the SAI can be obtained by calling (800) 272-1642 or by contacting Your registered representative.

LEGAL PROCEEDINGS

Midland National Life Insurance Company and its subsidiaries, like other life insurance companies, may be involved in lawsuits, including class action lawsuits. In some class action and other lawsuits involving insurers, substantial damages have been sought and/or material settlement payments have been made. Although the outcome of any litigation cannot be predicted with certainty, Midland National Life Insurance Company believes that, as of the date of this prospectus, there are no pending or threatened lawsuits that will have a materially adverse impact on the **Separate Account**, or on the ability of Sammons Securities Company, LLC to perform under its distribution agreement, or the ability of the Company to meet its obligations under the policy.

FINANCIAL STATEMENTS

Our financial statements and the financial statements of the **Separate Account** are contained in the Statement of Additional Information. Our financial statements should be distinguished from the **Separate Account's** financial statements and You should consider Our financial statements only as bearing upon Our ability to meet Our obligations under the policies. For a free copy of these financial statements and/or the Statement of Additional Information, please call or write to Us at Our **Administrative Office**.

DEFINITIONS

Accumulation Unit means the units credited to each **investment division** in the **Separate Account**.

Administrative Office means where You can write to Us to make transaction requests or service requests. The address is:

Midland National Life Insurance Company
One Sammons Plaza
Sioux Falls, SD 57193

You may also call Us at Our **Administrative Office** toll-free at (800) 272-1642. We have different fax (facsimile) numbers for different types of services. To send Us transaction requests by fax (facsimile), You should use the following fax numbers: (605) 373-8557 or (877) 841-6709 (toll-free). To send Us service requests by fax (facsimile), You should use the following fax numbers: (605) 335-3621 or (877) 208-6136 (toll-free).

Age means the **age** of the Insured person on his/her last birthday preceding the **policy date**.

Attained Age means the **age** of the Insured person on his/her birthday preceding a **policy anniversary** date.

Beneficiary means the person or persons to whom the policy's **death benefit** is paid when the Insured dies.

Business Day means any day the New York Stock Exchange is open for regular trading. Our **business day** ends when the New York Stock Exchange closes for regular trading (generally 3:00 p.m. Central Time).

Cash Surrender Value means the **policy fund** on the date of surrender, less any **surrender charge**.

Death Benefit means the amount payable under Your policy when the Insured person dies.

Evidence of Insurability means evidence, satisfactory to Us, that the Insured person is insurable and meets Our underwriting standards.

Face Amount means the amount stated on the face of Your policy that will be paid either upon the death of the Insured or the policy maturity, whichever date is earlier.

Full Loan Value means the **net cash surrender value** minus any loan interest that will accrue till the next **policy anniversary**.

Funds mean the investment companies, commonly called mutual funds, that are available for investment by **Separate Account** A on the **policy date** or as later changed by Us.

Inforce means the Insured person's life remains Insured under the terms of the policy.

Investment Division means a division of **Separate Account** A which invests exclusively in the shares of a specified portfolio of a **fund**.

Modified Endowment Contract ("MEC") is a policy where premiums are paid more rapidly than the rate defined by a 7-pay test.

Monthly Anniversary means the day of each month that has the same numerical date as the **policy date**.

Net Cash Surrender Value means the **cash surrender value** less any outstanding **policy debt**.

Net Premium means the premium paid less any applicable service charge. **Note:** The first monthly deduction is also taken from the initial premium.

No Lapse Guarantee Period means the amount of time this policy is guaranteed to remain **inforce** if the sum of the premiums paid, less any **policy debt** and withdrawals, is equal to or greater than the no lapse minimum premium requirement.

Policy Anniversary means the same month and day of the **policy date** in each year following the **policy date**.

Policy Date means the date insurance coverage is effective and from which policy anniversaries and **policy years** are determined.

Policy Debt means the total loan on the policy on that date plus the interest that has accrued, but has not been paid as of that date.

Policy Fund means the sum of monies in Our **Separate Account** A attributable to Your **inforce** policy plus any monies in Our General Account for Your policy.

Policy Month means a month that starts on a **monthly anniversary** and ends on the following **monthly anniversary**.

Policy Year means a year that starts on the **policy date** or on each anniversary thereafter.

Record Date means the date the policy is recorded on Our books as an **inforce** policy.

Rider Date means the date the rider takes effect.

Separate Account means Our **Separate Account** A which receives and invests Your **net premiums** under the policy.

Specified Amount means the **face amount** of the policy. The term "**specified amount**" used in Your policy has the same meaning as the term "**face amount**" used in this prospectus.

Surrender Charge means a charge made only upon surrender of the policy.

The Statement of Additional Information (SAI) can provide You with more detailed information about Midland National Life Insurance Company and the Midland National Life Separate Account A, including more information about distribution expenses, commissions, and compensation than is contained in this prospectus. The SAI is incorporated by reference into this prospectus and is legally part of this prospectus. A free copy of the SAI can be obtained by calling (800) 272-1642 or by contacting Your registered representative. We will send You a copy of the SAI within 3 business days of Your request.

Personalized illustrations of death benefits, cash surrender values, and cash values are also available free of charge upon request. You can obtain a personalized illustration or make other policy inquiries by contacting Our Administrative Office at:

Midland National Life Insurance Company
One Sammons Plaza
Sioux Falls, SD 57193
(800) 272-1642

Information about the Separate Account can be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the public reference room may be obtained by calling the SEC at 202-551-8090. Reports and other information about the Separate Account are also available on the SEC's Internet site at http://www.sec.gov. Copies of this information may be obtained, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC, 100 F Street, NE, Washington, DC 20549-0102.

SEC File No. 811-05271