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MIDLAND NATIONAL ADVANTAGE III OCTOBER 1, 2012 PROSPECTUS

www.midlandannuity.com

MIDLAND NATIONAL
LIFE INSURANCE COMPANY
VARIABLE ANNUITY DIVISION
4350 Westown Parkway
West Des Moines, IA 50266

10171V

**NOT FDIC INSURED.
NO BANK GUARANTEE.**

**This disclosure is required by the OCC when
fixed and variable annuities are sold through a
financial institution. Subject to investment risk,
including loss of principal.**

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Advantage III Variable Annuity Prospectus

October 1, 2012

Flexible Premium Deferred Variable Annuity

issued by: Midland National Life Insurance Company
through the Midland National Life Separate Account C

Phone: (877) 586-0240 (toll free) Fax: (866) 270-9565 (toll-free)

Please read this prospectus for details on the contract being offered to You and keep it for future reference. This prospectus sets forth the information that a prospective investor should know before investing.

The Advantage III Variable Annuity (the “contract”) is a flexible premium deferred annuity designed to be useful to You in meeting Your long-term savings and retirement needs. The minimum initial premium for a non-qualified contract is \$10,000. The minimum initial premium for a qualified contract is \$2,000.

If You elect the Premium Bonus Rider, We will add the premium bonus to each premium payment that You make in the first **contract year**. Electing the Premium Bonus Rider may be beneficial to You only if You own the contract for a sufficient length of time, and the investment performance of the underlying portfolios is sufficient to compensate for the additional fee charged for the Premium Bonus Rider. Your expenses will be higher if You elect the Premium Bonus Rider and over time, the value of the premium bonus may be more than offset by the extra fee charged for the Premium Bonus Rider. The Fixed Account interest rate will be reduced by 0.85% for the first nine **contract years** if this rider is elected.

A Statement of Additional Information (“SAI”) about the contract and the Midland National Life **Separate Account C** is available free of charge by checking the appropriate box on the application form or by writing to Us at Midland National Life Insurance Company, 4350 Westown Parkway, West Des Moines, IA 50266 or contacting Us at the numbers above. The SAI, dated October 1, 2012, has been filed with the U.S. Securities and Exchange Commission (“SEC”), and is incorporated herein by reference. The table of contents of the SAI is included at the end of this prospectus. The SEC maintains a website (<http://www.sec.gov>) that contains the SAI, material incorporated by reference, and other information regarding registrants that file electronically with the SEC.

You may allocate Your premiums to Our Fixed Account, unless otherwise noted, and/or to the **Separate Account investment divisions** (see Definitions) that invest in a specified mutual fund portfolio. You can generally choose a maximum of twenty-nine funds (at any one time including the Fixed Account) among the sixty-three **investment divisions** shown on the following page (some restrictions may apply). The mutual fund portfolios are part of the following series funds or trusts:

- AIM Variable Insurance Funds (Invesco Variable Insurance Funds)
- The Alger Portfolios
- American Century Variable Portfolios, Inc.
- Calvert Variable Series, Inc.
- Fidelity® Variable Insurance Products Initial Class and Service Class 2
- Goldman Sachs Variable Insurance Trust
- JPMorgan Insurance Trust
- Lord Abbett Series Fund, Inc.
- MFS® Variable Insurance TrustSM
- Neuberger Berman Advisers Management Trust
- PIMCO Variable Insurance Trust
- Rydex Variable Trust
- Van Eck VIP Trust

Your **accumulation value** in the **investment divisions** will increase or decrease based on investment performance of the mutual fund portfolios. You bear this risk. No one insures or guarantees any of these investments. Separate prospectuses describe the investment objectives, policies and risks of the mutual fund portfolios.

The SEC 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.

The contracts involve investment risk, including possible loss of principal.

The contracts are not a deposit of, or guaranteed or endorsed by, any bank or depository institution and the contracts are not federally insured by the federal deposit insurance corporation or any other agency.

Advantage III Variable Annuity

SEPARATE ACCOUNT INVESTMENT PORTFOLIOS

1. Alger Capital Appreciation Portfolio	33. Guggenheim VT U.S. Long Short Momentum Fund ¹
2. Alger Large Cap Growth Portfolio	34. Invesco V.I. Diversified Dividend Fund ²
3. Alger Mid Cap Growth Portfolio	35. Invesco V.I. Global Health Care Fund
4. American Century VP Balanced Fund	36. Invesco V.I. Technology Fund
5. American Century VP Capital Appreciation Fund	37. Invesco V.I. Utilities Fund
6. American Century VP Income & Growth Fund	38. JPMorgan Insurance Trust Core Bond Portfolio
7. American Century VP Inflation Protection Fund	39. JPMorgan Insurance Trust Small Cap Core Portfolio
8. American Century VP International Fund	40. Lord Abbett Series Fund, Inc. Growth and Income Portfolio
9. American Century VP Large Company Value Fund	41. Lord Abbett Series Fund, Inc. International Opportunities Portfolio
10. American Century VP Mid Cap Value Fund	42. Lord Abbett Series Fund, Inc. Mid Cap Stock Portfolio ³
11. American Century VP Ultra [®] Fund	43. MFS [®] VIT Growth Series
12. American Century VP Value Fund	44. MFS [®] VIT Investors Trust Series
13. Calvert VP SRI Equity Portfolio	45. MFS [®] VIT New Discovery Series
14. Calvert VP SRI Mid Cap Growth Portfolio	46. MFS [®] VIT Research Series
15. Fidelity VIP Asset Manager: Growth [®] Portfolio	47. Neuberger Berman AMT Mid-Cap Growth Portfolio
16. Fidelity VIP Asset Manager SM Portfolio	48. Neuberger Berman AMT Mid Cap Intrinsic Value Portfolio ⁴
17. Fidelity VIP Balanced Portfolio	49. Neuberger Berman AMT Small-Cap Growth Portfolio
18. Fidelity VIP Contrafund [®] Portfolio	50. PIMCO VIT High Yield Portfolio
19. Fidelity VIP Equity-Income Portfolio	51. PIMCO VIT Low Duration Portfolio
20. Fidelity VIP Growth & Income Portfolio	52. PIMCO VIT Real Return Portfolio
21. Fidelity VIP Growth Opportunities Portfolio	53. PIMCO VIT Total Return Portfolio
22. Fidelity VIP Growth Portfolio	54. Rydex VT Government Long Bond 1.2x Strategy Fund
23. Fidelity VIP High Income Portfolio	55. Rydex VT Inverse Government Long Bond Strategy Fund
24. Fidelity VIP Index 500 Portfolio	56. Rydex VT Inverse NASDAQ-100 [®] Strategy Fund
25. Fidelity VIP Investment Grade Bond Portfolio	57. Rydex VT Inverse S&P 500 Strategy Fund
26. Fidelity VIP Mid Cap Portfolio	58. Rydex VT Nova Fund
27. Fidelity VIP Money Market Portfolio	59. Rydex VT NASDAQ-100 [®] Fund
28. Fidelity VIP Overseas Portfolio	60. Rydex VT U.S. Government Money Market Fund
29. Fidelity VIP Value Strategies Portfolio	61. Van Eck VIP Emerging Markets Fund
30. Goldman Sachs VIT Large Cap Value Fund	62. Van Eck VIP Global Bond Fund
31. Goldman Sachs VIT Mid Cap Value Fund	63. Van Eck VIP Global Hard Assets Fund
32. Goldman Sachs VIT Structured Small Cap Equity Fund	

¹Formerly Rydex|SGI VT U.S. Long Short Momentum Fund

²Formerly Invesco V.I. Dividend Growth Fund

³Formerly Lord Abbett Series Fund, Inc. Mid Cap Value Portfolio

⁴Formerly Neuberger Berman AMT Regency Portfolio

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

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

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DEFINITIONS

For Your convenience, below is a glossary of the special terms We use in this prospectus. In this prospectus, these words and phrases are generally in bold face type.

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

Accumulation Value means the sum of the amounts You have in Our Fixed Account and in the **investment divisions** of Our **Separate Account** under Your **inforce** contract.

Administrative Office means Our office located at One Sammons Plaza, Sioux Falls, SD 57193. Please use Our **Principal Office** address and telephone and fax numbers for all correspondence, transaction requests, payments, and inquiries.

Annuitant means the person(s), designated by the **owner**, to whom periodic income will be paid (**Payee**). This is the person whose life is used to determine the amount and duration of any periodic income involving life contingencies. After the **maturity date**, the **annuitant** will be considered the **owner** unless otherwise stated.

Annuity Unit means the units in the **Separate Account**, after the **maturity date**, that are used to determine the amount of the annuity payment.

Annuitization means an election of an annuity payment option.

Annuitize means an election to receive regular income payments from Your contract under one of the annuity payment options. An election to **annuitize** Your contract may be irrevocable. If You elect to **annuitize** Your contract, You will no longer be able to exercise any liquidity provision that may have previously been available.

Attained Age means the **issue age** plus the number of complete **contract years** since the **issue date**.

Beneficiary means the person or persons to whom the contract's **death benefit** will be paid in the event of the death of the **annuitant** or an **owner**.

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).

Contract Anniversary means the same date in each **contract year** as the **issue date**.

Contract Month means a month that starts on the same date as the **issue date** in each month. For this purpose, the calendar days of 29, 30 and 31 are not used and We look forward to the first day of the next calendar month. For example, assume a contract is issued on January 29th. Subsequent **contract months** will begin on the first of each month (February 1, March 1, April 1, etc.).

Contract Year means a year that starts on the **issue date** or on each anniversary thereafter.

Death Benefit means the amount that We will pay to the **beneficiary** in the event of the death of the **annuitant** or an **owner** if the contract is still **inforce**. The **death benefit** will be paid when We receive due proof of the death of the **owner** or **annuitant** and an election of how the **death benefit** is to be paid, and any other required documents or forms.

Gain means the difference, if any, between Your **accumulation value** and the **net premiums** paid into this contract.

Good Order means all of the information necessary to process a transaction, as described in more detail under "Administrative Procedures" on page 11.

Gross Premium means Your premium Payment(s) before any partial surrenders and any surrender charges.

Guaranteed Amount means the amount equal to the initial premium payment and increased equally by any subsequent premium payments if the optional Guaranteed Minimum Withdrawal Benefit rider is elected when the contract is issued. If the contract has already been issued, this amount will be the current **accumulation value** of the Contract increased equally by any subsequent premium payments. The **Guaranteed Amount** is equal to the maximum payouts that can be received under the rider and is reduced by each withdrawal.

Inforce means the **annuitant's** life remains insured under the terms of the contract.

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

Issue Age means the age of the **annuitant** on the last birthday before the **issue date**.

Issue Date means the date the contract goes into effect and from which contract anniversaries, **contract months** and **contract years** are determined.

Maturity Date means the date, specified in Your contract on which income payments will begin. The earliest possible **maturity date** is the 9th **contract anniversary** at which time You may **annuitize** Your full **accumulation value**. The maximum **maturity date** is the **contract anniversary** immediately following the annuitant's 100th birthday.

Net Premium means Your premium payment(s) minus any partial surrenders and any surrender charges.

Owner means the person(s) or entity that is named in the application or on the latest change filed with Us who is entitled to exercise all rights and privileges provided in the Contract. **Owner** is referred to as "You" in the Contract.

Payee means the person who is entitled to receive annuity payments after **annuitization**. On or after the **maturity date**, the **annuitant** will be the **payee**. If the **annuitant** or an **owner** dies prior to the **maturity date**, then the **beneficiary** is the **payee**.

Payment Amount means 7% of the initial **Guaranteed Amount** will be available for withdrawal each **contract year** until the **guaranteed amount** is depleted if the Guaranteed Minimum Withdrawal Benefit is elected. The amount is increased by 7% of each subsequent premium payment received. This may be reduced if withdrawals within a **contract year** exceed the Payment Amount.

Principal Office means where You must send correspondence and inquiries and pay premiums, make transfers between **investment divisions**, and send other transaction requests.

The address is:

Midland National Life Insurance Company

4350 Westown Parkway

West Des Moines, IA 50266

Phone: (877) 586-0240 (toll free)

Fax: (866) 270-9565 (toll free)

Proof of Death means a certified copy of the death certificate or any other proof satisfactory to the Company.

Separate Account means the Midland National Life **Separate Account C** which receives and invests Your premiums under the contract.

Surrender Value means the Fixed Account **accumulation value** plus the **Separate Account** accumulation value on the date of surrender minus any surrender charge, non-vested premium bonus (if any), premium tax and annual maintenance fee less any outstanding loan and loan interest.

Valuation Period means the time beginning at the close of regular trading on the New York Stock Exchange (generally 3:00 p.m. Central Time) on one **business day** and ending at the close of regular trading on the New York Stock Exchange on the next **business day**.

Written Notice means a notice or request in **good order** submitted in a written form satisfactory to Us, that is signed by the **owner** and received by Us at the address shown on the Specification Page of Your contract.

SUMMARY

In this prospectus “We”, “Our”, “Us”, “Midland National”, and “Company” mean Midland National Life Insurance Company. “You” and “Your” mean the **owner** of the contract. We refer to the person who is covered by the contract as the “**annuitant**,” because the **annuitant** and the **owner** might not be the same.

This summary provides only a brief overview of the more important features of the contract. The detailed information appearing later in this prospectus further explains the following summary. Please read this entire Prospectus, Your contract, and the Statement of Additional Information for more detailed information. Unless otherwise indicated, the description of the contract in this prospectus assumes that the contract is **inforce**.

FEATURES OF ADVANTAGE III VARIABLE ANNUITY

The Advantage III Variable Annuity contract provides You with a basic contract to which You can add optional riders. If You choose to add any of these riders, a corresponding charge will be deducted from Your **accumulation value**. The flexible premium deferred variable annuity contracts described in this prospectus provide for accumulation of the **accumulation value** and payment of annuity payments on a fixed or variable basis. The contracts are designed to aid individuals in long-term planning for retirement or other long-term purposes.

The contracts are available for situations that do not qualify for the special federal tax advantages available under the Internal Revenue Code (non-qualified contract) and for retirement plans which do qualify for those tax advantages (qualified contract). This contract does not offer any additional tax benefits when purchased under a qualified plan. See “Suitability of the Contracts” on page 17 for more detailed information.

Replacing an existing annuity with the contract may not be of financial benefit to You. Your existing annuity may be subject to fees or penalties on surrender, and the contract will have new charges.

The contract is designed for people seeking long-term tax-deferred accumulation of assets, generally for retirement or other long-term purposes. You should not buy this contract: (i) if You are looking for a short-term investment; or (ii) if You cannot risk getting back less money than You put in.

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

Your “Free Look” Right

You can examine the contract and return it to Us for any reason within 30 days after You receive it for a refund of the **accumulation value** less any credits added by Us (which may be more or less than the premium payments You paid), or if greater and required by Your state, the original amount of Your premium payment. Longer free look periods apply in some states and in certain situations. (See “Free Look” on page 32 for more details).

Your Accumulation Value

Your **accumulation value** depends on:

- the amount and frequency of premium payments,
- the selected portfolio’s investment experience,

- interest earned on amounts allocated to the Fixed Account,
- partial surrenders, and
- charges and deductions.

You bear the investment risk under the contract (except for amounts in the Fixed Account). There is no minimum guaranteed **accumulation value** with respect to any amounts allocated to the **Separate Account**. (See “Your Accumulation Value” on page 33).

Flexible Premium Payments

You can pay additional premium payments at any time prior to **annuitization** and in whatever amount You want, within certain limits. Your initial Investment(s) must be at least \$10,000 for a Non-Qualified Contract and at least \$2,000 for a Qualified Contract. Additional investments must be at least \$50. By current company practice, We will waive the initial premium for group list bill contracts if each premium payment is at least \$50.

Unless You receive approval from Us, the maximum amount of premium You can pay into this contract prior to the **maturity date** is \$5,000,000. In addition, the maximum amount of variable annuity premium that may be deposited with Midland National is limited to \$5,000,000 per **annuitant** or **owner** (calculation based upon all active contracts). The maximum amount of premium that currently can be allocated or transferred to the Fixed Account prior to the **maturity date** is limited to \$1,000,000 without prior approval from Us. We reserve the right to further restrict or even eliminate the ability to allocate or transfer to the Fixed Account.

Investment Choices

You may allocate Your **accumulation value** to the **investment divisions** of Our **Separate Account** available under this contract or to Our fixed account unless otherwise noted, which pays interest at a declared rate, or to a combination of these options. However, You may not have Your **accumulation value** allocated to more than 29 **investment divisions** including the fixed account at any one time.

If You select the Guaranteed Minimum Withdrawal Benefit rider, You must invest 100% of Your **accumulation value** according to one of the five asset allocation models designated by Us for this rider. If You choose to invest any part of Your **accumulation value** to an **investment division** that is not a part of the asset allocation model You selected or to the Fixed Account or Fixed Account DCA program at any time, then the GMWB rider will terminate. For limitations on premium allocations to the Fixed Account, see “THE FIXED ACCOUNT” on page 29.

For a full description of the portfolios, see the funds’ prospectuses, which accompany this prospectus. (See “Investment Policies of The Funds’ Portfolios” on page 20).

Each portfolio pays a different investment management or advisory fee and has different operating expenses. The portfolios may also impose redemption fees, which We would deduct from Your **accumulation value**. More detail concerning each portfolio company’s fees and expenses is contained in the prospectus for each portfolio company. See “Investment Policies of The Funds’ Portfolios” on page 20.

We allocate Your premiums and **accumulation value** to the **investment division(s)** You choose. The value of Your contract will fluctuate during the accumulation period depending on the investment option(s) You have chosen. You bear the investment risk of any variable investment option You choose.

Asset Allocation Program

We make an asset allocation service available at no additional charge for use within the contract. The asset allocation program is designed to assist You in allocating Your premium payments and **accumulation value** among the **investment divisions** available under the contract. If You participate in the asset allocation program, then You must select one of the asset allocation model portfolios available under the contract; We will not make this decision. See "Asset Allocation Program" on page 26. **There is no guarantee that a model portfolio in the asset allocation program will not lose money or experience volatility.**

Transfers

You may transfer Your **accumulation value** among the **Investment Divisions** in which You are invested and Your allocation to the Fixed Account. We currently do not charge You for transfers made during a **contract year**, but reserve the right to charge for each transfer after the twelfth transfer in a **contract year**. We also reserve the right to limit the number of transfers You may make and may otherwise modify or terminate transfer privileges if required by Our business judgment or in accordance with applicable law or pursuant to Our agreements with the mutual fund portfolios. We reserve the right to eliminate and/or severely restrict the transfer privilege in any manner We deem appropriate for some, all or specific contract **owners**. The amount that You can transfer into the Fixed Account is limited. See "THE FIXED ACCOUNT" on page 29 for details. After the **maturity date**, You may make two transfers each year among the **Separate Account investment divisions**.

We require a minimum amount, usually \$200 (or 100% of an **investment division** if less than \$200), for each transfer.

Currently, We do not charge for making transfers. However, We reserve the right to assess a \$15 administrative charge for each transfer after the 12th transfer in a **contract year**.

Completed transfer requests received in **good order** at Our **Principal 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 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. See definition of "**Business Day**" on page 5. For limitations on transfers to and from the Fixed Account, see "THE FIXED ACCOUNT" on page 29. For restrictions on transfers due to market timing, see "Transfer Limitations" on page 34.

Frequent or Disruptive Transfers

Frequent, large, programmed, or short-term transfers among the **investment divisions** or between the **investment divisions** and the Fixed Account ("Harmful Trading") can cause risks with adverse effects for other contract **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 Rydex 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 contracts issued by other insurance companies or among investment options available to retirement plan participants.

Individuals or organizations that use market-timing strategies and make frequent transfers should not purchase the contract.

Surrenders

You may generally withdraw all or part of Your **surrender value** at any time before annuity payments begin. You may also elect a systematic withdrawal option (See “Systematic Withdrawals” on page 39). (Your retirement plan may restrict surrenders.)

You may withdraw up to 10% of Your **net premiums** contractually (premiums less prior partial surrenders, as determined on the date of the surrender request), once each **contract year** without incurring a surrender charge. However, by current Company practice, We will allow You to withdraw up to 10% of Your **gross premiums** without incurring a surrender charge. This is not guaranteed. In addition, by current Company practice, We will allow You to take Your free surrender amount in multiple withdrawals each **contract year** without incurring a surrender charge. This is not guaranteed. (See “Free Surrender Amount” on page 38).

We may impose a surrender charge on any surrender in excess of the free surrender amount (including surrenders to begin annuity payments), and upon full surrender. We may also deduct an annual maintenance fee. The amount You request plus any surrender charge will be deducted from Your **accumulation value**. You may take a surrender in a lump sum or use it to purchase an annuity that will continue as long as You live or for some other period You select.

A surrender may have negative tax consequences, including a 10% tax penalty on certain surrenders prior to age 59 ½. Under non-qualified contracts, **gain**, if any, is withdrawn first for tax purposes and is taxed as ordinary income. (See “Surrender Charges on Surrenders” on page 53, “FEDERAL TAX STATUS” on page 57, and “Electing an Annuity Payment Option” on page 64.) Surrenders from contracts used for tax-qualified retirement plans may be restricted or penalized by the terms of the plan or applicable law. For certain surrenders, a signature guarantee may be required. See “Administrative Procedures” below.

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

Administrative Procedures

We may accept a request for contract service in writing, by telephone, or other approved electronic means, subject to Our administrative procedures, and may require proper completion of certain forms, providing appropriate identifying information and/or other administrative requirements. We will process Your request at the **accumulation unit** value next determined only after You have met all administrative requirements, commonly known as “in **good order**.”

Good Order means that any required forms are accurately filled out and that We have all the signatures and other information We require. To the extent applicable, this information and documentation generally includes Your completed application, the contract 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 contract **owners**, exactly as registered on the contract, 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.

Signature guarantees are required for withdrawals or surrenders of \$100,000 or more.

Signature guarantees are relied upon as a means of preventing the perpetuation of fraud in financial transactions, including the disbursement of funds or assets from a victim's account with a financial institution or a provider of financial services. They provide protection to investors by, for example, making it more difficult for a person to take another person's money by forging a signature on a written request for the disbursement of funds.

An investor can obtain a signature guarantee from more than 7,000 financial institutions across the United States and Canada that participate in a Medallion signature guarantee program. This includes many:

- national and state banks;
- savings banks and savings and loan associations;
- securities brokers and dealers; and
- credit unions.

The best source of a signature guarantee is a bank, savings and loan association, brokerage firm, or credit union with which You do business. Guarantor firms may, but frequently do not, charge a fee for their services.

A notary public cannot provide a signature guarantee. Notarization will not substitute for a signature guarantee.

Risk of Increase in Fees and Charges

Certain fees and charges assessed against the contract are currently at levels below the guaranteed maximum levels. We may increase these fees and charges up to the guaranteed maximum level.

Death Benefit

The Advantage III Variable Annuity contract pays a **death benefit** when the **annuitant** or an **owner** dies before the **maturity date** if the contract is still **inforce**. The **death benefit** is equal to the greater of (a) the **accumulation value**, less any outstanding loan and loan interest, or (b) **net premiums**, less any outstanding loan and loan interest; in both cases, measured as of the time We receive due **proof of death**, an election of how the **death benefit** is to be paid, and any other documents or forms required in **good order**. Premium taxes may be deducted from the **death benefit** proceeds and We may retain any non-vested premium bonus.

If the **annuitant** or an **owner** dies on or after the **maturity date**, then any remaining **Guaranteed Amounts**, must be paid at least as rapidly as the benefits were being paid at the time of the **annuitant's** or an **owner's** death. Other rules relating to distributions at death apply to qualified contracts.

Optional Benefits

The contract offers certain optional benefits or riders. Each of these riders offer a specific benefit that may help You achieve Your long-term financial goals. There is generally a charge for each rider. These riders offer You an opportunity to tailor the Advantage III variable annuity to meet Your specific needs. Since some optional riders cannot be terminated once elected, You should select Your options carefully. The optional riders available under this contract are:

<ul style="list-style-type: none">• Guaranteed Minimum Withdrawal Benefit Rider (GMWB)
<ul style="list-style-type: none">• Premium Bonus Rider

For detailed explanations of these riders, see “Optional Riders” on page 44. We deduct a daily charge for each optional rider against Your **Separate Account accumulation value**. Charges for these optional riders are in addition to the charges for the basic contract (stated in the “FEE TABLE” on page 14). The **investment divisions’ accumulation unit** values reflect these charges. For more information on the charges for each rider, see “FEE TABLE” on page 14.

ADDITIONAL BENEFITS

Annuitization Bonus Rider

This rider will be attached to all contracts at no additional charge. When You decide to **annuitize** Your contract for a minimum of 5 years, We will credit Your **accumulation value** with an additional percentage (of the **Accumulation Value**) based on the payment option You choose as follows:

- A 4% **annuitization** bonus will be credited on any annuity payment option available under this contract that guarantees payment for ten or more years.
- A 2% **annuitization** bonus will be credited on any annuity payment option available under this contract.

This rider terminates on the earliest of:

- the date the contract to which it is attached terminates;
- the **Maturity Date**; or
- full surrender of the contract or death of the **annuitant** or an **owner**, where the **Beneficiary** does not continue the contract under Spousal Continuance.

Increased Free Surrender Amount for Nursing Home Confinement Rider

This rider, also known as waiver of surrender charges for nursing home confinement rider, will be attached to all contracts issued with **annuitants** age 75 or less at no additional charge. After the first **contract year**, We guarantee that We will increase the annual free surrender amount available under this contract from 10% of the **net premiums** to 20% of the **net premiums** if the **annuitant** is confined to a qualified nursing care center for a period of at least 90 days and the confinement is medically necessary. See “Increased Free Surrender Amount for Nursing Home Confinement Rider” on page 38 for more details. By current company practice, after the first **contract year**, We will increase the annual free surrender amount available under this contract to 20% of the **gross premiums** if the **annuitant** qualifies for benefits under this rider (this increase is not guaranteed).

FEE TABLE

The following tables list the fees and expenses that You will pay when buying, owning, and surrendering the contract. The first table lists the fees and expenses that You will pay at the time that You buy the contract, surrender the contract, or transfer **accumulation value** between investment options. State premium taxes may also be deducted.

Contract Owner Transaction

Expenses	Charge
Sales Load Imposed on Purchase	None
Maximum Surrender Charge (as a percentage of premiums withdrawn)	9.00%
Transfer Fee	\$0-\$15 ¹
Maximum TSA Net Loan Interest Annual Rate* (of amount in loan account)	3.0%

*The net loan interest rate is the maximum interest rate We charge (4.5%) less the amount We credit to the Fixed Account balance (1.5%).

Periodic Charges Other Than Portfolio Expenses

The next table lists the fees and expenses that You may pay periodically during the time that You own the contract, not including portfolio company fees and expenses.

	Guaranteed Maximum	Current Charge
Annual Maintenance Fee²	\$60	\$30
Separate Account Annual Expenses (as a percentage of average accumulation value)		
Mortality and Expense Risk Charge	1.35%	1.35%
Optional Rider Charges:		
Guaranteed Minimum Withdrawal Benefit Rider Charge		
Conservative Asset Allocation Model	0.10% ³	0.10%
Moderate-Conservative Asset Allocation Model	0.20% ³	0.20%
Moderate Asset Allocation Model	0.40% ³	0.40%
Moderate-Aggressive Asset Allocation Model	0.75% ³	0.75%
Aggressive Asset Allocation Model	1.20% ³	1.20%
Premium Bonus Rider Charge – (for first nine contract years)	0.70%	0.65%
Total Separate Account Expenses with the Highest Combination of Optional Rider Charges	3.25%	3.20%

¹We reserve the right to impose a \$15 charge for each transfer after the twelfth (12th) transfer in a **contract year**.

²The annual maintenance fee is deducted proportionally from the **accumulation value** at the time of the charge. We reserve the right to change this fee, however, it will not exceed \$60 per **contract year**. The annual maintenance fee is reflected in the examples below by a method intended to show the “average” impact of the annual maintenance fee on an investment in the **Separate Account**. The annual maintenance fee is deducted only when the **net premiums** are less than \$50,000. Currently, We waive the annual maintenance fee for Section 403(b), SEP-IRA, and 457 Qualified Plans. In the examples, the annual maintenance fee is approximated as an annual asset charge of 0.32% (guaranteed) or 0.16% (current) based on the average **accumulation value** of \$18,650 as of 12/31/11.

³The guaranteed maximum charge for the Optional Guaranteed Minimum Withdrawal Benefit Rider only applies to the initial purchase of the rider. It does not apply if You elect to step-up the benefit or transfer into a new asset allocation model. See “Guaranteed Minimum Withdrawal Benefit Rider (GMWB)” on page 44.

Range of Annual Operating Expenses for the Portfolios¹

The next item shows the lowest and highest total operating expenses charged by the portfolio companies for the year ended December 31, 2011 (before any fee waiver or expense reimbursement). Expenses may be higher or lower in the future. More detail concerning each portfolio company's fees and expenses is contained in the prospectus for each portfolio company.

Total Annual Portfolio Company Operating Expenses	Lowest	Highest
(expenses that are deducted from portfolio company assets, including management fees, distribution, and/or service (12b-1) fees and other expenses)	0.26%	4.89%

¹The portfolio expenses used to prepare this table were provided to Us by the fund(s). We have not independently verified such information. The expenses are those incurred as of the fiscal year ending December 31, 2011. Current or future expenses may be higher or lower than those shown.

For information concerning compensation paid for the sale of the contracts, see "Distribution of the Contracts" on page 72.

EXPENSE EXAMPLES

The following examples are intended to help You compare the cost of investing in the contract with the cost of investing in other variable annuity contracts. These costs include contract **owner** transaction expenses, annual maintenance fees, **Separate Account** annual expenses, and portfolio company operating expenses (for the year ended December 31, 2011).

Both examples assume that You invest \$10,000 in the contract for the time periods indicated. The Examples also assume that Your investment has a 5% return each year. Although Your actual costs may be higher or lower, based on these assumptions, Your costs would be:

Example 1: Most Expensive – assumes Optional Premium Bonus Rider and Optional Guaranteed Minimum Withdrawal Benefit rider using the aggressive asset allocation model are elected; guaranteed charges; highest portfolio expenses (without voluntary waivers of fees or expenses).

(1) If You surrender or **annuitize** Your contract at the end of the applicable time period:

1 Year	3 Years	5 Years	10 Years
\$2,092	\$3,484	\$4,763	\$7,510

(2) If You do NOT surrender Your contract:

1 Year	3 Years	5 Years	10 Years
\$882	\$2,554	\$4,113	\$7,510

Example 2: Least Expensive – assumes Optional Premium Bonus Rider and Optional Guaranteed Minimum Withdrawal Benefit Rider are not elected; current charge levels; lowest portfolio expenses (without voluntary waivers of fees or expenses).

(1) If You surrender or **annuitize** Your contract at the end of the applicable time period:

1 Year	3 Years	5 Years	10 Years
\$990	\$1,188	\$1,410	\$2,085

(2) If You do NOT surrender Your contract:

1 Year	3 Years	5 Years	10 Years
\$180	\$558	\$960	\$2,085

The examples do not reflect transfer fees or premium taxes (which may range up to 3.5% depending on the jurisdiction).

These examples should not be considered a representation of past or future expenses. Actual expenses may be greater or lower than those shown. The assumed 5% annual rate of return is purely hypothetical; past or future returns may be greater or less than the assumed hypothetical return.

FINANCIAL INFORMATION

Our financial statements, and financial statements for the **Separate Account**, are in the Statement of Additional Information. You may obtain a free copy of the Statement of Additional Information by checking the appropriate box on the application form, calling Us toll-free at (877) 586-0240, faxing Us at (866) 270-9565, or writing Us at Midland National Life Insurance Company, 4350 Westown Parkway, West Des Moines, IA 50266. Condensed financial information for the **Separate Account** is located on page 76.

CHARGES AND FEES

Surrender Charge

Sales charges are not deducted from premium payments. However, a surrender charge may be assessed against premium payments when they are withdrawn, including full and partial surrenders to effect an annuity and systematic withdrawals. The amount of any surrender charge depends on the number of **contract years** between the premium payment and the withdrawal. (See “Surrender Charges on Surrenders” on page 53.)

At the time of a withdrawal, if Your **accumulation value** is less than Your **net premium**, the surrender charge will still be assessed against the full remaining **net premium** amount. For example, if at the beginning of Your second **contract year** Your **net premium** was \$10,000 and Your **accumulation value** was \$8,000, then in the event of a full surrender, the second year surrender charge percentage of 8% would be charged on the \$10,000 **net premium** amount (less the free surrender amount) and not the \$8,000 **accumulation value** amount.

Mortality and Expense Risk Charge

We deduct a 1.35% per annum charge against all **accumulation values** held in the **Separate Account** for assuming the mortality and expense and other risks under the contract. (See “Mortality and Expense Risk Charge” on page 54.)

Annual Maintenance Fee

We currently deduct an annual maintenance fee of \$30 from each contract. We reserve the right to increase this charge, however, it will not exceed \$60 per **contract year**. Currently, We waive the annual maintenance fee for Section 403(b), SEP-IRA, and 457 Qualified Plans, and for contracts with **net premiums** of \$50,000 or more on the **contract anniversary**. (See “CHARGES, FEES AND DEDUCTIONS” on page 53.)

Transfer Fee

There may be a \$15 charge for each transfer in excess of 12 in any one **contract year**.

Premium Taxes

We will deduct the amount of any premium taxes levied by a state or any government entity from Your **accumulation value** at surrender, death or **annuitization**. (See “Premium Taxes” on page 56).

Optional Rider Charges

We deduct an additional fee if You select the optional Premium Bonus Rider or the optional Guaranteed Minimum Withdrawal Benefit Rider. See “FEE TABLE” on page 14.

Loan Charge (TSA Contracts Only)

Loan interest is charged in arrears on any outstanding loan. Loan interest that is unpaid when due will be added to the outstanding loan at the end of each contract quarter (or, if earlier, on the date of loan repayment, surrender, contract termination, or the death of the **owner** or **annuitant**) and will bear interest at the same rate of the loan. We charge an annual interest rate of 3.5% on loans without the Premium Bonus rider and 4.5% on loans with the Premium Bonus rider.

After offsetting the 1.5% annual interest rate that We guarantee We will credit to the portion of Our Fixed Account securing the loan against the maximum loan interest rate of 3.5%, the maximum guaranteed net cost of the loans is 2.0% annually without the Premium Bonus rider.

If You purchase the optional Premium Bonus Rider, the loan interest charges will be increased by 1% to a rate of 4.5% per year. After offsetting the 1.5% annual interest rate, that We guarantee We will credit to the portion of Our Fixed Account securing the loan, against the maximum loan interest rate of 4.5%, the maximum guaranteed net cost of the loans is 3.0% annually.

ADDITIONAL INFORMATION ABOUT ADVANTAGE III

SUITABILITY OF THE CONTRACTS

Because of the surrender charge and other expenses, the contracts are not appropriate for short-term investment. In addition, the non-qualified contracts may be most appropriate for those who have already made maximum use of other tax favored investment plans such as IRAs and 401(k) plans. The tax-deferred feature of the contracts is most favorable to those in high tax brackets. The tax-deferred feature is not necessary for a tax-qualified plan. In such instances, purchasers should consider whether other features, such as the **death benefit** and lifetime annuity payments, make the contract appropriate for their purposes. Before purchasing a contract for use in a qualified plan, You should obtain competent tax advice both as to the tax treatment of the contract and the suitability of the investment.

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

OTHER PRODUCTS

We may offer other variable annuity contracts through Our **Separate Account** that also invest in some of the same portfolios. These contracts may have different charges and may offer different benefits. We encourage You to carefully consider the costs and benefits of the contract to ensure that it is consistent with Your personal investment goals and needs. To obtain more information about these contracts, contact Your agent, or call Us at (877) 586-0240.

INQUIRIES AND CORRESPONDENCE

If You have any questions about Your contract or need to make changes, please contact Your financial representative who sold You the contract, or contact Us at Our **Principal Office** at:

Midland National Life Insurance Company
4350 Westown Parkway
West Des Moines, IA 50266
Phone: (877) 586-0240 (toll-free)
Fax: (866) 270-9565 (toll-free)

You currently may send correspondence and transaction requests to Us at the address specified above or by facsimile or telephone at the numbers listed above. Our Service Representatives are available between the hours of 7:30 a.m. and 5:00 p.m. (Central Standard Time) Monday through Thursday, and 7:30 a.m. and 3:00 p.m. (Central Standard Time) on Friday, excluding holidays and any day the New York Stock Exchange is not open. Any requests for partial withdrawals, transfers, and surrenders sent to another number or address will not be considered received at Our **Principal Office** and will not receive that day's price. The procedures We follow for facsimile requests include a written confirmation sent directly to You following any transaction request. We will employ reasonable procedures to confirm that instructions communicated by telephone or facsimile are genuine. We may revoke facsimile and telephone transaction privileges at any time for some or all contract **owners**.

The procedures We follow for transactions initiated by telephone may include requirements that callers identify themselves and the contract **owner** by name, social security number, date of birth of the **annuitant** or the **owner**, or other identifying information. We disclaim any liability for losses resulting from unauthorized or allegedly unauthorized facsimile, internet or telephone requests that We believe to be genuine. We may record all telephone requests. There are risks associated with requests made by facsimile (possible falsification of faxed documents by others) or telephone (possible falsification of contract **owner** identity) when the original signed request is not sent to Our **Principal Office**. You bear those risks.

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 mail Your correspondence and transaction request to Our **Principal Office**.

STATE VARIATIONS

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

OUR SEPARATE ACCOUNT AND ITS INVESTMENT DIVISIONS

The “**Separate Account**” is the Midland National Life **Separate Account C**, established under the insurance laws of the State of South Dakota in March 1991 and now governed by Iowa law. It is a unit investment trust registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940. This registration does not involve any SEC supervision of its management or investment contracts. The **Separate Account** has a number of **investment divisions**, each of which invests in shares of a corresponding portfolio of the funds. You may allocate part or all of Your premiums to any of the **investment divisions** of Our **Separate Account** available under this contract.

The Funds

Each of the 63 portfolios available under the contract is commonly called a mutual fund. Each one is a “series” of one of the following open-end diversified investment companies:

• AIM Variable Insurance Funds (Invesco Variable Insurance Funds)	• Lord Abbett Series Fund, Inc.
• The Alger Portfolios	• MFS [®] Variable Insurance Trust SM
• American Century Variable Portfolios, Inc.	• Neuberger Berman Advisers Management Trust
• Calvert Variable Series, Inc.	• PIMCO Variable Insurance Trust
• Fidelity [®] Variable Insurance Products	• Rydex Variable Trust
• Goldman Sachs Variable Insurance Trust	• Van Eck VIP Trust
• JPMorgan Insurance Trust	

Our **Separate Account** buys and sells the shares of each portfolio at net asset value (with no sales or surrender charge). More detailed information about the portfolios and their investment objectives, policies, risks, expenses and other aspects of their operations, appear in their prospectuses, which accompany this prospectus, and in the fund’s Statements of Additional Information. You should read the portfolios’ prospectuses carefully before allocating or transferring money to any 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
4350 Westown Parkway
West Des Moines, IA 50266
Phone: (877) 586-0240 (toll-free)
Fax: (866) 270-9565 (toll-free)

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. Contract **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 contracts and other variable insurance products issued by Midland National. These percentages currently range up to 0.50% 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 the contracts, and, in its role as an intermediary, the funds. Midland National and its affiliates may profit from these payments.

Investment Policies of The Funds’ Portfolios

Each portfolio tries to achieve a specified investment objective by following certain investment policies. **No one can promise that any portfolio will meet its investment objective.** A portfolio’s objectives and policies affect its returns and risks. Each **investment division’s** performance depends on the experience of the corresponding portfolio. You bear the risk that the portfolios You have allocated amounts to will not meet their investment objectives. The objectives of the portfolios are as follows:

Portfolio	Objective
AIM Variable Insurance Funds (Invesco Variable Insurance Funds)	
Invesco V.I. Diversified Dividend Fund (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. Technology 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 of issuers engaged in technology-related industries.
Invesco V.I. Utilities Fund – Series I Shares	The Fund’s investment objective is long-term growth of capital and, secondarily, current income. The Fund invests, under normal circumstances, at least 80% of net assets (plus borrowings for investment purposes) in securities of issuers engaged in utilities-related industries. The Fund invests primarily in equity securities.
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.
American Century Variable Portfolios, Inc.	
American Century VP Balanced Fund	Seeks long-term growth and current income. Invests approximately 60 percent of its assets in equity securities and the remainder 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.

Portfolio	Objective
American Century VP Inflation Protection Fund	Pursues long-term total return using a strategy that seeks to protect against U.S. inflation.
American Century VP International Fund	Seeks capital growth.
American Century VP Large Company Value Fund	Seeks long-term capital growth. Income is a secondary objective.
American Century VP Mid Cap Value Fund	Seeks long-term capital growth. Income is a secondary objective.
American Century VP Ultra [®] Fund	Seeks long-term capital growth.
American Century VP Value Fund	Seeks long-term capital growth. Income is a secondary objective.
Calvert Variable Series, Inc.	
Calvert VP SRI Equity Portfolio	Seeks growth of capital through investment in stocks of issuers in industries believed to offer opportunities for potential capital appreciation and which meet the Portfolio's investment criteria, including financial, sustainability and social responsibility factors.
Calvert VP SRI Mid Cap Growth Portfolio	Seeks to provide long-term capital appreciation by investing primarily in a non-diversified portfolio of the equity securities of mid-sized companies that are undervalued but demonstrate a potential for growth and that meet the Portfolio's investment criteria, including financial, sustainability and social responsibility factors.
Fidelity[®] Variable Insurance Products	
VIP Asset Manager SM 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. The fund 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 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.
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.
VIP Value Strategies Portfolio	Seeks capital appreciation
Goldman Sachs Variable Insurance Trust	
Goldman Sachs VIT Structured Small Cap Equity Fund	Seeks long-term growth of capital.

Portfolio	Objective
Goldman Sachs VIT Large Cap Value Fund	Seeks long-term capital appreciation.
Goldman Sachs VIT Mid Cap Value Fund	Seeks long-term capital appreciation.
JPMorgan Insurance Trust	
JPMorgan Insurance Trust Core Bond Portfolio	Seeks to maximize total return by investing primarily in a diversified portfolio of intermediate- and long-term debt securities.
JPMorgan Insurance Trust Small Cap Core Portfolio	Seeks capital growth over the long term.
Lord Abnett Series Fund, Inc.	
Lord Abnett Growth and Income Portfolio	Seeks long-term growth of capital and income without excessive fluctuations in market value.
Lord Abnett International Opportunities Portfolio	Seeks long-term capital appreciation.
Lord Abnett Mid Cap Stock Portfolio (Formerly Lord Abnett 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 Trust	
MFS [®] Growth Series	Seeks capital appreciation. The fund's objective may be changed without shareholder approval.
MFS [®] Investors Trust Series	Seeks capital appreciation. The fund's objective may be changed without shareholder approval.
MFS [®] New Discovery Series	Seeks capital appreciation. The fund's objective may be changed without shareholder approval.
MFS [®] Research Series	Seeks capital appreciation. The fund's objective may be changed without shareholder approval.
Neuberger Berman Advisers Management Trust	
Neuberger Berman AMT Mid-Cap Growth Portfolio	Seeks growth of capital.
Neuberger Berman AMT Mid Cap Intrinsic Value Portfolio (Formerly Neuberger Berman AMT Regency Portfolio)	Seeks growth of capital.
Neuberger Berman AMT Small-Cap Growth Portfolio	Seeks long-term growth of capital. The portfolio manager also may consider a company's potential for current income prior to selecting it for the fund.
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.
Rydex Variable Trust	
Guggenheim VT U.S. Long Short Momentum Fund (Formerly Rydex SGI VT U.S. Long Short Momentum Fund)	Seeks to provide long-term capital appreciation.

Portfolio	Objective
Rydex VT Government Long Bond 1.2x Strategy Fund	Seeks to provide investment results that correspond, before fees and expenses, to a benchmark for U.S. Government securities on a daily basis. The fund's current benchmark is 120% of the daily price movement of the Long Treasury Bond. The Long Treasury Bond is the U.S. Treasury bond with the longest maturity, which is currently 30 years. The price movement of the Long Treasury Bond is based on the daily price change of the most recently issued Long Treasury Bond. The fund does not seek to achieve its investment objective over a period of time greater than one day.
Rydex VT Inverse Government Long Bond Strategy Fund	Seeks to provide total returns that inversely correlate, before fees and expenses, to the price movements of a benchmark for U.S. Treasury debt instruments or futures contracts on a specified debt instrument on a daily basis. The fund's current benchmark is the daily price movement of the Long Treasury Bond. The Long Treasury Bond is the U.S. Treasury bond with the longest maturity, which is currently 30 years. The price movement of the Long Treasury Bond is based on the daily price change of the most recently issued Long Treasury Bond. The fund does not seek to achieve its investment objective over a period of time greater than one day.
Rydex VT Inverse NASDAQ-100 [®] Strategy Fund	Seeks to provide investment results that match, before fees and expenses, the performance of a specific benchmark on a daily basis. The fund's current benchmark is the inverse (opposite) of the performance of the NASDAQ-100 Index [®] . The fund does not seek to achieve its investment objective over a period of time greater than one day.
Rydex VT Inverse S&P 500 Strategy Fund	Seeks to provide investment results that match, before fees and expenses, the performance of a specific benchmark on a daily basis. The fund's current benchmark is the inverse (opposite) of the performance of the S&P 500 [®] Index. The fund does not seek to achieve its investment objective over a period of time greater than one day.
Rydex VT Nova Fund	Seeks to provide investment results that match, before fees and expenses, the performance of a specific benchmark on a daily basis. The fund's current benchmark is 150% of the performance of the S&P 500 [®] Index. The fund does not seek to achieve its investment objective over a period of time greater than one day.
Rydex VT NASDAQ-100 [®] Fund	Seeks to provide investment results that correspond, before fees and expenses, to a benchmark for over-the-counter securities on a daily basis. The fund's current benchmark is the NASDAQ-100 Index [®] .
Rydex VT U.S. Government Money Market Fund*	Seeks to provide security of principal, high current income, and liquidity.
Van Eck Worldwide Insurance Trust	
Van Eck VIP Emerging Markets Fund	Seeks long-term capital appreciation by investing primarily in equity securities in emerging markets around the world.
Van Eck VIP Global Bond Fund	Seeks high total return—income plus capital appreciation—by investing globally, primarily in a variety of debt securities.
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.

*During extended periods of low interest rates, the yields of the money market **investment divisions** may become extremely low and possibly negative.

This **investment division was closed to new investors as of June 15, 2007. If You had money invested in this **investment division** as of the close of business on Thursday, June 14, 2007, You may continue to make additional investments into the portfolio. However, if You redeem or transfer completely out of this **investment division** after this 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").

American Century Investment Management, Inc. manages the American Century VP Portfolios. Calvert Investment Management, Inc. manages and Atlanta Capital Management Company, LLC (for Calvert VP SRI Equity Portfolio) and New Amsterdam Partners LLC (for Calvert VP SRI Mid Cap Growth Portfolio) are sub-advisers to the Calvert Variable Series, Inc. Portfolios. Fidelity Management & Research Company (FMR) is the manager for the Fidelity Variable Insurance Products (VIP) Portfolios. Fidelity Investments Money Management, Inc. (FIMM), FMR Co., Inc. (FMRC), and other affiliates of FMR serve as sub-advisers for the Fidelity VIP Portfolios. Fred Alger Management, Inc. manages the Alger Portfolios. Goldman Sachs Asset Management, L.P. serves as an investment adviser to the Goldman Sachs Variable Insurance Trust Funds. Guggenheim Investments (an affiliate of Ours) manages the Rydex Variable Trust. Invesco Advisers, Inc. manages the AIM Variable Insurance Funds (Invesco Variable Insurance Funds). J. P. Morgan Investment Management Inc. manages the JPMorgan Insurance Trust. Lord, Abnett & Co. LLC manages the Lord Abnett Series Fund, Inc. MFS® Investment Management manages the MFS® Variable Insurance TrustSM. Neuberger Berman Management LLC manages the Neuberger Berman AMT Portfolios. Pacific Investment Management Company LLC manages the PIMCO Variable Insurance Trust. Van Eck Associates Corporation manages the Van Eck VIP Trust.

The funds may make a material change in their investment policies. In that case, We will send You a notice of the change. Within 60 days after You receive the notice, or within 60 days after the effective date of a change, if later, You may transfer any amount that You have in that **investment division** to another **investment division**. Such a transfer will not count as a transfer allowed after maturity, nor will it be counted for the purpose of determining whether a \$15 transfer fee will be assessed (see “Transfers of Accumulation Value” on page 33).

The funds sell their shares to **Separate Accounts** of various insurance companies to support both variable life insurance and variable annuity contracts, and to qualified retirement plans. We currently do not foresee any disadvantages to Our contract **owners** arising from this use of the funds for mixed and shared funding. The funds will monitor for possible conflicts arising out of this practice. If any such conflict or disadvantage does arise, We and/or the applicable Fund may take appropriate action to protect Your interests.

The Fund portfolios available under the contracts are not available for purchase directly by the general public, and 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 contracts 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 contract 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 advisor) 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 contracts, and, in Our role as an intermediary, the funds. We may profit from these payments.

Other funds (or available classes) may have lower fees and better overall investment performance.

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 informational 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 related to a fund or portfolio. You should monitor and periodically re-evaluate Your allocations to determine if they are still appropriate.

If You use a third party registered investment adviser, in connection with allocations among the **investment divisions**, You can request that We take withdrawals from Your contract to pay Your advisory fees provided We have received documentation from You and Your adviser. This does not constitute Us providing investment advice.

If the total withdrawals exceed the 10% free surrender amount, then surrender charges are applied on the withdrawal amount that exceeds the 10% free surrender amount. Before taking a withdrawal, You should consult a tax adviser to consider the tax consequences of a withdrawal on Your variable annuity contract. See "FEDERAL TAX STATUS" on page 57.

You bear the entire risk for the allocation of Your premiums and **accumulation value** among the funds whether or not You use the service of an adviser. We are not responsible for any investment or other advice or services that You may receive.

You bear the risk of any decline in the **accumulation value** of Your contract resulting from the performance of the portfolios You have chosen.

We do not recommend or endorse any particular portfolio or portfolios and We do not provide investment advice.

Availability of the Portfolios

We cannot guarantee that each portfolio will always be available for investment through the contracts.

We reserve the right, subject to applicable law, to make additions to, deletions from, or substitutions for the shares of a portfolio that are held in the **Separate Account**. New or substitute portfolios may have different fees and expenses and their availability may be limited to certain classes of purchasers. If the shares of a portfolio are no longer available for investment or if, in Our judgment, further investment in any portfolio should become inappropriate, We may redeem the shares of that portfolio, and substitute share of another portfolio. We will not substitute any shares without notice and prior approval of the SEC and state insurance authorities, to the extent required by the Investment Company Act of 1940, as amended, or other applicable law.

ASSET ALLOCATION PROGRAM

The following is a general description of the asset allocation program available under the contract. 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 static models or create Your own "self-directed" portfolio. Please note: static asset allocation models do not change or have updates to correspond with current market conditions.

The asset allocation models available are not offered by this prospectus and are not part of Your contract. Asset allocation models are a separate service We make available in connection with the contract 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 contract, the asset allocation models can help with decisions You need to make about how to allocate Your **accumulation value** 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.

As noted above, there is no charge for using this asset allocation service. However, as discussed under "Guaranteed Minimum Withdrawal Benefit Rider (GMWB)" beginning on page 44, if You elect the GMWB rider You must invest Your **accumulation value** according to one of the five models, and the fee for the GMWB rider varies according to the model You select.

There is no assurance that investment returns will be better through participation in an asset allocation program. Your contract may still lose money and experience volatility and Your returns may be lower even if You do not lose money.

The Asset Allocation Models

There are five static asset allocation models currently available. All of the models involve some degree of investment risk, including the risk of investment losses. Please note: static asset allocation models do not change or have updates to correspond with current market conditions.

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.

Selecting an Asset Allocation Model

If You participate in the asset allocation program, then You should 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.

It is Your responsibility to select or change Your 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.

Generally, You are free to move from one allocation model to another and to move in and out of the allocation models. However, if You have purchased an optional rider that limits Your investment options, and You make any reallocation of **accumulation value** or premium independent of a model then the rider will terminate unless You reallocate to another designated allocation option(s) or another model portfolio permitted for use with Your rider as described in section “Asset Allocation Models” on page 47 and in the rider form attached to Your contract.

Your **accumulation value** 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.

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 contract owners. Furthermore, Your registered representative is not providing any investment advice related to the asset allocation program.

AMOUNTS IN OUR SEPARATE ACCOUNT

The amount You have in each **investment division** is represented by the value of the **accumulation units** credited to Your **accumulation value** for that **investment division**. The value You have in an **investment division** is the **accumulation unit** value times the number of **accumulation units** credited to You. Amounts allocated, transferred or added to the **investment divisions** are used to purchase **accumulation units**. **Accumulation units** of an **investment division** are purchased when You allocate **net premiums** or transfer amounts to that division. **Accumulation units** are sold or redeemed when You make a full or partial surrender or transfer amounts from an **investment division**, and to pay the **death benefit** when the **annuitant** or an **owner** dies. We also redeem units to pay for certain charges.

We calculate the number of **accumulation units** purchased or redeemed in an **investment division** by dividing the dollar amount of the transaction by the **investment division's accumulation unit** value at the end of that day, if it is a **business day**. If it is not a **business day**, We will use the unit value on the next **business day**. The number of **accumulation units** credited to You will not vary because of changes in **accumulation unit** values.

The **accumulation units** of each **investment division** have different **accumulation unit** values. We determine **accumulation unit** values for the **investment divisions** at the end of each **business day**. The **accumulation unit** value for each **investment division** is initially set at \$10.00. **Accumulation unit** values fluctuate with the investment performance of the corresponding portfolios of the funds. They reflect investment income, the portfolios' realized and unrealized capital gains and losses, and the funds' expenses. The **accumulation unit** values also reflect the daily asset charges We deduct from Our **Separate Account** currently at an effective annual rate of either 1.35% (for the basic contract only) or up to 3.20% (if You elect both of the optional riders and the aggressive asset allocation model). Additional information on the **accumulation unit** values is contained in the SAI.

WE OWN THE ASSETS OF OUR SEPARATE ACCOUNT

We own the assets of Our **Separate Account** and use them to support Your contract and other variable annuity contracts. 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 Fixed Account. The assets in the **Separate Account** equal to the reserves and other liabilities of the **Separate Account** may not be charged with liabilities arising out of Our other business. The obligations under the contracts are Our obligations. The income, gains and losses (realized and unrealized) of the **Separate Account** are credited to or charged against the **Separate Account** without regard to Our other income, gains, or losses. Under certain unlikely circumstances, one **investment division** of the **Separate Account** may be liable for claims relating to the operations of another division.

OUR RIGHT TO CHANGE HOW WE OPERATE OUR SEPARATE ACCOUNT

We have the right to modify how We operate the **Separate Account**. In making any changes, We may not seek approval of contract **owners** (unless approval is required by law). We have the right to:

- add **investment divisions** to, or remove **investment divisions** from Our **Separate Account**;
- combine two or more divisions within Our **Separate Account**;

- withdraw assets relating to Our variable annuities from one **investment division** and put them into another;
- eliminate a portfolio's shares and substitute shares of another portfolio of the funds or another open-end, registered investment company. This may happen if the portfolio's shares are no longer available for investment or, if in Our judgment, further investment in the portfolio is inappropriate in view of the **Separate Account's** purposes. However, if required, We would first seek approval from the Securities and Exchange Commission and, the insurance regulator where the contract is delivered;
- 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 persons" of Midland under the Investment Company Act of 1940); 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 addition, We may disapprove any change in investment advisors or investment policies unless a law or regulation provides differently.

If any changes are made that result in a material change in the underlying investments of any **investment division**, then You will be notified. We may, for example, cause the **investment division** to invest in a mutual fund other than or in addition to the current portfolios.

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**.

You may want to transfer the amount in that **investment division** as a result of changes We have made. If You do wish to transfer the amount You have in that **investment division** to another division of Our **Separate Account**, or to Our Fixed Account, then You may do so, without charge, by writing to Our **Principal Office**. At the same time, You may also change how Your **net premiums** are allocated.

THE FIXED ACCOUNT

You may allocate some or all of Your **accumulation value** to the Fixed Account, subject to certain limitations described below. The Fixed Account pays interest at a declared rate. If You elect the Premium Bonus Rider, the rate will be reduced by 0.85% currently, for the first nine **contract years**. The reduced interest rate associated with the Premium Bonus Rider will never fall below 1.50%.

Your **surrender value** from the Fixed Account is guaranteed to be equal to or higher than 100% of the premium accumulated at a guaranteed interest rate of at least 1.5% per year minus any surrender charges, non-vested premium bonus (if any), partial surrenders, transfers, or fees and expenses.

The Fixed Account supports Our insurance and annuity obligations. Certain states do not permit allocations to and transfers from the Fixed Account. Any amounts in the Fixed Account are subject to Our financial strength and claims-paying ability. **Because of applicable exemptive and exclusionary provisions, interests in the Fixed Account have not been registered under the Securities Act of 1933, and the Fixed Account has not been registered as an investment**

company under the Investment Company Act of 1940. Accordingly, neither the Fixed Account nor any interests therein are generally subject to regulation under the 1933 Act or the 1940 Act.

You may not select the Guaranteed Minimum Withdrawal Benefit rider (“GMWB”) when any part of Your **accumulation value** is allocated to the Fixed Account. If **accumulation value** is allocated in the Fixed Account, it must be transferred to the **Separate Account** subject to the Fixed Account premium and transfer limitations before this rider can be elected. After the GMWB is selected, You may not invest in the Fixed Account at any time or the GMWB rider will terminate. You must invest 100% of Your **accumulation value** in one of the five asset allocation models designated by Us for this rider.

You may accumulate amounts in the Fixed Account by:

- allocating **net premiums**,
- transferring amounts from the **investment divisions**, or
- earning interest on amounts You already have in the Fixed Account.

Transfers, partial surrenders and allocated deductions reduce this amount. We reserve the right to limit the amount that, over the contract’s life, You can allocate to the Fixed Account through allocating premiums and net transfers (amounts transferred in minus amounts transferred out).

The maximum increase to the Fixed Account in any **contract year** is limited to a total of \$5,000, which cannot be exceeded without prior company approval. The sum of new premiums allocated plus any amount transferred from the **Separate Account** to the Fixed Account cannot exceed a total of \$5,000 in any **contract year** without prior Company approval. Each request to exceed this maximum will be reviewed on a case-by-case basis.

The maximum amount of premium that can be allocated or transferred to the Fixed Account prior to the **maturity date** is \$1,000,000. This amount cannot be exceeded without prior Company approval. Each request to exceed this maximum will be reviewed on a case-by-case basis.

We pay interest on all Your amounts in the Fixed Account. Currently, We intend to declare interest rates in advance and guarantee these rates for one-year periods. **You bear the risk that We will not credit interest above the 1.5% minimum.** We have complete discretion regarding the rate of interest, if any, that We will credit above the minimum guaranteed rate on the Fixed Account, regardless of the investment performance of any part or all of Our Fixed Account assets.

You may transfer amounts among the **investment divisions** and between the Fixed Account and any **investment divisions** (subject to “Transfer Limitations” below). Generally, the total amount transferred out of the Fixed Account in any **contract year** is limited to 20% of the **accumulation value** in the Fixed Account at the beginning of the **contract year**. However, by current Company practice, We will allow You to transfer the greater of \$5,000 or 20% of the **accumulation value** in the Fixed Account at the beginning of the **contract year**. This is not guaranteed. This limit does not apply to transfers made in a Dollar Cost Averaging (DCA) program that occur over a period of 12 or more months. See “Dollar Cost Averaging” on page 42.

These restrictions may prolong the period of time it takes to transfer Your total **accumulation value** in the Fixed Account to **investment divisions** and, therefore, You should carefully consider whether investment in the Fixed Account meets your needs and investment criteria.

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

DETAILED INFORMATION ABOUT THE CONTRACT

REQUIREMENTS FOR ISSUANCE OF A CONTRACT

Any person wishing to purchase a Contract may submit an application form and an initial premium payment of at least \$10,000, or \$2,000 for a qualified contract. By current company practice, We will waive the initial minimum premium requirement for certain qualified contracts enrolled in a bank draft investment program or payroll deduction plan. This sale must take place through a representative who is licensed and registered to sell the contract. The maximum **issue age** for the contract is 85 (the **annuitant's** age). In addition, the maximum **owner's** age at issue is 85.

If Your application is complete and in **good order** see “Administrative Procedures” on page 11, then We will accept or reject it within two **business days** of receipt. If the application is incomplete, then We will attempt to complete it within five **business days**. If it is not complete at the end of this period (or cannot be accepted for some other reason), then We will inform You of the reason for delay and the premium payment will be returned immediately unless You let Us keep the premium until the application is complete. Your initial premium is held in a non-interest bearing suspense account (which is part of Our general account) until Your contract is issued or Your premium is refunded. While Your premium is in that account, Your premium is not protected from claims of Our general creditors.

We will allocate Your initial premium payment according to Your instructions if We receive it or accept Your application (whichever is later) at Our **Principal Office** in **good order** before the New York Stock Exchange closes for regular trading (usually, 3:00 p.m. Central Time). We will then price the **accumulation units** purchased with Your premium payment at the unit value determined at the close of that regular trading session of the New York Stock Exchange. If We receive Your initial premium payment or accept Your application (whichever is later) after the close of regular trading on the New York Stock Exchange, We will credit **accumulation units** at the unit value determined at the close of the next regular trading session of the New York Stock Exchange.

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

We offer other variable annuity contracts that have different **death benefits**, contract features, and optional benefits. However, these other contracts also have different charges that would affect Your investment performance and **accumulation value**. To obtain more information about these other contracts, contact Our **Principal Office**.

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

You are not purchasing or intending to use this contract, or any of its riders, for resale, speculation, arbitrage, viatical settlements or any type of collective investment scheme.

FREE LOOK

You may cancel Your Contract within Your 30-day Free Look period. We deem the Free Look period to expire 30 days after You have received Your contract. Some states and situations may require a longer Free Look period. To cancel Your contract, You need to return Your contract to the agent who sold it to You or to Our Principal Office. If You cancel Your Contract, then We will return:

1. The **accumulation value** (which may be more or less than the premium payments You paid), less any premium bonus credit, or
2. If greater and required by Your state, the original amount of Your premium payment.

The **accumulation value** will reflect both the positive and negative investment performance of the **investment divisions** of Our **Separate account** chosen by You in the contract application.

TAX-FREE “SECTION 1035” EXCHANGES

You can generally exchange one annuity contract for another in a “tax-free exchange” under Section 1035 of the Internal Revenue Code. Before making an exchange, You should compare both annuities carefully. Remember that if You exchange another annuity for the one described in this prospectus, You might have to pay a surrender charge on Your old annuity, and there will be a new surrender charge period for this contract and other charges may be higher (or lower) and the benefits may be different. You should not exchange another annuity 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 contract (that person will generally earn a commission if You buy this contract through an exchange or otherwise). If You purchase the contract in exchange for an existing annuity contract 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 contract until We receive it. You should consult with and rely upon a tax advisor if You are considering a contract exchange.

PREMIUM PAYMENTS

You may pay premiums whenever You want prior to **annuitization** and in whatever amount You want within certain limits. Your initial investment must be at least \$10,000 for a non-qualified contract and at least \$2,000 for a qualified contract. Additional investments must be at least \$50. By current company practice, We will waive the initial minimum premium requirement for certain qualified contracts enrolled in a bank draft investment program or payroll deduction plan. Premium payments will be credited as of the end of the **valuation period** in which they are received by Us. Investments after the initial payment may be made at any time prior to the **maturity date**, so long as the **annuitant** is living. We may refuse to accept certain forms of premium payments or loan repayments (third party checks, traveler’s checks, money orders, for example). We reserve the right to accept or reject any form of payment.

Allocation of Premium Payments

You will specify Your desired premium allocation on the contract’s application form. Your instructions in Your application will dictate how to allocate Your premiums. Allocation percentages may be any whole number (from 0 to 100) and the sum must equal 100. The allocation instructions in Your application will apply to all other premiums You pay, unless You change subsequent premium allocations by providing Us with written instructions. We reserve

the right to limit the number of **investment divisions** in which You can have funds invested. Currently, You may allocate to a maximum of 29 **investment divisions** including the Fixed Account. In certain states, allocations to and transfers from the Fixed Account are not permitted.

If You select the Guaranteed Minimum Withdrawal Benefit rider, You must invest 100% of Your **accumulation value** in one of the five asset allocation models designated by Us for this rider. You may not invest any part of Your **accumulation value** in an **investment division** that is not a part of the asset allocation model You selected, the Fixed Account or Fixed Account DCA program at any time or the rider will terminate.

Changing Your Premium Allocation Percentages

You may change the allocation percentages of Your premiums by writing to Our **Principal Office** and telling Us what changes You wish to make. These changes will affect transactions as of the date We receive Your request at Our **Principal Office**. Changing Your allocation instructions will not change the way Your existing **accumulation value** is apportioned among the **investment divisions** or the Fixed Account. While the Dollar Cost Averaging (DCA) program is in effect, the allocation percentages that apply to any premiums received will be the DCA allocation percentages unless You specify otherwise. See “Dollar Cost Averaging” on page 42.

YOUR ACCUMULATION VALUE

Your **accumulation value** is the sum of Your amounts in the various **investment divisions** and in the Fixed Account. Your **accumulation value** will vary daily to reflect the investment performance of the **investment division(s)** You select and any interest credited to Your allocations in the Fixed Account, any premium payments, transfers, surrenders, loans, withdrawals, and charges assessed in connection with the contract. There is no guaranteed minimum **accumulation value**. Transaction and surrender charges are made on the effective date of the transaction. Charges against Our **Separate Account** are reflected daily.

We guarantee amounts allocated to the Fixed Account. Your **accumulation value** in the Fixed Account will be reduced by the contract fees and charges We deduct and the effects of any contract transactions (loans, surrenders, and transfers) on Your **accumulation value** in the Fixed Account.

There is no guaranteed minimum **accumulation value** for amounts allocated to the **investment divisions** of Our **Separate Account**. You bear the investment risk. An **investment division's** performance will cause Your **accumulation value** to go up or down.

Transfers of Accumulation Value

You generally may transfer amounts among the **investment divisions** and between the Fixed Account and any **investment division** prior to **maturity date**, unless otherwise noted.

If You select the GMWB rider, You must invest 100% of Your **accumulation value** according to one of the five asset allocation models designated by Us for this rider. You may not transfer any part of Your **accumulation value** to an **investment division** that is not a part of the asset allocation model You selected or to the Fixed Account or Fixed Account DCA program at any time or the GMWB rider will terminate. The Fixed Account Earnings Sweep program is not available as long as this rider is **inforce**.

The amount that You can transfer into or out of the Fixed Account is limited. See “THE FIXED ACCOUNT” on page 29 for details. Currently, You may make an unlimited number of transfers of **accumulation value** in each **contract year** prior to the **maturity date** (subject to the

“Transfer Limitations” below). However, We reserve the right to assess a \$15 charge for each transfer after the 12th transfer in a **contract year**.

The minimum transfer amount is \$200 or 100% of an **investment division** if less than \$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. Completed transfer requests received in **good order** at Our **Principal 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 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. For information regarding telephone or facsimile requests, see “Inquiries” on page 18. For limitations on transfers to and from the Fixed Account, see “THE FIXED ACCOUNT” on page 29. Transfers may be delayed under certain circumstances. See “When We Pay Proceeds From This Contract” on page 71.

After the **maturity date**, You can make only two transfers per **contract year** and only among the **investment divisions** of the **Separate Account**.

We reserve the right to eliminate and/or severely restrict the transfer privilege in any manner We deem appropriate for some, all or specific contract **owners**.

TRANSFER LIMITATIONS

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 contract **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 contract **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 contract **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 contract within a five **business day** period, in which the requests are moving to and from identical **investment divisions** (for example, a transfer from MFS VIT New Discovery Series to Fidelity VIP Money Market, followed by a transfer from Fidelity VIP Money Market back to MFS VIT 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 days of the first, We will review those transfers (and other transfers in the same contract) 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 contract’s transfer privileges and We will not accept another transfer request for 14 **business days**. We will attempt to inform the contract **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

days. If We do not succeed in reaching the contract **owner** or registered representative by phone, We will send a letter by first class mail to the contract **owner's** address of record.

We apply Our market timing procedures to all of the **investment divisions** available under the contracts, including those **investment divisions** that invest in portfolios that affirmatively permit frequent and short-term trading (such as Rydex portfolios). However, We offer other variable annuity contracts that also offer those portfolios but 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 **accumulation value** to the **investment divisions** that invest in the Rydex 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 contract **owner** and/or registered representative. The contract **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 C**, 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 also be aware that We are contractually obligated to prohibit purchases and transfers by contract owners identified by a portfolio and to provide contract **owner** transaction data to the portfolios. You should read the prospectuses of the portfolios for more details on their ability to refuse or restrict purchases or redemptions of their shares.

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 contract **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 contract **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 contracts that We believe are connected (for example, two contracts 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 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 detection 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 contract **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” contract **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, or overnight courier service). We also reserve the right to implement and administer redemption fees imposed by one or more of the portfolios in the future.

Contract **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 contract may also limit Our ability to restrict or deter harmful transfers.

Furthermore, the identification of contract **owners** determined to be engaged in transfer activity that may adversely affect other contract **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 through Our controls undetected and may cause dilution in unit values for others. We apply Our market timing procedures consistently to all contract **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.

SURRENDERS

You may withdraw all or part of Your **surrender value** by sending Us a written request at Our **Principal Office**. The **surrender value** is the **Separate Account accumulation value** plus Fixed Account **accumulation value** less any non-vested premium bonus (if any), minus any applicable surrender charges and annual maintenance fee less any outstanding loan and loan interest. In some states a premium tax charge may also be deducted. (Surrenders may be restricted by a retirement plan under which You are covered.) Partial surrenders from an **investment division** or the Fixed Account must be made in amounts of \$500 or more (except for systematic withdrawals described below) and cannot reduce Your **accumulation value** to less than \$500. If a partial surrender results in less than \$500 remaining, then the entire **accumulation value** must be withdrawn. For a full surrender, You must send in Your contract with Your surrender request.

Any applicable surrender charge, non-vested premium bonus (if any), and any required tax withholding will be deducted from the amount paid. In addition, upon full surrender an annual maintenance fee (and possibly a premium tax charge) may be subtracted.

Completed surrender requests received in **good order** at Our **Principal 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.

We will generally pay the surrender amount from the **Separate Account** within seven days after We receive a properly completed surrender request in **good order**. In some cases, ‘**good order**’ requires a signature guarantee. We may defer payment for more than seven days when:

- trading on the New York Stock Exchange is restricted as defined by the SEC;
- the New York Stock Exchange is closed (other than customary weekend and holiday closing);
- an emergency exists as defined by the SEC as a result of which disposal of the **Separate Account’s** securities or determination of the net asset value of each **investment division** is not reasonably practicable;
- for such other periods as the SEC may by order permit for the protection of **owners**;
or
- Your premium check has not cleared Your bank.

See “When We Pay Proceeds From This **Contract**” on page 71.

If We defer payment for 30 or more days, then during the period of deferment, We will pay interest at the rate required by the jurisdiction in which this contract is delivered.

We expect to pay the surrender amount from the Fixed Account promptly, but We have the right to delay payment for up to six months.

Unless You specify otherwise, Your partial surrender will be allocated among all **investment divisions** and the Fixed Account in the same proportion as Your **accumulation value** bears to each **investment division** and the Fixed Account. This allocation is subject to minimum amount requirements.

The surrender charge will be determined without reference to the source of the partial surrender. The charge will be based on the length of time between premium payments and surrenders. (See “CHARGES, FEES AND DEDUCTIONS” on page 53.)

If Your contract was issued pursuant to a 403(b) plan, We generally are required to confirm, with Your 403(b) plan sponsor or otherwise, that surrenders, loans or transfers You request comply with applicable tax requirements and to decline requests that are not in compliance. We will defer such payments You request until all information required under the tax law has been received. By requesting a surrender, loan or transfer, You consent to the sharing of confidential information about You, the contract, and transactions under the contract and any other 403(b) contracts or accounts You have under the 403(b) plan among Us, Your employer or plan sponsor, any plan administrator or record keeper, and other product providers.

A surrender will generally have Federal income tax consequences that can include income tax penalties and tax withholding. Surrenders may be restricted under certain qualified contracts. Pursuant to new tax regulations, We generally are required to confirm, with Your 403(b) plan sponsor or otherwise, that surrenders You request from a 403(b) contract comply with applicable tax requirements before We process Your request. You should consult Your tax advisor before making a surrender. (See “FEDERAL TAX STATUS” on page 57.)

Surrenders may be restored under certain types of qualified contracts. If allowed, the restoration will be effective as of the date that surrender proceeds are returned to Midland National. Under certain types of retirement arrangements, the Retirement Equity Act of 1984 provides that, in the

case of a married participant, a surrender request must include the consent of the participant's spouse. This consent must contain the participant's signature and the notarized or properly witnessed signature of the participant's spouse. These spousal consent requirements generally apply to married participants in most qualified pension plans, including plans for self-employed individuals that are considered employee pension benefit plans under the Employee Retirement Income Security Act of 1974 (ERISA). You should check the terms of Your retirement plan and consult with a tax advisor before making a surrender. (See "FEDERAL TAX STATUS" on page 57.)

Participants in the Texas Optional Retirement Program may not make a withdrawal from a contract (including withdrawals to establish an annuity) prior to age 70 ½ except in the case of termination of employment in the Texas public institutions of higher education, death, or total disability. Such proceeds may, however, be used to fund another eligible vehicle.

Increased Free Surrender Amount for Nursing Home Confinement Rider

This rider, also known as waiver of surrender charges for nursing home confinement rider, will be attached to all contracts issued to **annuitants** aged 75 or less at no additional charge. After the first **contract year**, We guarantee that this rider will increase the annual free surrender amount available under this contract from 10% of Your **net premiums** to 20%, each consecutive **contract year** the **annuitant** qualifies for this rider, if the **annuitant** is confined to a qualified nursing care center for a period of at least 90 days providing that the confinement is medically necessary. By current company practice after the first **contract year**, We will increase the annual free surrender amount available under this contract to 20% of the **gross** premiums if the **annuitant** qualifies for benefits under this rider (this increase is not guaranteed). If there are joint **annuitants**, this Rider may be exercised once for either the first or second **annuitant** to become confined to a qualified nursing care center, but not for both.

Qualified nursing care centers are defined in the rider attached to Your contract. We will require proof of confinement prior to authorizing this benefit.

This rider will terminate immediately upon the earliest of:

- Exercising the benefit for a covered **annuitant**;
- Termination of the base contract;
- Maturity of the base contract;
- The date We receive Your **written notice** requesting termination of the rider; or
- Death of the **annuitant**. If the **annuitant** is the **owner**, the **beneficiary** under the base annuity is the **annuitant's** spouse, the spouse elects to become the new **owner** of the base annuity and this rider has not been previously exercised, the rider will remain in effect under the ownership of the surviving spouse.

FREE SURRENDER AMOUNT

You may withdraw up to 10% of Your **net premiums** contractually (premiums less partial surrenders) once each **contract year** without incurring a surrender charge. However, by current Company practice, We will allow You to withdraw up to 10% of Your **gross premium** payments without incurring a surrender charge. This is not guaranteed. If this option is not exercised or if less than 10% is withdrawn, any unused amount will not be carried over to a subsequent **contract year** and, generally, will not be carried over to a subsequent withdrawal in the same **contract year**. However, by current Company practice, We will allow You to take the free surrender amount in multiple withdrawals each **contract year**. This is not guaranteed. A withdrawal may have Federal income tax consequences that can include income tax penalties and tax withholding. (See "FEDERAL TAX STATUS" on page 57.)

If You have the optional Guaranteed Minimum Withdrawal Benefit Rider, amounts withdrawn up to the **payment amount** are considered a penalty free withdrawal. If the **payment amount** exceeds the 10% free surrender amount, any surrender charges will be waived up to the **payment amount**. If the **payment amount** exceeds the 10% free surrender amount and the requested withdrawal exceeds the **payment amount**, surrender charges will be applied on the withdrawal amount that exceeds the **payment amount**.

If You use a third party registered investment adviser, in connection with allocations among the **investment divisions**, You can request that We take withdrawals from Your contract to pay Your advisory fees provided We have received documentation from You and Your adviser. This does not constitute Us providing investment advice.

If the total withdrawals exceed the 10% free surrender amount, then surrender charges are applied on the withdrawal amount that exceeds the 10% free surrender amount. Before taking a withdrawal, You should consult a tax adviser to consider the tax consequences of a withdrawal on Your variable annuity contract. See “FEDERAL TAX STATUS” on page 57.

SYSTEMATIC WITHDRAWALS

The Systematic Withdrawal feature allows You to have a portion of the **accumulation value** withdrawn automatically. These payments can be made only: (1) while the **annuitant** is living, (2) before the **maturity date**, and (3) after the Free Look period. You may elect this option by sending a properly completed Preauthorized Systematic Withdrawal Request Form to Our **Principal Office**. You may designate the systematic withdrawal amount or the period for systematic withdrawal payments. You will also designate the desired frequency of the systematic withdrawals, which may be monthly, quarterly, semi-annually or annually. See Your contract for details on systematic withdrawal options and when each begins.

If the New York Stock Exchange is closed for regular trading on the day when the withdrawal is to be made, then We will process Your withdrawal at the unit value determined at the close of the next regular trading session of the New York Stock Exchange. The deduction caused by the systematic withdrawal will be allocated proportionately to Your **accumulation value** in the **investment divisions** and the Fixed Account.

You can stop or modify the systematic withdrawals by sending Us a **written notice**. A proper **written notice** must include the consent of any effective assignee or irrevocable **beneficiary**, if applicable.

Each systematic withdrawal must be at least \$200. Each request for withdrawal of amounts less than \$200 will be reviewed on a case-by-case basis. We reserve the right to change the frequency of payments or discontinue payments if the payment is less than \$200. Upon payment, We reduce Your **accumulation value** by an amount equal to the payment proceeds plus any applicable surrender charge. (See “Surrender Charges on Surrenders” on page 53). The surrender charge applies to systematic withdrawals in excess of the free surrender amount in the same manner as it applies to other partial surrenders, with the exception that a portion of the free surrender amount can be received more than once per year, as long as the full 10% of Your **net premiums** has not been withdrawn (by current company practice, the free amount is 10% of Your **gross premiums**). The Premium Bonus Rider vesting schedule also applies.

Under Midland National’s current Company practice, systematic withdrawals taken to satisfy IRS required minimum surrenders and paid under a life expectancy option will not be subject to a surrender charge. Amounts withdrawn to comply with IRS minimum distribution rules will

reduce the amount available under the free surrender amount. Any systematic withdrawal that would equal or exceed the **surrender value** will be treated as a complete surrender. In no event will the payment of a systematic withdrawal exceed the **surrender value**. The contract will automatically terminate if a systematic withdrawal causes the contract's **surrender value** to equal zero.

To the extent, if any, that there is **gain** in the contract, systematic withdrawals generally are included in the contract **owner's** gross income for tax purposes (as ordinary income) in the year in which the withdrawal occurs, and may be subject to a penalty tax of 10% before age 59 ½. Additional terms and conditions for the systematic withdrawal program are set forth in Your contract and in the application for the program.

LOANS

Loans are only available if You purchase this contract in connection with a qualified plan under Section 403(b) of the Internal Revenue Code. Generally, prior to the **maturity date**, **owners** of contracts issued in connection with Section 403(b) qualified plans may request a loan using the contract as security for the loan. However, if You have elected the optional Guaranteed Minimum Withdrawal Benefit rider, the rider will terminate if You request a loan under this contract.

Pursuant to new tax regulations, We generally are required to confirm, with Your 403(b) plan sponsor or otherwise, that loans You request from a 403(b) contract comply with applicable tax requirements before We process Your request.

Loans are subject to provisions of the Internal Revenue Code and the terms of the retirement program. You should consult a tax advisor before requesting a loan.

Only one loan may be outstanding at any time and only one loan can be made within a 12-month period. The loan amount must be at least \$2,000.

Such loan, when added to the outstanding balance of loans from this contract or other contracts maintained by the employee, will be limited to the lesser of the following:

- (a) \$50,000 reduced by the excess (if any) of:
 - (i) the highest outstanding balance of loans from this contract or other contracts maintained by the employee during the one year period ending on the day before the date on which the loan is made; over
 - (ii) the outstanding balance of loans from this contract or other contracts maintained by the employee on the date which such loan is made; or
- (b) the greater of:
 - (i) one half of the present value of the nonforfeitable cash **surrender value** of this contract; or
 - (ii) \$10,000.

The portion of the **accumulation value** that is equal to the loan amount will be held in the Fixed Account and will earn interest at the Fixed Account minimum interest rate of 1.5% per year. You should tell Us how much of the loan You want taken from Your unloaned amount in the Fixed Account or from the **Separate Account investment divisions**. If You do not tell Us how to allocate Your loan, the loan will be allocated among all **investment divisions** and the Fixed Account in the same proportion as the value of Your interest in each division bears to Your total **accumulation value**. We will redeem units from each **investment division** equal in value to the

amount of the loan allocated to that **investment division** and transfer that amount to the Fixed Account.

We charge interest on loans at the rate of 3.5% per year if the optional Premium Bonus Rider is not selected. If You purchase the optional Premium Bonus Rider, the loan interest charges will be increased by 1% to a rate of 4.5%. Loan interest is due at the end of each quarter. Unpaid interest will be added to the loan and accrue interest. If the total loan plus loan interest equals or exceeds the **accumulation value** minus any applicable surrender charges, then the contract will terminate with no further value. In such case, We will give You at least 31 days **written notice**. Termination under these circumstances may adversely affect the treatment of the contract under the Internal Revenue Code section 403(b).

The total loan plus loan interest will be deducted from any amount applied under a payment option or otherwise payable under the contract.

The loan agreement will describe the amount, duration, and restrictions on the loan. In general, loans must be repaid in monthly or quarterly installments within 5 years. If a quarterly installment is not received by the end of the calendar quarter following the calendar quarter in which the payment was due, then a deemed distribution of the entire amount of the outstanding loan principal, interest due, and any applicable charges under the contract, including any withdrawal charge, will be made. This deemed distribution may be subject to income and penalty tax under the Internal Revenue Code and may adversely affect the treatment of the contract under the Internal Revenue Code section 403(b).

If the amount or duration of the loan violates Internal Revenue Code requirements, then You may be subject to income tax or a tax penalty. IRS authorities and the Department of Labor suggest that in certain circumstances a loan may result in adverse tax and ERISA consequences for Section 403(b) programs. A loan issued in connection with a 403(b) plan is generally subject to a limit of the lesser of \$50,000 or 50% of the participant's vested ownership in the 403(b) plan. The maximum loan amount may be lower if You currently have had a plan loan in the last 12 months.

In addition, the Department of Labor has issued regulations governing plan participant loans under the retirement plans subject to ERISA and the Department of Labor's regulations contain requirements for plan loans relating to their availability amount and other matters. These requirements require, in part, that a loan from an ERISA-governed plan be made under an enforceable agreement, bear a reasonable rate of interest, be adequately secured, provide a reasonable payment schedule, and be made available on a basis that does not discriminate in favor of employees who are officers or shareholders or who are highly compensated. Failure to comply with these requirements may result in penalties under the Code and ERISA. You are responsible for determining whether Your plan is subject to, and complies with, ERISA and the Department of Labor's regulations governing plan loans.

A loan has a permanent effect on the **accumulation value** because the investment experience of the **investment divisions** will apply only to the unborrowed portion of the **accumulation value**. The longer the loan is outstanding, the greater the effect is likely to be. The effect could be favorable or unfavorable. If the net investment results are greater than 1.5% per year while the loan is outstanding, then the **accumulation value** will not increase as rapidly as it would have if no debt were outstanding. If net investment results are below 1.5% per year, then the **accumulation value** will be higher than it would have been had no loan been outstanding. In addition, a loan costs You a net interest charge of 2.0% per year with no optional Premium Bonus rider. If the optional Premium Bonus Rider is selected, a loan costs You a net interest charge of 3.0%.

DOLLAR COST AVERAGING

Generally, the Dollar Cost Averaging (DCA) program enables You to make monthly or quarterly transfers of a predetermined dollar amount from the DCA source account (any **investment division** or the Fixed Account) into one or more of the **investment divisions**. However, if You elect the optional Guaranteed Minimum Withdrawal Benefit rider, You must invest 100% of Your **accumulation value** in one of the five asset allocation models designated by Us for this rider. You may not transfer any part of Your **accumulation value** to the DCA program or the GMWB rider will terminate.

The DCA program may reduce the impact of market fluctuations by allocating monthly or quarterly, as opposed to allocating the total amount at one time. This plan of investing does not insure a profit or protect against a loss in declining markets and You should consider Your tolerance for investing through periods of fluctuating price levels. The minimum monthly or quarterly amount to be transferred using DCA is \$200.

You can elect the DCA program at any time. Only one active DCA account is allowed at a time. You must complete the proper request forms and send them to Our **Principal Office**, and there must be a sufficient amount in the DCA source account. You can get a sufficient amount by paying a premium with the DCA request form, allocating premiums, or transferring amounts to the DCA source account. Copies of the DCA request form can be obtained by contacting Us at Our **Principal Office**. The DCA election will specify:

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

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

Once You elect DCA, additional **net premiums** can be allocated to 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 **contract year**.

If it is requested when the contract is issued, then DCA will start at the beginning of the second **contract month**. If it is requested after issue, then DCA will start at the beginning of the next **contract month** after the request is received. **DCA will not begin until the end of the free look period.**

If a DCA program is elected after issue and the source account is the Fixed Account, the minimum number of months for the program is 12 months.

We will process DCA transfers for a maximum of 24-months. You may continue to participate in the DCA program beyond the 24 month period by providing Us with written authorization at the end of each 24 month time period. DCA automatically terminates on the **maturity date**.

You may stop the DCA program at any time by sending Us **written notice**. We reserve the right to end the DCA program by sending You one month's **written notice**.

We do not charge any specific fees for You to participate in a DCA program. While We currently do not charge for transfers, We do reserve the right to charge \$15 for each transfer after the 12th in any **contract year**. However, initiating a DCA program will only count once in determining the \$15 charge for each transfer after the 12th in a contract year.

Fixed Account Dollar Cost Averaging (“Fixed Account DCA”)

At the time of Your application, generally You may elect one of two Fixed Account DCA programs. However, if You elect the optional Guaranteed Minimum Withdrawal Benefit rider, You must invest 100% of Your **accumulation value** in one of the five asset allocation models designated by Us for this rider. You may not invest any part of Your **accumulation value** in the Fixed Account DCA program at any time or the GMWB rider will terminate.

These programs allow You to have a specified amount of Your initial premium transferred each month to the **investment divisions** of Your choice. These programs may only be elected at issue. We may declare interest rates in excess of the guaranteed minimum rate for premiums in the Fixed Account DCA program. However, the amount of interest credited to the Fixed Account DCA Accounts will never be less than the minimum guaranteed rate of 1.5%. The interest rate will vary depending upon the Fixed Account DCA program You choose at the time You purchase the contract. You may choose one of the following two Fixed Account DCA programs:

The 6-Month Fixed Account DCA program: Under this program, You allocate Your initial premium to the 6-Month DCA account and We will credit a guaranteed rate of interest on the diminishing balance of the premium remaining in the 6-Month DCA account for a six-month period beginning on the **issue date**. Transfers will occur each month over the six-month period with the final transfer including all amounts remaining in the 6-Month DCA account.

The 12-Month Fixed Account DCA program: Under this program, You allocate Your initial premium to the 12-Month DCA account and We will credit a guaranteed rate of interest on the diminishing balance of the premium remaining in the 12-Month DCA account for a twelve-month period beginning on the **issue date**. Transfers will occur each month over the twelve-month period with the final transfer including all amounts remaining in the 12-Month DCA account.

Fixed Account Dollar Cost Averaging may not be available in all states. Your state of issue will determine if Fixed Account Dollar Cost Averaging is available on Your contract. Please check Your contract form to see if Fixed Account Dollar Cost Averaging is available on Your contract.

PORTFOLIO REBALANCING

The Portfolio Rebalancing option allows contract **owners**, who are not Dollar Cost Averaging, to have Us automatically reset the percentage of **accumulation value** allocated to each **investment division** to a pre-set percentage level on a monthly, quarterly, semi-annual, or annual basis. The Portfolio Rebalancing option is subject to the Fixed Account premium and transfer limitations. If You elect this option, then on the date of each month or quarter that is the same as Your **contract anniversary** date, We will transfer the amounts needed to “rebalance” the **accumulation value** to Your specified percentages. Rebalancing may result in transferring amounts from an **investment division** earning a relatively high return to one earning a relatively low return.

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 **Principal Office** to elect the Portfolio Rebalancing option. If You elect the Guaranteed Minimum Withdrawal Benefit Rider, Your **accumulation value** will automatically rebalance to the original asset allocation percentages established by Your most recent designation on each **contract anniversary**. If You choose not to rebalance the **accumulation value** on any **contract anniversary**, the rider will terminate.

There is no charge for Portfolio Rebalancing and a Portfolio Rebalancing transfer is not considered a transfer for purposes of possibly assessing a transfer charge.

FIXED ACCOUNT EARNINGS SWEEP PROGRAM

Generally, You may elect to have any Fixed Account interest earnings transferred on a monthly or quarterly basis to one or more of the **Separate Account investment divisions**. However, this program is not available if You elect the optional Guaranteed Minimum Withdrawal Benefit rider as 100% of Your **accumulation value** must be invested in one of the five asset allocation models designated by Us for this rider.

Under the Fixed Account Earnings Sweep program, transfers will be made on the **contract anniversary** day each month or quarter to the **investment divisions** You select or according to the DCA program. While this program is active, You may not allocate future premium payments to the Fixed Account. Amounts transferred out of the Fixed Account due to an earnings sweep transfer are counted toward the 20% of Fixed Account **accumulation value** that may be transferred out of the Fixed Account during any **contract year**.

The Fixed Account Earnings Sweep program may not be available in all states. Your state of issue will determine if The Fixed Account Earnings Sweep program is available on Your contract.

There is no charge for Fixed Account Earnings Sweeps program and a Fixed Account Earnings Sweep transfer is not considered a transfer for purposes of possibly assessing a transfer charge.

OPTIONAL RIDERS

There are two optional riders available under this contract for an additional charge. Charges for these optional riders are in addition to the charges for the basic contract (stated in the Fee Table). If You elect the highest possible combination of all of these riders, the total **Separate Account** expenses currently would be 3.20% per year. We reserve the right to change the charge for each optional rider.

Since some optional riders cannot be terminated once elected, You should select Your options carefully. Most of the riders can only be elected when You buy the contract. Any amounts paid that are in excess of Your **accumulation value** under the optional benefits are subject to Our financial strength and claims-paying ability.

Guaranteed Minimum Withdrawal Benefit Rider (GMWB)

If You elect the Guaranteed Minimum Withdrawal Benefit (GMWB), We guarantee that You can withdraw the **payment amount** each year until the **Guaranteed Amount** is depleted regardless of investment performance. The **payment amount** is 7% of the initial **guaranteed amount**. The **guaranteed amount** is equal to the initial payment if the rider is elected when the contract is issued or the **accumulation value** when the rider is later elected. It is increased

equally by subsequent premium payments and reduced by each withdrawal. The **guaranteed amount** is equal to the maximum payments that can be received under the GMWB rider. The **payment amount** will increase with each premium payment by 7% times the premium payment and may be reduced if withdrawals within a year exceed the **payment amount**. If the GMWB Rider is elected with the Premium Bonus Rider, the **Guaranteed Amount** will reflect the premium bonus. See "Premium Bonus Rider" on page 51 for more information. If the total **payment amount** is not withdrawn in any **contract year**, this amount will not carry over for withdrawals in future **contract years**. In exchange for this benefit, We will charge You an additional mortality and expense charge daily that currently ranges from 0.10% to 1.20%, depending on the asset allocation model You elect. This charge will be assessed against Your **Separate Account accumulation value**. The charges for this rider are listed in the "FEE TABLE" on page 14.

If You choose not to take withdrawals under the GMWB rider, We will not refund the charges collected for this benefit.

Appreciation of Your **accumulation value** due to positive investment performance will not cause an increase in Your **guaranteed amount** or **payment amount**.

You should consider the GMWB rider if You are interested in predictable withdrawals that will guarantee the return of Your principal while participating in the market.

You might not want the GMWB rider if:

- You plan on taking withdrawals in excess of the **payment amount** because such excess withdrawals may significantly reduce or eliminate the value of the guarantees provided by this rider.
- You are interested in long-term accumulation rather than receiving payments.

Also, the addition of this rider to Your contract may not be in Your best interest since an additional annual charge is assessed for this benefit, and in order to receive the full benefit, Your **accumulation value** must be reduced to zero while the **guaranteed amount** is still positive.

The Company may discontinue offering the GMWB rider at any time.

Things to Consider Regarding the Guaranteed Minimum Withdrawal Benefit Rider:

- You will begin paying an extra daily mortality and risk expense charge as of the date You elect the rider even if You do not begin taking withdrawals for many years, or ever. (The rider charge may change over time, but will not exceed the guaranteed maximum rider charge noted in the Fee Table. The guaranteed maximum rider charge applies only to the initial purchase of the rider and will not apply if You transfer to a new asset allocation model.) We will not refund the charges You have paid under the rider even if You never choose to take withdrawals and/or if You never receive any payments under the rider.
- We have designed this rider for You to take withdrawals each **contract year** that are less than or equal to the **payment amount**.
- You should carefully consider when to begin making withdrawals. There is a risk that You will not begin making withdrawals at the most financially beneficial time for You.
- The rider may not be appropriate for You if You do not foresee a need for regular withdrawals that do not exceed the **payment amount** and Your primary objective is to take maximum advantage of the tax deferral aspect of the contract.

- This rider is subject to certain investment restrictions. You must allocate all of Your **accumulation value** to one of the five asset allocation models to elect this rider. You may not allocate any money to the Fixed Account. You should determine whether these investment restrictions are suited for Your financial needs and risk tolerance.
- Cumulative withdrawals in any one **contract year** that exceed the **payment amount** may reduce the **payment amount** and the **guaranteed amount** on greater than a dollar-for-dollar basis.
- Upon the death of the **owner**, this rider terminates and there are no more additional guaranteed withdrawals, unless the spousal continuation option is elected. Spousal continuation allows a surviving spouse, if named the **beneficiary**, to continue the contract as the new **owner**. Other circumstances, listed on page 46, will also cause the rider to terminate.

Like all withdrawals, withdrawals under this benefit also:

- reduce Your **accumulation value**;
- reduce Your **death benefit** and other benefits;
- may be subject to income taxes and federal tax penalties; and
- may be limited or restricted under certain qualified contracts.

You may not elect this rider when **accumulation value** is allocated in the Fixed Account. If money is allocated in the Fixed Account, the **accumulation value** must be transferred to the **Separate Account** subject to the Fixed Account premium and transfer limitations before this rider can be elected.

After the rider has been **inforce** for 5 consecutive **contract years** and after every 5th **contract year** thereafter, You have the option to “step-up” the **Guaranteed Amount**. This allows You to increase the **Guaranteed Amount** to equal the current **accumulation value** as of the eligible **contract anniversary** date. The guaranteed maximum rider charge noted in the Fee Table only applies to the initial purchase of the rider. It does not apply if You elect to “step-up” the **Guaranteed Amount**. At the time You elect to “step-up”, We may be charging more or less for this rider. Regardless of when You purchased the rider, We will charge You the current charge at the time You elect to “step-up” Your **Guaranteed Amount**. Before You decide to “step-up”, You should request a current prospectus which will describe the current charge for this benefit.

There are five asset allocation models available to all contract **owners** on an optional basis. However, in order to elect this rider at the time of issue or on any **contract anniversary** thereafter, You must invest 100% of Your **accumulation value** in one of these five asset allocation models. You may not transfer any part of Your **accumulation value** to an **investment division** that is not a part of the asset allocation model You selected or to the Fixed Account or Fixed Account DCA program at any time or the GMWB rider will terminate.

If You do not elect this rider when You purchase the contract, You have 30-days from any **contract anniversary** date to notify Us, in writing or via facsimile, that You have chosen to elect this rider. The **guaranteed amount** will be equal to the **accumulation value** as of the eligible **contract anniversary** date. Any transactions that have occurred between the eligible anniversary date and rider election date could affect the **guaranteed amount** and **payment amount**.

If Your minimum distribution amount exceeds Your **payment amount** under the GMWB rider, You will have to withdraw more than the **payment amount** to avoid the imposition of a 50% excise tax, causing a decrease in Your **guaranteed amount**. You should consult a tax advisor before purchasing the GMWB rider with a qualified contract.

You must choose from one of the five asset allocation models listed below if You elect the GMWB rider. You may only invest in one asset allocation model at any given time. Please keep in mind that no investment strategy assures a profit or protects against a loss in a declining market. You do not need to purchase this rider to elect an asset allocation model.

The asset allocation models are intended to minimize investment risk and may therefore potentially reduce investment returns. If You are seeking a more aggressive investment strategy, the asset allocation models required in connection with the GMWB rider may not be appropriate for You. You should consult with Your registered representative to assist You in determining whether these asset allocation models are suited for Your financial needs and risk tolerance.

Asset Allocation Models

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 them to shift into the most conservative investment if the losses occur. Conservative investors would accept lower long-term return in exchange for smaller and less frequent changes in portfolio value. Analyzing the risk-return choices available, a conservative investor is usually willing to accept a lower return in order to assure safety of his or her investment. If You select this asset allocation model, the charge for the GMWB rider is 0.10%.

The Conservative model is made up of the following percentages:

- 59% Intermediate Bonds
- 13% Cash Equivalents
- 6% Large Cap Value
- 6% High-Yield Bonds
- 5% International Equity
- 4% Large Cap Growth
- 4% Mid Cap Equity
- 3% Hard Assets

Moderate Conservative – 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 range is still designed to preserve the investor's capital, fluctuation in value may occur from year to year. If You select this asset allocation model, the charge for the GMWB rider is 0.20%.

The Moderate Conservative model is made up of the following percentages:

- 44% Intermediate Bonds
- 8% 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% Hard Assets

Moderate – The moderate investor is willing to accept more risk than the conservative investor is, but is probably not 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. The safeties of investment and return are of equal importance to the moderate investor. If You select this asset allocation model, the charge for the GMWB rider is 0.40%.

The Moderate model is made up of the following percentages:

- 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% Hard Assets

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 moderate fluctuation in their portfolio values. If You select this asset allocation model, the charge for the GMWB rider is 0.75%.

The Moderate Aggressive model is made up of the following percentages:

- 19% Intermediate Bonds
- 17% Large Cap Value
- 3% High-Yield Bonds
- 21% International Equity
- 14% Large Cap Growth
- 14% Mid Cap Equity
- 7% Small Cap Equity
- 5% Hard Assets

Aggressive - The aggressive portfolio is 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 higher return. If You select this asset allocation model, the charge for the GMWB rider is 1.20%.

The Aggressive model is made up of the following percentages:

- 5% Intermediate Bonds
- 19% Large Cap Value
- 28% International Equity
- 16% Large Cap Growth
- 17% Mid Cap Equity
- 10% Small Cap Equity
- 5% Hard Assets

On each **contract anniversary** Your **accumulation value** will automatically rebalance to the original asset allocation percentages established by Your most recent designation. If You choose not to rebalance the **accumulation value** on any **contract anniversary**, the rider will terminate.

Transfers of the **accumulation value** from one asset allocation model to another asset allocation model will not impact the overall **Guaranteed Amount** or **payment amount**. However, We may be charging more or less for each asset allocation model at the time You request the transfer. If You choose to transfer to a different asset allocation model, Your charge will increase or decrease to the amount currently in effect on the date the transfer is made. When this transfer is made, Your **accumulation value** will automatically rebalance to the new model's asset allocation percentages. The guaranteed maximum rider charge noted in the Fee Table only applies to the initial purchase of the rider. It does not apply if You transfer to a new asset allocation model. You should request information about the current charges for each asset allocation model before initiating a request to transfer to a different asset allocation model.

The **guaranteed amount** is effective if the total amount of partial withdrawals taken in any one **contract year** does not exceed the **payment amount**. Contractually, if total withdrawals during a **contract year** are less than or equal to the **payment amount**, then the **guaranteed amount** will decrease by the amount of withdrawals. By current company practice, if total withdrawals during a **contract year** are less than or equal to the required minimum distribution amount, then the **guaranteed amount** will decrease by the amount of the withdrawals. If the total partial withdrawals taken in any one **contract year** exceed the **payment amount** or, by company practice, the minimum required distribution amount, then the **payment amount** and the **guaranteed amount** will be recalculated and may be reduced. Examples showing the effects of a withdrawal on the **payment amount** are shown in Appendix I on page 98. The **payment amount** can never exceed the **guaranteed amount**. If the **guaranteed amount** becomes less than the **payment amount**, the **payment amount** will be reset to equal the **guaranteed amount**.

If You exercise the right to examine provision in the contract, You will not receive any portion of the **guaranteed amount** from the GMWB rider.

Anything withdrawn up to the **payment amount** is considered a penalty free withdrawal. If the **payment amount** exceeds the 10% free surrender amount, any surrender charges will be waived up to the **payment amount**. If the **payment amount** exceeds the 10% free surrender amount, and the requested withdrawal exceeds the **payment amount**, surrender charges will be applied on the withdrawal amount that exceeds the **payment amount**.

You cannot carry over any portion of total withdrawals that are less than the **payment amount** that are not withdrawn during a **contract year** for withdrawal in a future **contract year**.

You should carefully consider when to begin taking withdrawals under the GMWB Rider. If You begin taking withdrawals too soon or delay taking withdrawals for too long, You may limit the value of the GMWB rider.

If You elect the GMWB rider on a qualified contract, tax rules may prevent You from taking withdrawals when You otherwise would, or require You to take withdrawals that are more than the **payment amount** during a **contract year**.

Please note that adding the GMWB rider will not automatically cancel any existing systematic withdrawals that You have established. You should consider whether any existing systematic withdrawals should be adjusted.

If You make withdrawals from Your contract, those withdrawals are made from Your own **accumulation value**. We are only required to start using Our own money to make settlement payments to You when and if Your **accumulation value** is reduced to zero (for any reason other than for a withdrawal that exceeds the **payment amount**) and the **guaranteed amount** is positive.

You may elect to “step-up” Your benefit after the rider has been **inforce** for 5 consecutive **contract years** and every fifth **contract anniversary** thereafter. If You elect to “step-up” Your benefit, the **guaranteed amount** will be the current **accumulation value** as of the eligible anniversary date. If the “step-up” option is chosen, the **payment amount** is recalculated to be the greater of the current **payment amount**, and 7% times the “stepped-up” **guaranteed amount**. You have 30 calendar days after each eligible **contract anniversary**, to notify Us, in writing or via facsimile, that You have chosen this option. At the time You elect to “step-up”, We may be charging more or less for this rider. Regardless of when You purchased Your contract, We will charge You the current charge in effect at the time You elect to “step-up” Your **guaranteed amount**. On the day that You notify Us of Your election to step-up, Your new rider charge will be determined and We will begin charging You the new rider charge. Before You decide to “step-up”, You should request information, which will describe the current charges for this rider. We will not accept any request to exercise the “step-up” benefit after the 30th calendar day following any eligible anniversary. You may not exercise the option to “step-up” if Your current **guaranteed amount** is higher than Your current **accumulation value**.

If a withdrawal of the **payment amount** reduces the **accumulation value** of Your contract to zero, but does not reduce the **guaranteed amount** to zero, the remaining **guaranteed amount** will be paid out as an annuity payment option until the **guaranteed amount** is depleted. While You are receiving the annuity payment option, You may not make additional premium payments. When the last Payment is made, Your contract will terminate.

It is not clear whether payments made after the contract’s **accumulation value** is zero will be taxed as withdrawals or as annuity payments. This is significant for nonqualified contracts because withdrawals are taxed less favorably than are annuity payments. In view of this uncertainty, We intend to adopt a conservative approach and treat payments during the settlement phase under non-qualified contracts as withdrawals. Similarly for qualified contracts, We will apply the non-annuity rules for determining minimum required distributions, meaning that a percentage of the value of all benefits under the contract will need to be withdrawn each year. The value may have to include the value of enhanced **death benefits** and other optional contract provisions such as the GMWB rider itself. Consult with and rely upon Your tax advisor. See “FEDERAL TAX STATUS” on page 57 for a general description of the taxation of withdrawals and annuity payments.

This rider will terminate:

- upon death of the **annuitant** or **owner** unless the contract is continued under a spousal continuation option. Spousal continuance allows the surviving **owner’s** spouse if named the **beneficiary** to continue the contract as the new **owner**;
- if the **accumulation value** is transferred outside any of the five asset allocation models designated by Us in connection with this rider;
- if You discontinue the automatic rebalance feature of this rider on any **contract anniversary**;
- if You exercise the loan provision;
- if You write to Us requesting termination of the rider; or
- if You surrender or **annuitize** Your contract.

If the rider terminates in the middle of a **contract year**, You will still have the right to withdraw Your full **payment amount** that year. If the rider terminates for any reason other than a full surrender of the contract, We will continue the charge against Your **accumulation value** until the next **contract anniversary** date. If You surrender Your contract in the middle of a **contract year**, then the charge will terminate at that time so You will only pay a prorated proportion of the rider charge. Once this rider has terminated it cannot be elected again at a later date.

The maximum **guaranteed amount** for this rider is \$5,000,000. The maximum **issue ages** are 75 for single **owners/annuitants** and age 80 for joint **owners/annuitants**. We may consider exceptions to the maximum **issue ages**. Each request for age exceptions will be reviewed on a case-by-case basis. We reserve the right to require additional information in order to evaluate suitability for the **annuitants** or **owners**.

For examples on how the Optional Guaranteed Minimum Withdrawal Benefit is calculated please see “Appendix I” on page 98.

Premium Bonus Rider

At the time of Your application, You may choose the Premium Bonus Rider that will add a credit of 6% to Your premium payments received during the first **contract year**. A portion of this bonus will vest over each of the first seven **contract years**. Currently, We will deduct an additional daily **Separate Account** charge at an annual rate of 0.65% for this rider. We reserve the right to increase this charge but it will never exceed the maximum guaranteed charge of 0.70%. We expect to profit from this charge. We deduct the daily charge against Your **Separate Account accumulation value** only during the first nine **contract years**. We will also reduce the current interest rate declared for the Fixed Account by 0.85% for the first nine **contract years**.

If You exercise the right to examine “Free Look” provision in the contract, You will not receive any portion of the bonus amount. In the event of death, **annuitization**, withdrawal (including any free surrender amounts), or surrender of the contract in the first seven **contract years**, You or Your **beneficiary(ies)** will only be entitled to that portion of the bonus, if any, that has vested at the time the event occurs. The amount will increase over the seven-year period so that, in **contract years** 8+, You will be entitled to 100% of the bonus amount. The vesting schedule for the Premium Bonus Rider follows:

VESTING OF BONUS SCHEDULE	
<u>Contract Year</u>	<u>Amount Of Bonus Vested</u>
1	4/12 of bonus amount
2	5/12 of bonus amount
3	6/12 of bonus amount
4	7/12 of bonus amount
5	8/12 of bonus amount
6	9/12 of bonus amount
7	10/12 of bonus amount
8+	12/12 of bonus amount

Electing a Premium Bonus Rider may be beneficial to You only if You own the contract for sufficient length of time, and the investment performance of the underlying portfolios is sufficient to compensate for the additional charge associated with the Premium Bonus Rider. In general, in order to receive a benefit from this rider, the **Separate Account** must experience a certain level of positive performance over a number of years. Generally, the higher the first year premium and the higher rate of return, the more advantageous the Premium Bonus Rider becomes and vice versa. If the contract is owned for a short period of time or the investment performance of the underlying portfolios is not sufficient to compensate for the additional charges associated with this rider in the first nine **contract years**, the charges for this rider may

exceed the benefit. Over time, the value of the credit may be more than offset by the higher charges associated with the rider.

Because the 0.65% annual charge associated with the Premium Bonus Rider will be assessed against the entire **Separate Account** value for the first nine **contract years** and the corresponding reduction in the Fixed Account interest will apply to the entire Fixed Account value for the first nine **contract years**, contract **owners** who anticipate making additional premium payments after the first **contract year** should carefully examine the Premium Bonus Rider and consult their financial adviser regarding its desirability. Note carefully that the charge will be assessed against the **Separate Account** accumulated value attributable to premium payments made in the first nine **contract years**, but no bonus will be credited with respect to premium payments made any time after the first **contract year**.

The Internal Revenue Code generally requires that interests in a Qualified Contract be nonforfeitable, and it is unclear whether the Optional Premium Bonus Rider is consistent with those requirements. Consult a tax advisor before purchasing this rider as part of a Qualified Contract.

DEATH BENEFIT

If the **annuitant** or an **owner** dies before the **maturity date** and while the contract is still **inforce**, We will pay the **death benefit** to the **beneficiary** once We receive (at Our **Principal Office**) satisfactory proof of the **annuitant's** or **owner's** death, an election of how the **death benefit** is to be paid, and any other documents or forms required all in **good order**.

If the **annuitant**, who is not the **owner**, dies prior to the **maturity date**, the **death benefit** must be paid within one year of the **annuitant's** death. For joint **annuitants** the **death benefit** is paid upon the second death.

If an **owner** dies prior to the **maturity date**, then the **death benefit** must be paid within 5 years of the **owner's** death (other than amounts payable to, or for the benefit of, the surviving spouse of the **owner**). For joint **owners** the **death benefit** is paid upon the first death.

The value of the **death benefit**, as described below, will be determined based on the **accumulation value** on the **business day** that Our **Principal Office** receives **proof of death**, an election of how the **death benefit** is to be paid, and any other documents or forms required all in **good order**. The **death benefit** will be paid once We receive the required information, in **good order**, from all beneficiaries.

Unless a payment option is selected and all other required forms and documentation are received within 90 days after We receive **proof of death**, the **death benefit** will be paid as a lump sum calculated as of that date.

When a **death benefit** is paid on the death of the **annuitant** and a payment option is selected within 60 days after the **annuitant's** death, the payment option must be an annuity for the life of the **payee** or for a period extending no longer than the **payee's** life expectancy, and payments must begin within one year of the date of death.

When a **death benefit** is paid on the death of an **owner** or a joint **owner** and a payment option is selected, the payment option must be an annuity for the life of the **payee** or for a period extending no longer than the **payee's** life expectancy, and payments must begin within one year of the date of death.

If the **annuitant** or an **owner** dies on or after the **maturity date**, then any remaining amounts, must be paid at least as rapidly as the benefits were being paid at the time of the **annuitant's** or **owner's** death. Other rules relating to distributions at death apply to qualified contracts.

If joint **annuitants** or joint **owners** die within 24 hours of one another, they are considered to have died simultaneously and the eldest is presumed to have died first. In the event of simultaneous death of the **annuitant** and the **owner**, the **owner** is presumed to have died first, and the **owner's beneficiary** would be paid the **death benefit**.

The **death benefit** paid to the **beneficiary** will be the greater of:

- (a) the **accumulation value**, less any outstanding loan and loan interest, when We receive due **proof of death**, an election of how the **death benefit** is to be paid and any other documentation or forms required; or
- (b) **net premium**, less any outstanding loan and loan interest, when We receive due **proof of death**.

If the **annuitant** or an **owner** dies on or after the **maturity date**, We will pay any remaining guaranteed payments to the **beneficiary** as provided in the annuity option selected.

Naming different persons as **owner** and **annuitant** can affect whether the **death benefit** is payable, the amount of the benefit, and who will receive it. Use care when naming **owners**, **annuitants**, and beneficiaries, and consult Your registered representative if You have questions.

Premium taxes may be deducted from the **death benefit** proceeds and We may retain any non-vested portion of the premium bonus.

PAYMENT OF DEATH BENEFITS AND 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 are 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.

CHARGES, FEES AND DEDUCTIONS

SURRENDER CHARGES ON SURRENDERS

We may deduct a surrender charge from any full or partial surrender (including a surrender to effect an annuity and on systematic withdrawals) that exceeds the free surrender amount. This charge partially reimburses Us for the selling and distributing costs of this contract. These

include commissions and the costs of preparing sales literature and printing prospectuses. If the surrender charge is insufficient to cover all distribution expenses, then the deficiency will be met from Our surplus that may be, in part, derived from mortality and expense risks charges (described below). For the purpose of determining the surrender charge, any amount that You withdraw will be treated as being from premiums first, and then from investment earnings, if any (and without regard to allocations of premiums or surrenders among **investment divisions**). Premium payments are considered withdrawn in the order that they were received. There is no surrender charge on the investment earnings (if any) withdrawn.

The length of time between each premium payment and surrender determines the amount of the surrender charge applied to that respective premium payment.

The charge is a percentage of the premiums withdrawn and equals:

Length of Time from Premium Payment (number of years)	Surrender Charge
1	9%
2	8%
3	7%
4	6%
5	5%
6	4%
7	3%
8	2%
9	1%
10+	0%

No Surrender charge will be assessed upon:

- (a) payment of **death benefits**;
- (b) exercise of the free look right; and
- (c) surrender of the free surrender amount.

At the time of withdrawal, if Your **accumulation value** is less than Your **net premium**, the surrender charge will still be assessed against the full remaining **net premium** amount. For example, if at the beginning of Your second **contract year** Your **net premium** was \$10,000 and Your **accumulation value** was \$8,000, then in the event of a full surrender, the second year surrender charge percentage of 8% would be charged on the \$10,000 **net premium** amount (less the free surrender amount) and not the \$8,000 **accumulation value** amount.

Under Midland National's current Company practice, amounts withdrawn under the contract to comply with IRS minimum distribution rules and paid under a life expectancy option will not be subject to a surrender charge. We reserve the right to change this practice in the future.

Amounts withdrawn to comply with IRS minimum distribution rules will reduce the amount available under the free surrender amount.

MORTALITY AND EXPENSE RISK CHARGE

We deduct a daily charge for mortality and expense risks at an effective annual rate of 1.35% of the **accumulation values** in the **Separate Account**. This charge compensates Us for assuming certain mortality and expense risks. No mortality and expense charge is deducted from the fixed account. The **investment division's accumulation unit** values and **annuity unit** values reflect this charge. We expect to profit from this charge. We may use the profit for any purpose,

including paying distribution expenses. However, the level of this charge is guaranteed for the life of the contract and may not be increased. We will continue to deduct this charge after the **maturity date** if You select a variable annuity option.

The mortality risk We bear arises, in part, from Our obligation to make monthly annuity payments regardless of how long all **annuitants** or any individual may live. These payments are guaranteed in accordance with the annuity tables and other provisions contained in Your contract. This assures You that neither the longevity of the **annuitant**, nor an unanticipated improvement in general life expectancy, will have any adverse effect on the monthly annuity payments the **annuitant** will receive under the contract. Our obligation, therefore, relieves the **annuitant** from the risk that he or she will outlive the funds accumulated for retirement. The mortality risk also arises, in part, because of the risk that the **death benefit** may be greater than the **accumulation value**. We also assume the risk that other expense charges may be insufficient to cover the actual expenses We incur. We may also use proceeds from this charge to cover distribution expenses and payments to third parties who provide advisory or other services to contract **owners**.

ANNUAL MAINTENANCE FEE

We deduct an annual maintenance fee of \$30 on each **contract anniversary** on or before the **maturity date**. We reserve the right to increase this charge, however, it will not exceed \$60 per **contract year**. Currently, We waive the annual maintenance fee for Section 403(b), SEP-IRA, and 457 Qualified Plans or if Your **net premium** is \$50,000 or more on the **contract anniversary**. This charge is for Our record keeping and other expenses incurred in maintaining the contracts. At the end of each **contract year** We deduct this charge proportionally from each **investment division** and the Fixed Account. If the contract is surrendered during a **contract year** and the **net premium** is less than \$50,000, then We will deduct the full annual maintenance fee for the current **contract year** at that time. We will not deduct the annual maintenance fee in the event of **annuitization** or death.

We may reduce the annual maintenance fee for contracts issued in a manner that results in a savings of administrative expenses. The amount of reductions will be considered on a case-by-case basis and reflect Our expected reductions in administrative expenses.

OPTIONAL RIDER CHARGES

Guaranteed Minimum Withdrawal Benefit Rider (GMWB):

We deduct an extra charge on a daily basis if You select the optional GMWB, as a percentage, currently at an annual rate that ranges from 0.10% to 1.20% of the value in the **Separate Account** depending on the asset allocation model selected. Please see “FEE TABLE” on page 14.

Premium Bonus Rider Charge:

We deduct an extra charge on a daily basis if You select the optional Premium Bonus Rider, as a percentage, currently at an annual rate of 0.65% of the **accumulation value** in the **Separate Account**. We reserve the right to charge a maximum annual rate of 0.70% of the **accumulation value** in the **Separate Account**. This charge is specified above in the Fee Table section of this prospectus.

TRANSFER CHARGE

Currently, We do not charge You for making transfers of **accumulation value** among **investment divisions**. We reserve the right to assess a \$15 charge for each transfer after the 12th transfer in a **contract year**. For example, if We experienced an unexpectedly large number of transfers resulting in higher than anticipated administrative costs, We might impose this fee.

If We charge You for making a transfer, then We will allocate the charge proportionally to the **investment divisions** and Fixed Account from which the transfer is being made. All transfers included in one transfer request count as only one transfer for purposes of any fee. For example, if the transfer is made from two **investment divisions** and a charge applies, then a \$7.50 transfer charge will be deducted from each of the two **investment divisions**.

LOAN CHARGE (TSA Contracts Only)

Loan interest is charged in arrears on any outstanding loan. Loan interest that is unpaid when due will be added to the outstanding loan at the end of each contract quarter (or, if earlier, on the date of loan repayment, surrender, contract termination, or the death of the **annuitant** or an **owner**) and will bear interest at the same rate of the loan. We charge an annual interest rate of 3.5% on loans without the Premium Bonus rider and 4.5% on loans with the Premium Bonus rider.

After offsetting the 1.5% annual interest rate that We guarantee We will credit to the portion of Our Fixed Account securing the loan against the maximum loan interest rate of 3.5%, the maximum guaranteed net cost of the loans is 2.0% annually without the Premium Bonus rider.

If You purchase the optional Premium Bonus Rider, the loan interest charges will be increased by 1% to a rate of 4.5% per year. After offsetting the 1.5% annual interest rate, that We guarantee We will credit to the portion of Our Fixed Account securing the loan, against the maximum loan interest rate of 4.5%, the maximum guaranteed net cost of the loans is 3.0% annually.

CHARGES IN THE FUNDS

The funds charge their portfolios for managing investments and providing services. The portfolios may also pay operating expenses. Each portfolio's charges and expenses vary. Some portfolios may also impose redemption fees, which We would deduct directly from Your **accumulation value**. See the funds' prospectuses for more information.

PREMIUM TAXES

Midland will deduct from Your **accumulation value** at surrender, death or **annuitization** a charge for any premium taxes levied by a state or any other government entity. Premium taxes currently levied by certain jurisdictions vary from 0% to 3.5%. This range is subject to change. The Company currently deducts such charges from contracts issued in the states of California, Maine, Nevada, South Dakota, West Virginia, Wyoming and the territory of Puerto Rico. These states and jurisdictions are subject to change.

OTHER TAXES

At the present time, We do not make any charges to the **Separate Account** for any federal, state, or local taxes (other than premium taxes) that We incur which may be attributable to such account or to the contracts. We reserve the right to make a charge for any such tax or economic burden resulting from the application of the tax laws.

FEDERAL TAX STATUS

INTRODUCTION

NOTE: We have prepared the following information on federal income taxes as a general discussion of the subject. It is not intended as tax advice to any individual. No attempt is made to consider any applicable state or other income tax laws, any state and local estate or inheritance tax, or other tax consequences of ownership or receipt of distributions under a Contract. You should consult Your own tax advisor about Your own circumstances. We have included an additional discussion regarding taxes in the SAI.

ANNUITY CONTRACTS IN GENERAL

Deferred annuities are a way of setting aside money for future needs like retirement. Congress recognized how important saving for retirement is and provided special rules in the Internal Revenue Code for annuities.

Simply stated, these rules provide that generally You will not be taxed on the **gain**, if any, on the money held in Your annuity contract until You take the money out. This is referred to as tax deferral. There are different rules as to how You will be taxed depending on how You take the money out and the type of contract – qualified or non-qualified (discussed below).

You will generally not be taxed on increases in the value of Your contract until a distribution occurs – either as a surrender or as annuity payments.

When a non-natural person (e.g., corporation or certain other entities other than tax-qualified trusts) owns a non-qualified contract, the contract will generally not be treated as an annuity for tax purposes and any increase in the excess of the account value (*i.e.*, **accumulation value**) over the investment in the contract during the taxable year must generally be included in income. There are some exceptions to this rule and a prospective **owner** that is not a natural person should discuss these with a tax advisor.

If Your contract contains a guaranteed minimum withdrawal benefit rider, the application of certain tax rules, particularly those rules relating to distributions from Your Contract, are not entirely clear. In view of this uncertainty, You should consult a tax advisor before purchasing a guaranteed minimum withdrawal benefit rider.

Qualified and Non-Qualified Contracts

If You invest in a variable annuity as part of an individual retirement plan, pension plan or employer-sponsored retirement program, Your contract is called a *Qualified Contract*. If Your annuity is independent of any formal retirement or pension plan, it is termed a *Non-Qualified Contract*. The tax rules applicable to qualified contracts vary according to the type of retirement plan and the terms and conditions of the plan.

Qualified contracts are issued in connection with the plans listed below. There is additional information about qualified contracts in the Statement of Additional Information.

- Individual Retirement Annuity (IRA): A traditional IRA allows individuals to make contributions, which may be deductible, to the contract.
- Roth IRAs, as described in Code section 408A, permit certain eligible individuals to make non-deductible contributions to a Roth IRA in cash or as a rollover or transfer from another Roth IRA or other IRA. A rollover from or conversion of an IRA to a Roth IRA is generally subject to tax. A special rule permits taxation of Roth IRA conversions made during the 2010 tax year to be split between 2011 and 2012. The **owner** may wish to consult a tax adviser before combining any converted amounts with any other Roth IRA contributions, including any other conversion amounts from other tax years. Distributions from a Roth IRA generally are not taxed, except that, once aggregate distributions exceed contributions to the Roth IRA, income tax and a 10% penalty tax may apply to distributions made (1) before age 59½ (subject to certain exceptions) or (2) during the five taxable years starting with the year in which the first contribution is made to any Roth IRA. A 10% penalty tax may apply to amounts attributable to a conversion from an IRA if they are distributed during the five taxable years beginning with the year in which the conversion was made.
- Corporate Pension and Profit-Sharing and H.R. 10 Plan: Employers and self-employed individuals can establish pension or profit-sharing plans for their employees or themselves and make contributions to the contract on a pre-tax basis.
- Deferred Compensation Plan (457 Plan): Certain governmental and tax-exempt organizations can establish a plan to defer compensation on behalf of their employees through contributions to the contract.
- Under Code section 403(b), payments made by public school systems and certain tax-exempt organizations to purchase annuity contracts for their employees are excludable from the gross income of the employee, subject to certain limitations. However, these payments may be subject to FICA (Social Security) taxes. A qualified contract issued as a tax-sheltered annuity under section 403(b) will be amended as necessary to conform to the requirements of the Code. Code section 403(b)(11) restricts the distribution under Code section 403(b) annuity contracts of:
 1. elective contributions made in years beginning after December 31, 1988;
 2. earnings on those contributions; and
 3. earnings in such years on amounts held as of the last year beginning before January 1, 1989.

Distribution of those amounts may only occur upon death of the employee, attainment of age 59 ½, disability, severance from employment, or hardship. Other restrictions may apply. In addition, income attributable to elective contributions may not be distributed in the case of hardship. For contracts issued after 2008, amounts attributable to nonelective contributions may be subject to distribution restrictions specified in the employer's section 403(b) plan.

If Your contract was issued pursuant to a 403(b) plan, starting January 1, 2009 We generally are required to confirm, with Your 403(b) plan sponsor or otherwise, that surrenders or transfers You request comply with applicable tax requirements and to decline requests that are not in compliance. We will defer such payments You request until all information required under the tax law has been received. By requesting a surrender or transfer, You consent to the sharing of confidential information about You, the contract, and transactions under the contract and any other 403(b) contracts or accounts You have under the 403(b) plan among Us, Your

- employer or plan sponsor, any plan administrator or recordkeeper, and other product providers.
- Under Code section 401(a), corporate employers and self-employed individuals can establish various types of retirement plans.
 - Under Code section 457, governmental and tax-exempt organizations can establish deferred compensation plans.

The contract contains **death benefit** features that in some cases may exceed the greater of the **net premium** payments or the **accumulation value**. These **death benefit** features could be characterized as an incidental benefit, the amount of which is limited in any pension, profit-sharing plan, or 403(b) plan. Because the **death benefit** may exceed this limitation, and its value may need to be considered in calculating required maximum distributions under all qualified contracts, employers using the contract in connection with such plans should consult their tax advisor. The Internal Revenue Service has not reviewed the contract for qualification as an IRA, and has not addressed in a ruling of general applicability whether a **death benefit** provision such as the provisions in the contract comports with IRA qualification requirements.

Minimum Distribution Rules and Eligible Rollover Distributions

Qualified contracts have minimum distribution rules that govern the timing and amount of distributions. If You are attempting to satisfy these rules before the **maturity date**, the value of any enhanced **death benefit** or other optional rider may need to be included in calculating the amount required to be distributed. Consult with and rely upon Your tax advisor. In addition, the income for a specified period option may not always satisfy minimum required distribution rules. Consult with and rely upon Your tax advisor before electing this option. If Your minimum required distribution amount exceeds Your **payment amount** under the GMWB feature, You will have to withdraw more than the **payment amount** to avoid the imposition of a 50% excise tax, causing a decrease in Your **guaranteed amount**. You should consult with and rely upon Your tax advisor before purchasing the GMWB rider with a qualified contract.

Distributions before age 59 ½ may be subject to a 10% penalty tax. Also, distributions from qualified contracts are generally subject to withholding. “Eligible rollover distributions” from corporate pension, profit sharing and H.R. 10 plans, 403(b) plans, and governmental 457 plans are subject to a mandatory federal income tax withholding of 20%. An eligible rollover distribution is any distribution from such a plan, except certain distributions such as distributions required by the Code, distributions in a specified annuity form, or hardship distributions.

The 20% withholding does not apply, however, to nontaxable distributions or if (i) the employee (or employee's spouse or former spouse as **beneficiary** or alternate **payee**) chooses a “direct rollover” from the plan to a tax-qualified plan, IRA, Roth IRA or tax sheltered annuity or to a governmental 457 plan that agrees to separately account for rollover contributions; or (ii) a non-spouse **beneficiary** chooses a “direct rollover” from the plan to an IRA established by the direct rollover.

Loans

Generally, loans are available only if the contract is used in a Section 403(b) qualified plan. However, if You have elected the Optional Guaranteed Minimum Withdrawal Benefit rider, the rider will terminate if You request a loan under this contract.

If the amount or duration of the loan violates Internal Revenue Code requirements, then You may be subject to income tax or a penalty. IRS authorities and the Department of Labor suggest that in certain circumstances a loan may result in adverse tax and ERISA consequences for Section 403(b) programs. A loan issued in connection with a 403(b) plan is generally subject to a limit of the lesser of \$50,000 or 50% of the participant's vested ownership in the 403(b) plan.

The maximum loan amount may be lower if You currently have or have had a plan loan in the last 12 months. In addition, the Department of Labor has issued regulations governing plan participant loans under the retirement plans subject to ERISA and the Department of Labor's regulations contain requirements for plan loans relating to their availability, amount and other matters. These requirements require, in part, that a loan from an ERISA-governed plan be made under an enforceable agreement, bear a reasonable rate of interest be adequately secured, provide a reasonable payment schedule, and be made available on a basis that does not discriminate in favor of employees who are officers or shareholders or who are highly compensated. Failure to comply with these requirements may result in penalties under the Code and ERISA. You are responsible for determining whether Your plan is subject to, and complies with, ERISA and the Department of Labor's regulations governing plan loans. You should consult a tax advisor before taking a loan.

Diversification and Distribution Requirements

The Internal Revenue Code provides that the underlying investments for a non-qualified variable annuity must satisfy certain diversification requirements in order to be treated as an annuity. The annuity must also meet certain distribution requirements at the death of the **annuitant** or an **owner** in order to be treated as an annuity contract. These diversification and distribution requirements are discussed in the SAI. Midland may modify the contract to attempt to maintain favorable tax treatment.

Surrenders

If You make a partial surrender from a non-qualified contract before the annuity commencement date, the Internal Revenue Code treats that surrender as first coming from **gain** and then from Your premium payments. When You make a partial surrender You are taxed on the amount of the surrender that is **gain**. If You make a full surrender, You are generally taxed on the amount that Your surrender proceeds exceed the "investment in the contract," which is generally Your premiums paid (adjusted for any prior partial surrenders that came out of the premiums). The premium bonus will be considered **gain**. Different rules apply for annuity payments. See "Annuity Payments" below.

In the case of a withdrawal under a qualified contract, a ratable portion of the amount received is taxable, generally based on the ratio of the "investment in the contract" to the individual's total account balance or accrued benefit under the retirement plan. The "investment in the contract" generally equals the amount of Your non-deductible premium payments. In many cases, the "investment in the contract" under a qualified contract can be zero.

The Internal Revenue Code also provides that surrendered **gain** may be subject to a penalty. The amount of the penalty is equal to 10% of the amount that is includable in income. Some surrenders will be exempt from the penalty. In general, in the case of a distribution from a non-qualified contract, this includes any amount:

- paid on or after the taxpayer reaches age 59½;
- paid after an **owner** dies;
- paid if the taxpayer becomes totally disabled (as that term is defined in the Internal Revenue Code);
- paid in a series of substantially equal payments made annually (or more frequently) under a lifetime annuity;
- paid under an immediate maturity; or
- which come from premium payments made prior to August 14, 1982.

Special rules may be applicable in connection with the exceptions enumerated above. Also, additional exceptions apply to distributions from a qualified contract. You should consult with and rely on Your tax advisor with regard to exceptions from the penalty tax.

Multiple Contracts

All non-qualified deferred contracts that are issued by Midland (or its affiliates) to the same **owner** during any calendar year are treated as one annuity for purposes of determining the amount includable in the **owner's** income when a taxable distribution occurs.

Withholding

Distributions, from qualified and non-qualified contracts, are generally subject to withholding for Your federal income tax liability. The withholding rate varies according to the type of distribution and Your tax status. Except with respect to eligible rollover distributions, as described above, You will be provided the opportunity to elect not to have tax withheld from distributions when allowed by law.

Annuity Payments

Although the tax consequences may vary depending on the annuity payment option You select, in general, for non-qualified and certain qualified contracts, only a portion of the annuity payments You receive will be includable in Your gross income.

In general, the excludable portion of each annuity payment You receive will be determined as follows:

- Fixed payments – by dividing the “investment in the contract” on the **maturity date** by the total expected value of the annuity payments for the term of the payments. This is the percentage of each annuity payment that is excludable.
- Variable payments – by dividing the “investment in the contract” on the **maturity date** by the total number of expected periodic payments. This is the amount of each annuity payment that is excludable.

The remainder of each annuity payment is includable in gross income. Once the “investment in the contract” has been fully recovered, the full amount of any additional annuity payments is includable in gross income.

If You select more than one annuity payment option, special rules govern the allocation of the contract's entire “investment in the contract” to each such option, for purposes of determining the excludable amount of each payment received under that option. We advise You to consult a competent tax advisor as to the potential tax effects of allocation amounts to any particular annuity payment option.

If, after the **annuitization**, annuity payments stop because an **annuitant** has died, the excess (if any) of the “investment in the contract” as of the **annuitization** over the aggregate amount of annuity payments received that was excluded from gross income is generally allowable as a deduction for Your last taxable year.

Medicare Tax

Beginning in 2013, distributions from non-qualified annuity contracts will be considered “investment income” for purposes of the newly enacted Medicare tax on investment income. Thus, in certain circumstances, a 3.8% tax may be applied to some or all of the taxable portion of distributions (*e.g.*, earnings) to individuals whose income exceeds certain threshold amounts. Please consult a tax advisor for more information.

Federal Defense of Marriage Act

The contract provides that upon your death, a surviving spouse may have certain continuation rights that he or she may elect to exercise for the contract's death benefit and any joint-life coverage under an optional living benefit. All contract provisions relating to spousal continuation are available only to a person who meets the definition of "spouse" under federal law. The federal Defense of Marriage Act currently does not recognize same-sex marriages or civil unions, even those which are permitted under individual state laws. Therefore, spousal continuation provisions in this contract will not be available to such partners or same-sex marriage spouses. Consult a tax adviser for more information on this subject.

Annuity Contracts Purchased by Nonresident Aliens and Foreign Corporations

The discussion above provided general information regarding U.S. federal income tax consequences to annuity **owners** that are U.S. persons. Taxable distributions made to **owners** who are not U.S. persons will generally be subject to U.S. federal income tax withholding at a 30% rate, unless a lower treaty rate applies. In addition, distributions may be subject to state and/or municipal taxes and taxes that may be imposed by the **owner's** country of citizenship or residence. Prospective foreign **owners** are advised to consult with a qualified tax advisor regarding U.S., state, and foreign taxation for any annuity contract purchase.

Taxation of Death Benefit Proceeds

Amounts may be distributed from the contract because of the death of the **annuitant** or an **owner**. Generally, such amounts should be includable in the income of the recipient:

- if distributed in a lump sum, these amounts are taxed in the same manner as a full surrender; or
- if distributed under an annuity payment option, these amounts are taxed in the same manner as annuity payments.

Transfers, Assignments or Exchange of Contracts

A transfer of ownership or absolute assignment of a contract, the designation of an **annuitant** or **payee** or other **beneficiary** who is not also the **owner**, the selection of certain **maturity dates**, or a change of **annuitant**, may result in certain income or gift tax consequences to the **owner** that are beyond the scope of this discussion. An **owner** contemplating any such transfer, assignment, selection, or change should contact a competent tax advisor with respect to the potential tax effects of such a transaction.

Possible Tax Law Changes

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

Federal Estate Taxes

While no attempt is being made to discuss the Federal estate tax implications of the contract, a purchaser should keep in mind that the value of an annuity contract owned by a decedent and payable to a **beneficiary** by virtue of surviving the decedent is included in the decedent's gross estate. Depending on the terms of the annuity contract, the value of the annuity included in the gross estate may be the value of the lump sum payment payable to the designated **beneficiary** or the actuarial value of the payments to be received by the **beneficiary**. Consult with and rely on an estate-planning advisor for more information.

Generation- Skipping Transfer Tax

Under certain circumstances, the Code may impose a “generation-skipping transfer tax” when all or part of an annuity contract 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 contract, or from any applicable payment, and pay it directly to the IRS.

Federal Estate, Gift and Generation-Skipping Transfer Taxes

For 2012, the federal estate tax, gift tax and generation-skipping transfer (“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.

Separate Account Charges

It is possible that the Internal Revenue Service may take a position that fees for certain optional benefits are deemed to be taxable distributions to You. Although We do not believe that the fees associated with any optional benefit provided under the contract should be treated as taxable surrenders, You should consult Your tax advisor prior to selecting any optional benefit under the contract.

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.

Annuity Purchases by Residents of Puerto Rico

The Internal Revenue Service has 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.

MATURITY DATE

The **maturity date** is the date on which income payments will begin under the annuity option You have selected. The earliest possible **maturity date** under the contract is the 9th **contract anniversary** at which time You may **annuitize** Your full **accumulation value** (less any premium taxes and surrender charges). However, by current Company practice, We will allow You to **annuitize** the **accumulation value** (less any non-vested premium bonus and less any premium taxes and surrender charges), after the 3rd **contract year**, if You choose a life annuity or joint and survivor income annuity payment options, and after the 5th **contract year** if at least a five-year certain period annuity option is elected. Benefits are not guaranteed and are subject to change. The maximum **maturity date** is the **contract anniversary** immediately following the annuitant’s 100th birthday. You may change the **maturity date** by sending **written notice** to Our **Principal Office**. We must receive Your **written notice** at least 30 days prior to the original **maturity date**.

If You have not previously specified otherwise and have not elected certain systematic withdrawal options, then on the **maturity date** You may:

1. take the **accumulation value** in one lump sum, or
2. convert the **accumulation value** into an annuity payment option payable to the **annuitant** described below.

Electing an Annuity Payment Option

You may apply the proceeds of a surrender to affect an annuity payment option. Unless You choose otherwise, on the **maturity date**, Your **surrender value** from the Fixed Account will be applied to a 10 year certain and life fixed annuity payment option and the **surrender value** from the **Separate Account** will be applied to a 10 year certain and life variable annuity payment option. The first monthly annuity payment will be made within one month after the **maturity date**. Variable payment options are not available in certain states.

Currently, the payment options are only available if the proceeds applied are \$2,500 or more and the first periodic payment will be at least \$50. We reserve the right to change the payment frequency so that payments are at least \$50.

The **annuitant/payee's** actual age will affect each **payment amount** for annuity payment options involving life income. The amount of each annuity payment to older **payees** will be greater than for younger **payees** because payments to older **payees** are expected to be fewer in number. For annuity payment options that do not involve life annuity, the length of the payment period will affect the amount of each payment. With a shorter period, the amount of each annuity payment will be greater. Payments that occur more frequently will be smaller than those occurring less frequently.

The **payee** or any other person who is entitled to receive payments may name a **beneficiary** 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 **beneficiary** at any time.

Annuity payment options will be subject to Our rules at the time of selection. We must approve any arrangements that involve more than one of the payment options, or a **payee** who is not a natural person (for example, a corporation), or a **payee** who is a fiduciary or an assignee. Also, the details of all arrangements will be subject to Our rules at the time the arrangements takes effect. This includes:

- rules on the minimum amount We will pay under an option;
- minimum amounts for installment payments, surrender 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 beneficiaries; and
- the ways of proving age, gender, and survival.

You choose an annuity payment option when You apply for a contract and may change it by writing to Our **Principal Office**. You must elect the payment option at least 30 days before the **maturity date**. If Your Contract is a Qualified Contract, payment options without a life contingency may not satisfy minimum required distribution rules. Consult a tax advisor before electing such an option.

Fixed Payment Options

Payments under the fixed options are not affected by the investment experience of any **investment division**. The **surrender value** as of the **maturity date** will be applied to the fixed option selected. We guarantee interest under the fixed options at a rate of 1.5% a year. We may also credit interest under the fixed payment options at a rate that is above the 1.5% guaranteed rate (this is at Our complete discretion). Thereafter, interest or payments are fixed according to the annuity option chosen.

Variable Payment Options

Payments under the variable options will vary in amount depending on the investment experience of the **investment divisions** after the **maturity date**. Variable payment options are not available in certain states.

The annuity tables contained in the contract are based on a 5% (five percent) assumed investment rate. This is a base rate around which variable annuity payments will fluctuate to reflect whether the investment experience of the **investment divisions** is better or worse than the assumed investment rate. If the actual investment experience exceeds the assumed investment rate, then the payment will increase. Conversely, if the actual investment experience is less than the assumed rate, then payments will decrease.

We determine the amount of the first monthly variable payment by applying the value in each **investment division** (as of a date not more than 10 **business days** prior to the **maturity date**) to the appropriate rate (from the annuity tables in the contract) for the annuity payment options selected using the **payee's** age and sex (where permissible). The amount of the first payment will then be used to determine the number of **annuity units** for each **investment division**. The number of **annuity units** is used to determine the amount of subsequent variable payments.

The **annuity unit** value for each **investment division** will be initially set at \$10. Thereafter the **annuity unit** value will vary with the investment experience of the **investment division** and will reflect the mortality and expense risk charge We make at an effective annual rate of 1.35% (charges for optional riders discontinue after the **maturity date**). The **annuity unit** value will increase if the net investment experience (investment experience minus the asset charges) is greater than the 5% assumed investment rate. The **annuity unit** value will decrease if the net investment experience is less than the 5% assumed investment rate.

The amount of each subsequent variable payment will be determined for each **investment division** by multiplying the number of **annuity units** by the **annuity unit** value.

Additional information on the variable annuity payments is contained in the SAI that can be obtained for free by contacting Us at Our **Principal Office**.

Payment Options

The following three payment options are available:

1. **Income for Specified Period:** We pay installments for a specified period. We will pay the amount applied in equal installments plus applicable interest (excess interest may be paid at Our discretion), for a specified time, from 5 up to 20 years. (Fixed Account only). This option may not satisfy required minimum distribution rules for qualified contracts. Consult a tax advisor before electing this option under a qualified contract.

2. **Payment of Life Income:** We will pay monthly income for life. You may choose from 1 of 2 ways to receive the income:
 - 1) **Life Annuity:** We will pay equal monthly payments during the lifetime of the **annuitant/payee**. With a life annuity payment option, payments will only be made as long as the **payee** is alive. **Therefore, if the payee dies after the first payment, then only one payment will be made.**
 - 2) **Life Annuity With Certain Period:** We will pay equal monthly payments for a selected number of guaranteed payments, and then for as long as the **payee** is living thereafter.

3. **Joint and Survivor Income:** We will make monthly payments until the last surviving payee's death. **Therefore, if both payees die after the first payment, then only one payment will be made.** The **annuitant** must be at least 50 years old and the **beneficiary/payee** must be at least 45 years old, at the time of the first monthly payment.

Annuitization Bonus Rider

If You decide to **annuitize** Your contract any time after the 3rd **contract year**, We will credit Your **accumulation value** with an additional percentage of the **accumulation value** based on the annuity payment option You choose as follows:

- A 4% **annuitization** bonus will be credited on any annuity payment option available under this contract that guarantees payment for ten or more years.
- A 2% **annuitization** bonus will be credited on any annuity payment options available under this contract that guarantees payment for nine years or less.

This rider will be attached to all contracts at no additional charge.

This rider terminates on the earliest of:

- when the Contract to which it is attached terminates;
- immediately upon execution of the rider;
- upon full surrender of the Contract; or
- death of the **annuitant** or **owner**, where the **beneficiary** does not continue the Contract under Spousal continuance.

Transfers after Annuitization for Variable Payment Options

After the **maturity date**, only two transfers per **contract year** may be made among the **investment divisions**. Completed transfer requests received in **good order** at Our **Principal 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 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. The transfer request must be received at least 10 **business days** before the due date of the first annuity payment to which the change will apply. Transfers after the annuity payments have started will be based on the **annuity unit** values. There will be no transfer charge for this transfer. No transfers are allowed to or from the Fixed Account.

ADDITIONAL INFORMATION

MIDLAND NATIONAL LIFE INSURANCE COMPANY

We are Midland National Life Insurance Company, a stock life insurance company. We were organized in 1906, in South Dakota, as a mutual life insurance company at that time named "The Dakota Mutual Life Insurance Company." We were reincorporated as a stock life insurance company, in 1909. Our name "Midland" was adopted in 1925. We were redomesticated to Iowa in 1999. We are licensed to do business in 49 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam and the Mariana Islands. Our **Principal Office** address is:

Midland National Life Insurance Company
4350 Westown Parkway
West Des Moines, IA 50266
Phone: (877) 586-0240 (toll-free)
Fax: (866) 270-9565 (toll-free)

Midland National is a subsidiary of Sammons Enterprises, Inc., Dallas, Texas. Sammons Enterprises has controlling or substantial stock interests in a large number of other companies engaged in the areas of insurance, corporate services, and industrial distribution.

Our Financial Condition

As an insurance company, We are required by state insurance regulation to hold a specified amount of reserves in order to meet all of the contractual obligations of Our General Account to Our contract **owners**. We monitor Our reserves so that We hold sufficient amounts to cover actual or expected contract and claims payments. It is important to note, however, that there is no guarantee that We will always be able to meet Our claims-paying obligations, and that there are risks to purchasing any insurance product.

State insurance regulators also require insurance companies to maintain a minimum amount of capital, which acts as a cushion in the event that the insurer suffers a financial impairment, based on the inherent risks in the insurer's operations. These risks include those associated with losses that We may incur as the result of defaults on the payment of interest or principal on Our General Account assets, as well as the loss in market value of those investments. We may also experience liquidity risk if Our General Account assets cannot be readily converted into cash to meet obligations to Our contract **owners** or to provide collateral necessary to finance Our business operations.

We encourage both existing and prospective contract **owners** to read and understand Our financial statements, which are included in the Statement of Additional Information ("SAI"). You can obtain a free copy of the SAI by writing to Us at Our **Principal Office**, calling Us at (877) 586-0240, or faxing Us at (866) 270-9565.

Our General Account

Our general account consists of all of Our investment assets that are not allocated to **separate accounts**. The general account supports all of Our insurance obligations that are not supported by a **Separate Account** including Our obligations to pay the benefits under this contract offered by the optional riders. All contract guarantees, including the optional rider benefits, are backed by the claims-paying ability of Midland National Life Insurance Company. You do not have any interest in Our general account.

FUND VOTING RIGHTS

We invest the assets of Our **Separate Account investment divisions** in shares of the funds' portfolios. Midland 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' Board of Directors,
- to ratify the selection of independent auditors for the funds,
- on any other matters described in the funds' current prospectuses or requiring a vote by shareholders under the Investment Company Act of 1940, and
- in some cases, to change the investment objectives and contracts.

Even though We own the shares, We may give You the opportunity to tell Us how to vote the number of shares that are allocated to Your contract.

The funds will determine if and 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 contract **owners**, then We currently intend to vote those shares in the same proportion as We vote shares for which We have received instructions in that portfolio. We currently intend to vote any Fund shares that We alone are entitled to vote in the same proportions that contract **owners** vote. The effect of this proportional voting is that a small number of contract 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 **owner** voting, then We may do so.

How We Determine Your Voting Shares

You may participate in voting only on matters concerning the Fund portfolios in which Your **accumulation value** has been invested. We determine Your voting shares in each division by dividing the amount of Your **accumulation value** 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 Fund's Board of Directors for the shareholders meeting.

If You have a voting interest, then 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 Fund's adviser or the investment contracts of its portfolios.

Voting Privileges of Participants in Other Companies

Other insurance companies own shares in the Funds to support their variable life insurance and variable annuity products. We do not foresee any disadvantage to this. Nevertheless, each Fund's Board 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 contract **owners**. If We ever believe that any of the Funds' portfolios are so large as to materially impair its investment performance, then We will examine other investment options.

OUR REPORTS TO OWNERS

Shortly after the end of each calendar year, We will send a report that shows

- Your **accumulation value**, and
- Any transactions involving Your **accumulation value** that occurred during the year. Transactions include Your premium allocations, transfers and partial surrenders made in that year.

Confirmation notices will be sent to You for premiums, transfers of amounts between **investment divisions** and certain other contract transactions.

We also currently intend to send You semi-annual reports with financial information on the funds.

CONTRACT PERIODS, ANNIVERSARIES

We measure **contract years**, **contract months** and contract anniversaries from the **issue date** shown on Your contract's information page. Each **contract month** begins on the same day in each month. The calendar days of 29, 30, and 31 are not used for the purpose of contract anniversaries. If Your initial premium is received on one of these dates, Your **contract anniversary** day will be the first day of the next month.

DIVIDENDS

We do not pay any dividends on the contract described in this prospectus.

PERFORMANCE

Performance information for the **investment divisions** may appear in reports and advertising to current and prospective **owners**. The performance information is based on the historical investment experience of the **investment division** and the portfolios and does not indicate or represent future performance.

Total returns are based on the overall dollar or percentage change in value of a hypothetical investment. Total return quotations reflect changes in portfolio share price, the automatic reinvestment by the **Separate Account** of all distributions and the deduction of applicable charges (including any surrender charges that would apply if You surrendered the contract at the end of the period indicated). Quotations of total return may also be shown that do not take into account certain contract charges such as the surrender charge and the rider charges. The total return percentage will be higher under this method than under the standard method described above.

A cumulative total return reflects performance over a stated period of time. If the performance had been constant over the entire period, then an average annual total return reflects the hypothetical annually compounded return that would have produced the same cumulative total return. Because average annual total returns tend to smooth out variations in an **investment division's** returns, You should recognize that they are not the same as actual year-by-year results.

Some **investment divisions** may also advertise yield. These measures reflect the income generated by an investment in the **investment divisions** over a specified period of time. This

income is annualized and shown as a percentage. Yields do not take into account capital gains or losses or the surrender charge or rider charges. The standard quotations of yield reflect the annual maintenance fee.

The money market **investment divisions** may advertise its current and effective yield. Current yield reflects the income generated by an investment in the **investment division** over a 7-day period. Effective yield is calculated in a similar manner except that income earned is assumed to be reinvested. Other **investment divisions** may advertise a 30-day yield which reflects the income generated by an investment in the **investment division** over a 30-day period.

We may disclose average annual total returns for one or more of the **investment divisions** based on the performance of a portfolio since the time the **Separate Account** commenced operations. We may also advertise performance figures for the **investment divisions** based on the performance of a portfolio prior to the time the **Separate Account** commenced operations.

CHANGE OF ADDRESS NOTIFICATION

To protect You from fraud and theft, We may verify any changes in address You request by sending a confirmation of the change of address to both Your old and new addresses. We may also call You to verify the change of address.

MODIFICATION TO YOUR CONTRACT

Upon notice to You, We may modify Your contract to:

- (a) permit the contract or the **Separate Account** to comply with any applicable law or regulation issues by a government agency;
- (b) assure continued qualification of the contract under the Tax Code or other federal or state laws relating to retirement annuities or variable annuity contracts;
- (c) reflect a change in the operation of the **Separate Account**; or
- (d) provide additional investment options or delete investment options.

In the event of such modifications, We will make an appropriate endorsement to the contract.

YOUR BENEFICIARY

You name Your **beneficiary** in Your contract application. The **beneficiary** is entitled to the **death benefit** of the contract. A **beneficiary** is revocable unless otherwise stated in the **beneficiary** designation. You may change the revocable **beneficiary** during the **annuitant's** and **owner's** lifetime. We must receive **written notice** informing Us of the change. Upon receipt and acceptance at Our **Principal Office**, a change takes effect as of the date that the **written notice** was signed. We will not be liable for any payment made before We receive and accept the **written notice**. If no primary **beneficiary** is living when the **annuitant** or **owner** dies, the **death benefit** will be paid to the contingent **beneficiary**, if any. If no **beneficiary** is living when the **annuitant** or an **owner** dies, then We will pay the **death benefit** to the **owner's** or **annuitant's** estate.

If there are joint **owners**, the surviving joint **owner**, if any, will be considered the designated primary **beneficiary**, unless the joint **owners** have otherwise designated a primary **beneficiary** either on the application or by sending Us a **written notice**. If a person other than a joint **owner** is named a primary **beneficiary**, the surviving **owner** will not be entitled to proceeds upon the death of the first **owner**.

ASSIGNING YOUR CONTRACT

You may assign Your rights in a non-qualified contract. You must send a copy of the assignment to Our **Principal Office**. 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. We are not responsible for the validity of the assignment or for any payment We make or any action We take before We record notice of the assignment. An absolute assignment is a change of ownership. There may be tax consequences.

This contract, or any of its riders, is not designed for resale, speculation, arbitrage, viatical settlements or any other type of collective investment scheme. This contract may not be traded on any stock exchange or secondary market.

WHEN WE PAY PROCEEDS FROM THIS CONTRACT

We will generally pay any **death benefits, withdrawals, loans** or surrenders within seven days after receiving the required form(s) in **good order** at Our **Principal Office**. The **death benefit** is determined as of the date We receive due **proof of death**, an election of a settlement option, and any other required forms or documentation. If We do not receive a written election and all other required forms within 90 days after receipt of due **proof of death**, then a lump sum payment will be paid as of that date.

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

- 1) We cannot determine the amount of the payment because:
 - a) the New York Stock Exchange is closed,
 - b) trading in securities has been restricted by the SEC, or
 - c) the SEC has declared that an emergency exists,
- 2) The SEC by order permits Us to delay payment to protect Our **owners**, or
- 3) Your premium check(s) have not cleared Your bank.

If, pursuant to SEC rules, the Fidelity VIP Money Market and/or the Rydex VT U.S. Government 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.

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” a contract **owner’s** account. 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 annuity payments. If a contract or account is frozen, the **accumulation value** 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 contract to the government agencies and departments.

We may defer payment of any withdrawal, loan or surrender from the Fixed Account, for up to six months after We receive Your request.

DISTRIBUTION OF THE CONTRACTS

We have entered into a distribution agreement with Our affiliate, Sammons Securities Company, LLC (“Sammons Securities Company”) for the distribution and sale of the contracts. 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 contracts through its registered representatives. Sammons Securities Company may enter into written sales agreements with other broker-dealers (“selling firms”) for the sale of the contracts. We pay commissions to Sammons Securities Company for sales of the contracts by its registered representatives as well as by selling firms. Sales commissions may vary, but the maximum commission payable for contract sales is 8.25% of premiums payments. Where lower commissions are paid, We may also pay trail commissions. We may also pay additional amounts and reimburse additional expenses of Sammons Securities Company based on various factors.

We also pay for Sammons Securities Company’s operating and other expenses, including the following sales expenses: sales representative training allowances; compensation and bonuses for the Sammons Securities Company’s management team; advertising expenses; and all other expenses of distributing the contracts. Sammons Securities Company pays its registered representatives all or a portion of the commissions received for their sales of contracts. 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 contracts 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 contracts, 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 contract.

In addition to ordinary commissions, Sammons Securities Company operating and other expenses and non-cash items, We provide payments to certain third parties for training, product development, marketing and development efforts with selling firms, and other wholesaling and relationship management services. It is possible that these third parties, or their personnel, may also act as Your registered investment advisor providing advice with respect to fund allocations in the contract. Please be certain to review Your registered investment advisor’s Form ADV Part II carefully for disclosure about their compensation and conflicts of interest in connection with the contracts. Also note that Your investment advisor could also be the broker-dealer, or a registered representative of the broker-dealer, who sold You the contract; in that case, they would also receive commissions and other compensation for selling You the contract, in addition

to any investment advisory fees that You pay to Your registered investment advisor (either directly or through partial surrenders of Your **accumulation value** in the contract).

We intend to recoup commissions and other sales expenses indirectly through the following fees and charges deducted under the contract: (a) the surrender charge; (b) the mortality and expense charge; (c) rider charges; (d) payments, if any, received from the underlying portfolios or their managers; and investment earnings on amount allocated under the contract to the Fixed 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.

REGULATION

We are regulated and supervised by the Iowa Insurance Department. We are subject to the insurance laws and regulations in every jurisdiction where We sell contracts. The provisions of this contract may vary somewhat from jurisdiction to jurisdiction.

We submit annual reports on Our operations and finances to insurance officials in all the jurisdictions where We sell contracts. The officials are responsible for reviewing Our reports to be sure that We are financially sound and are complying with the applicable laws and regulations. We are also subject to various federal securities laws and regulations.

DISCOUNT FOR EMPLOYEES OF SAMMONS ENTERPRISES, INC.

Employees of Sammons Enterprises, Inc., and its subsidiaries, may receive waiver of charges, reduced charges, or a premium contribution to the contract of 100% of the first year commission that would normally have been paid on the employee's first year premiums. Midland National is a subsidiary of Sammons Enterprises, Inc., and additional premium payments contributed solely by Us will be paid into the employee's contract during the first year.

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**, on the ability of Sammons Securities Company, LLC to perform under its distribution agreement, or on the ability of the Company to meet its obligations under the contract.

LEGAL MATTERS

The law firm of Sutherland Asbill & Brennan LLP, Washington, DC, has provided certain legal advice relating to certain matters under the federal securities laws.

FINANCIAL STATEMENTS

The financial statements of Midland National Life **Separate Account C** and Midland National Life Insurance Company, included in the SAI, have been audited by PricewaterhouseCoopers, LLP, an independent registered public accounting firm, for the periods indicated in their report which appears in the SAI. The address for PricewaterhouseCoopers LLP is:

699 Walnut Street, Suite 1300
Des Moines, IA 50309

The financial statements audited by PricewaterhouseCoopers LLP have been included in reliance on their reports given upon their authority as experts in accounting and auditing.

STATEMENT OF ADDITIONAL INFORMATION

A free copy of the SAI is available which contains more details concerning the subjects discussed in this prospectus. You can get this SAI by checking the appropriate box on the application form, by writing Our **Principal Office**, or by calling the **Principal Office's** Toll Free number at 1-877-586-0240. The following is the Table of Contents for the SAI:

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CONDENSED FINANCIAL INFORMATION

The following tables of condensed financial information show **accumulation unit** values for each **investment division** for the period since the **investment division** started operation. An **accumulation unit** value is the unit We use to calculate the value of Your interest in a subaccount. The tables below show two sets of **accumulation unit** values that reflect the highest and lowest levels of **Separate Account** annual expenses available under the contract. The information for all other **accumulation unit** values is in the Statement of Additional Information. You may obtain a free copy of the Statement of Additional Information by writing to Us at Our Principal Office, calling Us at (877) 586-0240, or faxing Us at (866) 270-9565.

Table 1 – 1.35% Asset Charge

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2010)	Accumulation Unit Value at End of Period (12/31/2011)	Number of Accumulation Units at End of Period
2011			
Alger Capital Appreciation Portfolio	16.39	16.12	3,428.33
Alger Large Cap Growth Portfolio	12.15	11.95	21,694.11
Alger Mid-Cap Growth Portfolio	11.38	10.30	12,832.90
Alger Small Capitalization Growth Portfolio	15.36	14.67	54.77
American Century VP Balanced Fund	11.63	12.08	0.00
American Century VP Capital Appreciation Fund	19.37	17.86	2,383.31
American Century VP Income & Growth Fund	10.12	10.27	528.09
American Century VP Inflation Protection Fund	11.90	13.12	17,249.55
American Century VP International Fund	13.23	11.47	8,659.25
American Century VP Large Company Value	9.57	9.52	635.88
American Century VP Mid Cap Value Fund	13.79	13.49	1,333.03
American Century VP Ultra [®] Fund	9.96	9.91	58.08
American Century VP Value Fund	11.09	11.03	21,422.46
Calvert VP SRI Equity Portfolio	12.06	11.74	0.00
Calvert VP SRI Mid Cap Growth Portfolio	12.26	12.37	1,151.51
Fidelity VIP Asset Manager SM Portfolio	12.53	12.01	137.00
Fidelity VIP Asset Manager: Growth [®] Portfolio	12.15	11.21	0.00
Fidelity VIP Balanced Portfolio	12.80	12.14	573.17
Fidelity VIP Contrafund Portfolio	13.04	12.51	7,974.22
Fidelity VIP Equity-Income Portfolio	10.34	10.27	21,183.42
Fidelity VIP Growth & Income Portfolio	10.74	10.74	790.73
Fidelity VIP Growth Opportunities Portfolio	10.65	10.72	930.91
Fidelity VIP Growth Portfolio	11.19	11.04	2,701.78
Fidelity VIP High Income Portfolio	13.25	13.56	6,062.63
Fidelity VIP Index 500 Portfolio	10.92	10.97	40,973.13
Fidelity VIP Investment Grade Bond Portfolio	12.26	12.95	5,777.74
Fidelity VIP Mid Cap Portfolio	15.66	13.78	2,855.71
Fidelity VIP Money Market Portfolio	10.90	10.77	93,444.17
Fidelity VIP Overseas Portfolio	12.49	10.18	21,864.05
Fidelity VIP Value Strategies Portfolio	11.79	10.58	0.00
Goldman Sachs VIT Large Cap Value Fund	10.37	9.51	250.93
Goldman Sachs VIT Mid Cap Value Fund	13.26	12.25	14,119.95
Goldman Sachs VIT Structured Small Cap Equity Fund	10.22	10.15	4,716.10
Guggenheim VT U.S. Long Short Momentum Fund ¹	12.37	11.40	0.00
Invesco V.I. Dividend Growth Fund ²	5.24	5.06	75.89
Invesco V.I. Global Health Care Fund	12.09	12.40	654.26
Invesco V.I. Technology Fund	12.18	11.41	94.28

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2010)	Accumulation Unit Value at End of Period (12/31/2011)	Number of Accumulation Units at End of Period
Invesco V.I. Utilities Fund	13.58	15.60	390.33
JPMorgan Insurance Trust Core Bond Portfolio	9.68	10.26	10,579.54
JPMorgan Insurance Trust Small Cap Core Portfolio	11.36	10.67	8,374.60
Lord Abbett Series Fund, Inc. Growth and Income Portfolio	10.53	9.76	0.00
Lord Abbett Series Fund, Inc. International Opportunities Portfolio	14.28	11.87	27,138.31
Lord Abbett Series Fund, Inc. Mid Cap Stock Portfolio ³	11.26	10.66	8,568.36
MFS VIT Growth Series	13.42	13.17	658.94
MFS VIT Investors Trust Series	11.82	11.38	0.00
MFS VIT New Discovery Series	15.52	13.71	2,524.35
MFS VIT Research Series	12.28	12.04	53.89
Neuberger Berman AMT Mid-Cap Growth Portfolio	14.20	14.05	621.71
Neuberger Berman AMT Mid Cap Intrinsic Value Portfolio ⁴	12.02	11.09	0.00
Neuberger Berman AMT Small-Cap Growth Portfolio	9.02	8.80	4,660.03
PIMCO VIT High Yield Portfolio	13.42	13.68	9,688.22
PIMCO VIT Low Duration Portfolio	12.36	12.33	2,711.48
PIMCO VIT Real Return Portfolio	12.61	13.90	2,861.31
PIMCO VIT Total Return Portfolio	13.84	14.15	54,172.65
Rydex VT Government Long Bond 1.2x Strategy Fund	11.52	16.08	400.25
Rydex VT Inverse Government Long Bond Strategy Fund	6.46	4.43	0.00
Rydex VT Inverse NASDAQ-100 [®] Strategy Fund	5.55	4.92	49.50
Rydex VT Inverse S&P 500 Fund	6.97	6.25	27.74
Rydex VT NASDAQ-100 [®] Fund	12.48	12.58	122.85
Rydex VT Nova Fund	8.88	8.65	0.00
Rydex VT U.S. Govt Money Market Fund	10.26	10.13	422.15
Van Eck VIP Emerging Markets Fund	23.46	17.19	2,429.92
Van Eck VIP Global Bond Fund	12.31	13.14	2,784.03
Van Eck VIP Global Hard Assets Fund	27.05	22.30	8,932.68

¹Formerly Rydex|SGI VT U.S. Long Short Momentum Fund

³Formerly Lord Abbett Series Fund, Inc. Mid Cap Value Portfolio

²Formerly Invesco V.I. Dividend Growth Fund

⁴Formerly Neuberger Berman AMT Regency Portfolio

Table 2 – 3.20% Asset Charge

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2010)	Accumulation Unit Value at End of Period (12/31/2011)	Number of Accumulation Units at End of Period
2011			
Alger Capital Appreciation Portfolio	14.50	14.00	0.00
Alger Large Cap Growth Portfolio	10.71	10.34	565.00
Alger Mid-Cap Growth Portfolio	9.96	8.85	304.02
Alger Small Capitalization Growth Portfolio	13.37	12.54	0.00
American Century VP Balanced Fund	10.19	10.39	0.00
American Century VP Capital Appreciation Fund	16.25	14.72	0.00
American Century VP Income & Growth Fund	8.73	8.70	0.00
American Century VP Inflation Protection Fund	10.73	11.61	0.00
American Century VP International Fund	11.30	9.61	220.84
American Century VP Large Company Value	8.51	8.31	0.00
American Century VP Mid Cap Value Fund	12.37	11.88	0.00
American Century VP Ultra [®] Fund	9.17	8.96	0.00
American Century VP Value Fund	9.59	9.37	462.87
Calvert VP SRI Equity Portfolio	10.73	10.26	0.00

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider

Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2010)	Accumulation Unit Value at End of Period (12/31/2011)	Number of Accumulation Units at End of Period
Calvert VP SRI Mid Cap Growth Portfolio	10.65	10.56	0.00
Fidelity VIP Asset Manager SM Portfolio	11.12	10.47	0.00
Fidelity VIP Asset Manager: Growth [®] Portfolio	10.77	9.76	0.00
Fidelity VIP Balanced Portfolio	11.41	10.63	0.00
Fidelity VIP Contrafund Portfolio	11.27	10.61	0.00
Fidelity VIP Equity-Income Portfolio	9.00	8.77	393.28
Fidelity VIP Growth & Income Portfolio	9.54	9.37	0.00
Fidelity VIP Growth Opportunities Portfolio	9.45	9.33	0.00
Fidelity VIP Growth Portfolio	10.01	9.69	0.00
Fidelity VIP High Income Portfolio	11.72	11.77	0.00
Fidelity VIP Index 500 Portfolio	9.58	9.45	996.32
Fidelity VIP Investment Grade Bond Portfolio	10.99	11.39	0.00
Fidelity VIP Mid Cap Portfolio	13.27	11.45	0.00
Fidelity VIP Money Market Portfolio	9.77	9.47	0.00
Fidelity VIP Overseas Portfolio	10.62	8.50	646.64
Fidelity VIP Value Strategies Portfolio	10.25	9.03	0.00
Goldman Sachs VIT Large Cap Value Fund	9.10	8.20	0.00
Goldman Sachs VIT Mid Cap Value Fund	11.47	10.40	299.84
Goldman Sachs VIT Structured Small Cap Equity Fund	9.11	8.88	301.78
Guggenheim VT U.S. Long Short Momentum Fund ¹	10.74	9.72	0.00
Invesco V.I. Dividend Growth Fund ²	4.63	4.39	0.00
Invesco V.I. Global Health Care Fund	10.45	10.52	0.00
Invesco V.I. Technology Fund	11.13	10.24	0.00
Invesco V.I. Utilities Fund	11.76	13.26	0.00
JPMorgan Insurance Trust Core Bond Portfolio	8.61	8.96	0.00
JPMorgan Insurance Trust Small Cap Core Portfolio	10.01	9.23	50.45
Lord Abbett Series Fund, Inc. Growth and Income Portfolio	9.19	8.36	0.00
Lord Abbett Series Fund, Inc. International Opportunities Portfolio	11.81	9.64	711.05
Lord Abbett Series Fund, Inc. Mid Cap Stock Portfolio ³	9.73	9.04	102.32
MFS VIT Growth Series	11.88	11.44	0.00
MFS VIT Investors Trust Series	10.24	9.68	0.00
MFS VIT New Discovery Series	14.04	12.17	0.00
MFS VIT Research Series	10.54	10.14	0.00
Neuberger Berman AMT Mid-Cap Growth Portfolio	12.54	12.18	0.00
Neuberger Berman AMT Mid Cap Intrinsic Value Portfolio ⁴	10.48	9.49	0.00
Neuberger Berman AMT Small-Cap Growth Portfolio	8.22	7.88	0.00
PIMCO VIT High Yield Portfolio	11.81	11.82	0.00
PIMCO VIT Low Duration Portfolio	11.15	10.92	0.00
PIMCO VIT Real Return Portfolio	11.26	12.18	0.00
PIMCO VIT Total Return Portfolio	12.40	12.45	183.68
Rydex VT Government Long Bond 1.2x Strategy Fund	10.18	13.95	0.00
Rydex VT Inverse Government Long Bond Strategy Fund	6.00	4.04	0.00
Rydex VT Inverse NASDAQ-100 [®] Strategy Fund	4.84	4.21	0.00
Rydex VT Inverse S&P 500 Fund	6.42	5.66	0.00
Rydex VT NASDAQ-100 [®] Fund	11.62	11.50	0.00
Rydex VT Nova Fund	7.74	7.41	0.00
Rydex VT U.S. Govt Money Market Fund	9.22	8.93	0.00
Van Eck VIP Emerging Markets Fund	18.42	13.25	0.00
Van Eck VIP Global Bond Fund	11.09	11.62	0.00
Van Eck VIP Global Hard Assets Fund	22.68	18.35	104.79

¹Formerly Rydex|SGI VT U.S. Long Short Momentum Fund ³Formerly Lord Abbett Series Fund, Inc. Mid Cap Value Portfolio

Table 1 – 1.35% Asset Charge

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2009)	Accumulation Unit Value at End of Period (12/31/2010)	Number of Accumulation Units at End of Period
2010			
Alger Capital Appreciation Portfolio	14.57	16.39	488.69
Alger Large Cap Growth Portfolio	10.86	12.15	25,887.13
Alger Mid-Cap Growth Portfolio	9.66	11.38	9,561.81
Alger Small Capitalization Growth Portfolio	12.43	15.36	54.89
American Century VP Balanced Fund	10.56	11.63	153.36
American Century VP Capital Appreciation Fund	14.95	19.37	938.47
American Century VP Income & Growth Fund	9.01	10.12	473.18
American Century VP Inflation Protection Fund	11.48	11.90	15,688.68
American Century VP International Fund	11.86	13.23	12,677.83
American Century VP Large Company Value	8.75	9.57	674.94
American Century VP Mid Cap Value Fund	11.74	13.79	416.68
American Century VP Ultra [®] Fund	8.72	9.96	255.40
American Century VP Value Fund	9.94	11.09	24,737.28
Calvert VP SRI Equity Portfolio ¹	10.42	12.06	377.44
Calvert VP SRI Mid Cap Growth Portfolio ²	9.45	12.26	763.09
Fidelity VIP Asset Manager SM Portfolio	11.14	12.53	136.86
Fidelity VIP Asset Manager: Growth [®] Portfolio	10.62	12.15	54.14
Fidelity VIP Balanced Portfolio	11.02	12.80	925.30
Fidelity VIP Contrafund Portfolio	11.31	13.04	9,488.36
Fidelity VIP Equity-Income Portfolio	9.12	10.34	22,303.80
Fidelity VIP Growth & Income Portfolio	9.50	10.74	723.10
Fidelity VIP Growth Opportunities Portfolio	8.74	10.65	715.40
Fidelity VIP Growth Portfolio	9.16	11.19	2,819.98
Fidelity VIP High Income Portfolio	11.81	13.25	5,123.40
Fidelity VIP Index 500 Portfolio	9.65	10.92	44,978.95
Fidelity VIP Investment Grade Bond Portfolio	11.55	12.26	5,478.65
Fidelity VIP Mid Cap Portfolio	12.35	15.66	1,745.52
Fidelity VIP Money Market Portfolio	11.03	10.90	59,238.92
Fidelity VIP Overseas Portfolio	11.22	12.49	20,929.10
Fidelity VIP Value Strategies Portfolio	9.46	11.79	1,087.95
Goldman Sachs VIT Large Cap Value Fund ³	9.46	10.37	210.09
Goldman Sachs VIT Mid Cap Value Fund	10.75	13.26	8,540.30
Goldman Sachs VIT Structured Small Cap Equity Fund	7.96	10.22	7,596.95
Invesco V.I. Financial Services Fund ⁴	4.82	5.24	2,150.42
Invesco V.I. Global Health Care Fund ⁵	11.64	12.09	430.42
Invesco V.I. Technology Fund ⁶	10.18	12.18	356.36
Invesco V.I. Utilities Fund ⁷	12.95	13.58	625.80
JPMorgan Insurance Trust Core Bond Portfolio	8.98	9.68	10,076.48
JPMorgan Insurance Trust Small Cap Core Portfolio	9.06	11.36	4,406.12
Lord Abbett Series Fund, Inc. Growth and Income Portfolio	9.09	10.53	65.06
Lord Abbett Series Fund, Inc. International Opportunities Portfolio ⁸	11.94	14.28	27,089.27
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio	9.10	11.26	8,752.21
MFS VIT Growth Series	11.83	13.42	988.03
MFS VIT Investors Trust Series	10.80	11.82	56.84
MFS VIT New Discovery Series	11.57	15.52	925.47
MFS VIT Research Series	10.77	12.28	196.31
Neuberger Berman AMT Mid-Cap Growth Portfolio	11.18	14.20	508.24

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2009)	Accumulation Unit Value at End of Period (12/31/2010)	Number of Accumulation Units at End of Period
Neuberger Berman AMT Regency Portfolio	9.66	12.02	0.00
Neuberger Berman AMT Small-Cap Growth Portfolio	7.64	9.02	489.03
PIMCO VIT High Yield Portfolio	11.88	13.42	6,048.13
PIMCO VIT Low Duration Portfolio	11.90	12.36	937.88
PIMCO VIT Real Return Portfolio	11.83	12.61	3,508.69
PIMCO VIT Total Return Portfolio	12.98	13.84	76,969.04
Rydex VT Government Long Bond 1.2x Strategy Fund	10.60	11.52	0.00
Rydex VT Inverse Government Long Bond Strategy Fund	7.51	6.46	3,136.03
Rydex VT Inverse NASDAQ-100 [®] Strategy Fund	7.15	5.55	147.25
Rydex VT Inverse S&P 500 Fund	8.50	6.97	0.00
Rydex VT NASDAQ-100 [®] Fund	10.68	12.48	0.00
Rydex VT Nova Fund	7.50	8.88	204.69
Rydex VT U.S. Govt Money Market Fund	10.40	10.26	0.00
Rydex VT U.S. Long Short Momentum Fund ⁹	11.27	12.37	0.00
Van Eck VIP Emerging Markets Fund ¹⁰	18.74	23.46	515.88
Van Eck VIP Global Bond Fund ¹¹	11.75	12.31	390.14
Van Eck VIP Global Hard Assets Fund ¹²	21.21	27.05	5,055.20

¹Formerly Calvert VS Social Equity Portfolio

²Formerly Calvert VS Social Mid Cap Growth Portfolio

³Formerly Goldman Sachs VIT Growth and Income Fund

⁴Formerly AIM V.I. Financial Services Fund

⁵Formerly AIM V.I. Global Health Care Fund

⁶Formerly AIM V.I. Technology Fund

⁷Formerly AIM V.I. Utilities Fund

⁸Formerly Lord Abbett Series Fund, Inc. International Portfolio

⁹Formerly Rydex VT All-Cap Opportunity Fund

¹⁰Formerly Van Eck Worldwide Emerging Markets Fund

¹¹Formerly Van Eck Worldwide Bond Fund

¹²Formerly Van Eck Worldwide Hard Assets Fund

Table 2 – 3.20% Asset Charge

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2009)	Accumulation Unit Value at End of Period (12/31/2010)	Number of Accumulation Units at End of Period
2010			
Alger Capital Appreciation Portfolio	13.13	14.50	0.00
Alger Large Cap Growth Portfolio	9.75	10.71	585.39
Alger Mid-Cap Growth Portfolio	8.61	9.96	297.13
Alger Small Capitalization Growth Portfolio	11.02	13.37	0.00
American Century VP Balanced Fund	9.42	10.19	0.00
American Century VP Capital Appreciation Fund	12.78	16.25	0.00
American Century VP Income & Growth Fund	7.92	8.73	0.00
American Century VP Inflation Protection Fund	10.54	10.73	0.00
American Century VP International Fund	10.31	11.30	231.57
American Century VP Large Company Value	7.93	8.51	0.00
American Century VP Mid Cap Value Fund	10.73	12.37	0.00
American Century VP Ultra [®] Fund	8.17	9.17	0.00
American Century VP Value Fund	8.76	9.59	464.58
Calvert VP SRI Equity Portfolio ¹	9.45	10.73	0.00
Calvert VP SRI Mid Cap Growth Portfolio ²	8.36	10.65	0.00
Fidelity VIP Asset Manager SM Portfolio	10.08	11.12	0.00
Fidelity VIP Asset Manager: Growth [®] Portfolio	9.59	10.77	0.00
Fidelity VIP Balanced Portfolio	10.01	11.41	0.00
Fidelity VIP Contrafund Portfolio	9.95	11.27	0.00
Fidelity VIP Equity-Income Portfolio	8.09	9.00	420.40
Fidelity VIP Growth & Income Portfolio	8.60	9.54	0.00

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2009)	Accumulation Unit Value at End of Period (12/31/2010)	Number of Accumulation Units at End of Period
Fidelity VIP Growth Opportunities Portfolio	7.90	9.45	0.00
Fidelity VIP Growth Portfolio	8.34	10.01	0.00
Fidelity VIP High Income Portfolio	10.64	11.72	0.00
Fidelity VIP Index 500 Portfolio	8.62	9.58	1,046.85
Fidelity VIP Investment Grade Bond Portfolio	10.55	10.99	0.00
Fidelity VIP Mid Cap Portfolio	10.65	13.27	0.00
Fidelity VIP Money Market Portfolio	10.07	9.77	0.00
Fidelity VIP Overseas Portfolio	9.72	10.62	600.21
Fidelity VIP Value Strategies Portfolio	8.37	10.25	0.00
Goldman Sachs VIT Large Cap Value Fund ³	8.45	9.10	0.00
Goldman Sachs VIT Mid Cap Value Fund	9.48	11.47	293.92
Goldman Sachs VIT Structured Small Cap Equity Fund	7.23	9.11	317.90
Invesco V.I. Financial Services Fund ⁴	4.33	4.63	0.00
Invesco V.I. Global Health Care Fund ⁵	10.25	10.45	0.00
Invesco V.I. Technology Fund ⁶	9.48	11.13	0.00
Invesco V.I. Utilities Fund ⁷	11.42	11.76	0.00
JPMorgan Insurance Trust Core Bond Portfolio	8.14	8.61	0.00
JPMorgan Insurance Trust Small Cap Core Portfolio	8.13	10.01	51.08
Lord Abbett Series Fund, Inc. Growth and Income Portfolio	8.08	9.19	0.00
Lord Abbett Series Fund, Inc. International Opportunities Portfolio ⁸	10.06	11.81	646.66
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio	8.01	9.73	106.91
MFS VIT Growth Series	10.67	11.88	0.00
MFS VIT Investors Trust Series	9.54	10.24	0.00
MFS VIT New Discovery Series	10.66	14.04	0.00
MFS VIT Research Series	9.41	10.54	0.00
Neuberger Berman AMT Mid-Cap Growth Portfolio	10.06	12.54	0.00
Neuberger Berman AMT Regency Portfolio	8.57	10.48	0.00
Neuberger Berman AMT Small-Cap Growth Portfolio	7.10	8.22	0.00
PIMCO VIT High Yield Portfolio	10.66	11.81	0.00
PIMCO VIT Low Duration Portfolio	10.94	11.15	0.00
PIMCO VIT Real Return Portfolio	10.76	11.26	0.00
PIMCO VIT Total Return Portfolio	11.85	12.40	196.73
Rydex VT Government Long Bond 1.2x Strategy Fund	9.54	10.18	0.00
Rydex VT Inverse Government Long Bond Strategy Fund	7.10	6.00	0.00
Rydex VT Inverse NASDAQ-100 [®] Strategy Fund	6.34	4.84	0.00
Rydex VT Inverse S&P 500 Fund	7.98	6.42	0.00
Rydex VT NASDAQ-100 [®] Fund	10.13	11.62	0.00
Rydex VT Nova Fund	6.66	7.74	0.00
Rydex VT U.S. Govt Money Market Fund	9.52	9.22	0.00
Rydex VT U.S. Long Short Momentum Fund ⁹	9.97	10.74	0.00
Van Eck VIP Emerging Markets Fund ¹⁰	15.00	18.42	0.00
Van Eck VIP Global Bond Fund ¹¹	10.78	11.09	0.00
Van Eck VIP Global Hard Assets Fund ¹²	18.12	22.68	94.56

¹Formerly Calvert VS Social Equity Portfolio

²Formerly Calvert VS Social Mid Cap Growth Portfolio

³Formerly Goldman Sachs VIT Growth and Income Fund

⁴Formerly AIM V.I. Financial Services Fund

⁵Formerly AIM V.I. Global Health Care Fund

⁶Formerly AIM V.I. Technology Fund

⁷Formerly AIM V.I. Utilities Fund

⁸Formerly Lord Abbett Series Fund, Inc. International Portfolio

⁹Formerly Rydex VT All-Cap Opportunity Fund

¹⁰Formerly Van Eck Worldwide Emerging Markets Fund

¹¹Formerly Van Eck Worldwide Bond Fund

¹²Formerly Van Eck Worldwide Hard Assets Fund

Table 1 – 1.35% Asset Charge

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2008)	Accumulation Unit Value at End of Period (12/31/2009)	Number of Accumulation Units at End of Period
2009			
AIM V.I. Financial Services Fund	3.83	4.82	2,702.88
AIM V.I. Global Health Care Fund	9.24	11.64	2,415.75
AIM V.I. Technology Fund	6.55	10.18	2,449.73
AIM V.I. Utilities Fund	11.42	12.95	2,272.87
Alger Capital Appreciation Portfolio	9.77	14.57	616.02
Alger Large Cap Growth Portfolio	7.46	10.86	29,278.02
Alger Mid-Cap Growth Portfolio	6.46	9.66	11,021.22
Alger Small Capitalization Growth Portfolio	8.66	12.43	1,233.25
American Century VP Balanced Fund	9.26	10.56	1,892.27
American Century VP Capital Appreciation Fund	11.06	14.95	823.00
American Century VP Income & Growth Fund	7.75	9.01	1,682.34
American Century VP Inflation Protection Fund	10.55	11.48	15,639.40
American Century VP International Fund	8.99	11.86	15,354.85
American Century VP Large Company Value	7.40	8.75	469.09
American Century VP Mid Cap Value Fund	9.17	11.74	377.95
American Century VP Ultra [®] Fund	6.57	8.72	1,035.15
American Century VP Value Fund	8.42	9.94	25,802.69
Calvert VS Social Equity Portfolio	7.87	10.42	2,206.74
Calvert VS Social Mid Cap Growth Portfolio	7.25	9.45	2,869.18
Fidelity VIP Asset Manager SM Portfolio	8.77	11.14	137.43
Fidelity VIP Asset Manager: Growth [®] Portfolio	8.13	10.62	0.00
Fidelity VIP Balanced Portfolio	8.07	11.02	1,360.76
Fidelity VIP Contrafund Portfolio	8.46	11.31	10,571.44
Fidelity VIP Equity-Income Portfolio	7.12	9.12	20,896.85
Fidelity VIP Growth & Income Portfolio	7.58	9.50	933.28
Fidelity VIP Growth Opportunities Portfolio	6.09	8.74	994.95
Fidelity VIP Growth Portfolio	7.26	9.16	3,067.17
Fidelity VIP High Income Portfolio	8.35	11.81	5,640.18
Fidelity VIP Index 500 Portfolio	7.74	9.65	46,847.67
Fidelity VIP Investment Grade Bond Portfolio	10.14	11.55	5,716.43
Fidelity VIP Mid Cap Portfolio	8.96	12.35	2,085.44
Fidelity VIP Money Market Portfolio	11.10	11.03	44,290.84
Fidelity VIP Overseas Portfolio	9.01	11.22	20,167.38
Fidelity VIP Value Strategies Portfolio	6.10	9.46	1,867.67
Goldman Sachs VIT Large Cap Value Fund	8.10	9.46	1,861.19
Goldman Sachs VIT Mid Cap Value Fund	8.19	10.75	7,954.05
Goldman Sachs VIT Structured Small Cap Equity Fund	6.32	7.96	11,081.51
JPMorgan Insurance Trust Core Bond Portfolio	8.68	8.98	9,486.58
JPMorgan Insurance Trust Small Cap Core Portfolio	7.49	9.06	1,190.82
Lord Abbett Series Fund, Inc. Growth and Income Portfolio	7.75	9.09	0.00
Lord Abbett Series Fund, Inc. International Portfolio	8.18	11.94	28,722.29
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio	7.28	9.10	10,827.70
MFS VIT Growth Series	8.73	11.83	2,196.20
MFS VIT Investors Trust Series	8.65	10.80	74.88
MFS VIT New Discovery Series	7.20	11.57	1,536.44
MFS VIT Research Series	8.38	10.77	152.94
Neuberger Berman AMT Mid-Cap Growth Portfolio	8.63	11.18	180.42

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2008)	Accumulation Unit Value at End of Period (12/31/2009)	Number of Accumulation Units at End of Period
Neuberger Berman AMT Regency Portfolio	6.68	9.66	0.00
Neuberger Berman AMT Small-Cap Growth Portfolio	6.31	7.64	0.00
PIMCO VIT High Yield Portfolio	8.59	11.88	7,291.61
PIMCO VIT Low Duration Portfolio	10.65	11.90	283.02
PIMCO VIT Real Return Portfolio	10.13	11.83	11,300.16
PIMCO VIT Total Return Portfolio	11.53	12.98	74,984.89
Rydex VT All-Cap Opportunity Fund	8.97	11.27	0.00
Rydex VT Government Long Bond 1.2x Strategy Fund	15.69	10.60	75.40
Rydex VT Inverse Government Long Bond Strategy Fund	6.38	7.51	1,642.69
Rydex VT Inverse NASDAQ-100 [®] Strategy Fund	12.09	7.15	0.00
Rydex VT Inverse S&P 500 Fund	11.90	8.50	0.00
Rydex VT NASDAQ-100 [®] Fund	7.12	10.68	0.00
Rydex VT Nova Fund	5.61	7.50	716.97
Rydex VT U.S. Govt Money Market Fund	10.54	10.40	0.00
Van Eck Worldwide Bond Fund	11.24	11.75	437.38
Van Eck Worldwide Emerging Markets Fund	8.91	18.74	1,911.36
Van Eck Worldwide Hard Assets Fund	13.65	21.21	5,973.74

Table 2 – 3.20% Asset Charge

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2008)	Accumulation Unit Value at End of Period (12/31/2009)	Number of Accumulation Units at End of Period
2009			
AIM V.I. Financial Services Fund	3.51	4.33	0.00
AIM V.I. Global Health Care Fund	8.29	10.25	0.00
AIM V.I. Technology Fund	6.22	9.48	0.00
AIM V.I. Utilities Fund	10.26	11.42	0.00
Alger Capital Appreciation Portfolio	8.97	13.13	0.00
Alger Large Cap Growth Portfolio	6.82	9.75	585.08
Alger Mid-Cap Growth Portfolio	5.86	8.61	308.42
Alger Small Capitalization Growth Portfolio	7.82	11.02	0.00
American Century VP Balanced Fund	8.42	9.42	0.00
American Century VP Capital Appreciation Fund	9.63	12.78	0.00
American Century VP Income & Growth Fund	6.94	7.92	0.00
American Century VP Inflation Protection Fund	9.87	10.54	0.00
American Century VP International Fund	7.97	10.31	216.79
American Century VP Large Company Value	6.83	7.93	0.00
American Century VP Mid Cap Value Fund	8.54	10.73	0.00
American Century VP Ultra [®] Fund	6.27	8.17	0.00
American Century VP Value Fund	7.55	8.76	459.81
Calvert VS Social Equity Portfolio	7.27	9.45	0.00
Calvert VS Social Mid Cap Growth Portfolio	6.54	8.36	0.00
Fidelity VIP Asset Manager SM Portfolio	8.08	10.08	0.00
Fidelity VIP Asset Manager: Growth [®] Portfolio	7.47	9.59	0.00
Fidelity VIP Balanced Portfolio	7.47	10.01	0.00
Fidelity VIP Contrafund Portfolio	7.58	9.95	0.00
Fidelity VIP Equity-Income Portfolio	6.43	8.09	405.74
Fidelity VIP Growth & Income Portfolio	6.99	8.60	0.00
Fidelity VIP Growth Opportunities Portfolio	5.61	7.90	0.00

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2008)	Accumulation Unit Value at End of Period (12/31/2009)	Number of Accumulation Units at End of Period
Fidelity VIP Growth Portfolio	6.73	8.34	0.00
Fidelity VIP High Income Portfolio	7.66	10.64	0.00
Fidelity VIP Index 500 Portfolio	7.05	8.62	1,037.94
Fidelity VIP Investment Grade Bond Portfolio	9.43	10.55	0.00
Fidelity VIP Mid Cap Portfolio	7.87	10.65	0.00
Fidelity VIP Money Market Portfolio	10.32	10.07	0.00
Fidelity VIP Overseas Portfolio	7.95	9.72	566.19
Fidelity VIP Value Strategies Portfolio	5.50	8.37	0.00
Goldman Sachs VIT Large Cap Value Fund	7.38	8.45	0.00
Goldman Sachs VIT Mid Cap Value Fund	7.35	9.48	304.65
Goldman Sachs VIT Structured Small Cap Equity Fund	5.84	7.23	362.64
JPMorgan Insurance Trust Core Bond Portfolio	8.01	8.14	0.00
JPMorgan Insurance Trust Small Cap Core Portfolio	6.84	8.13	51.38
Lord Abbett Series Fund, Inc. Growth and Income Portfolio	7.02	8.08	0.00
Lord Abbett Series Fund, Inc. International Portfolio	7.03	10.06	656.99
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio	6.53	8.01	120.67
MFS VIT Growth Series	8.02	10.67	0.00
MFS VIT Investors Trust Series	7.78	9.54	0.00
MFS VIT New Discovery Series	6.76	10.66	0.00
MFS VIT Research Series	7.46	9.41	0.00
Neuberger Berman AMT Mid-Cap Growth Portfolio	7.91	10.06	0.00
Neuberger Berman AMT Regency Portfolio	6.04	8.57	0.00
Neuberger Berman AMT Small-Cap Growth Portfolio	5.97	7.10	0.00
PIMCO VIT High Yield Portfolio	7.84	10.66	0.00
PIMCO VIT Low Duration Portfolio	9.97	10.94	0.00
PIMCO VIT Real Return Portfolio	9.38	10.76	0.00
PIMCO VIT Total Return Portfolio	10.73	11.85	178.42
Rydex VT All-Cap Opportunity Fund	8.09	9.97	0.00
Rydex VT Government Long Bond 1.2x Strategy Fund	14.39	9.54	0.00
Rydex VT Inverse Government Long Bond Strategy Fund	6.14	7.10	0.00
Rydex VT Inverse NASDAQ-100® Strategy Fund	10.93	6.34	0.00
Rydex VT Inverse S&P 500 Fund	11.38	7.98	0.00
Rydex VT NASDAQ-100® Fund	6.88	10.13	0.00
Rydex VT Nova Fund	5.08	6.66	0.00
Rydex VT U.S. Govt Money Market Fund	9.82	9.52	0.00
Van Eck Worldwide Bond Fund	10.50	10.78	0.00
Van Eck Worldwide Emerging Markets Fund	7.26	15.00	0.00
Van Eck Worldwide Hard Assets Fund	11.88	18.12	101.55

Table 1 – 1.35% Asset Charge

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2007)	Accumulation Unit Value at End of Period (12/31/2008)	Number of Accumulation Units at End of Period
2008			
AIM V.I. Financial Services Fund	9.57	3.83	2,675.78
AIM V.I. Global Health Care Fund	13.12	9.24	2,785.85
AIM V.I. Technology Fund	11.97	6.55	2,501.05
AIM V.I. Utilities Fund	17.11	11.42	2,454.63
Alger American LargeCap Growth Portfolio	14.05	7.46	27,069.89

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2007)	Accumulation Unit Value at End of Period (12/31/2008)	Number of Accumulation Units at End of Period
Alger American Capital Appreciation Portfolio	18.05	9.77	585.54
Alger American Mid-Cap Growth Portfolio	15.72	6.46	9,191.36
Alger American Small Capitalization Growth Portfolio	16.43	8.66	1,215.88
American Century VP Balanced Fund	11.79	9.26	1,945.92
American Century VP Capital Appreciation Fund	20.82	11.06	547.90
American Century VP Income & Growth Fund	12.04	7.75	1,688.91
American Century VP Inflation Protection Fund	10.87	10.55	14,237.31
American Century VP International Fund	16.54	8.99	16,318.95
American Century VP Large Company Value	11.98	7.40	674.28
American Century VP Mid Cap Value Fund	12.31	9.17	817.47
American Century VP Ultra [®] Fund	11.41	6.57	181.34
American Century VP Value Fund	11.65	8.42	25,828.84
Calvert VS Social Equity Portfolio	12.42	7.87	2,284.14
Calvert VS Social Mid Cap Growth Portfolio	11.71	7.25	2,891.55
Fidelity VIP Asset Manager SM Portfolio	12.50	8.77	140.68
Fidelity VIP Asset Manager: Growth [®] Portfolio	12.86	8.13	0
Fidelity VIP Balanced Portfolio	12.43	8.07	1,399.72
Fidelity VIP Contrafund Portfolio	14.96	8.46	11,012.60
Fidelity VIP Equity-Income Portfolio	12.61	7.12	15,985.41
Fidelity VIP Growth & Income Portfolio	13.23	7.58	893.64
Fidelity VIP Growth Opportunities Portfolio	13.77	6.09	1,019.64
Fidelity VIP Growth Portfolio	13.96	7.26	3,062.73
Fidelity VIP High Income Portfolio	11.30	8.35	6,686.76
Fidelity VIP Index 500 Portfolio	12.49	7.74	41,035.37
Fidelity VIP Investment Grade Bond Portfolio	10.65	10.14	5,942.63
Fidelity VIP Mid Cap Portfolio	15.03	8.96	2,074.93
Fidelity VIP Money Market Portfolio	10.92	11.10	26,195.11
Fidelity VIP Overseas Portfolio	16.30	9.01	16,089.23
Fidelity VIP Value Strategies Portfolio	12.70	6.10	123.13
Goldman Sachs VIT Growth and Income Fund	12.54	8.10	1,938.83
Goldman Sachs VIT Mid Cap Value Fund	13.18	8.19	5,271.13
Goldman Sachs VIT Structured Small Cap Equity Fund	9.71	6.32	11,196.04
JPMorgan Bond Portfolio (Series Trust II)	10.47	8.68	8,632.54
JPMorgan Small Company (Series Trust II) Portfolio	11.16	7.49	1,181.88
Janus Aspen Growth and Income Portfolio	13.17	7.64	523.80
Lord Abbett Series Fund, Inc. Growth and Income Portfolio	12.35	7.75	522.23
Lord Abbett Series Fund, Inc. International Portfolio	17.12	8.18	21,949.83
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio	12.18	7.28	10,867.62
MFS VIT Growth Series	14.17	8.73	2,208.96
MFS VIT Investors Trust Series	13.14	8.65	75.03
MFS VIT New Discovery Series	12.07	7.20	95.91
MFS VIT Research Series	13.33	8.38	153.29
Neuberger Berman AMT Small-Cap Growth Portfolio	10.57	6.31	0
Neuberger Berman AMT Mid-Cap Growth Portfolio	15.48	8.63	180.61
Neuberger Berman AMT Regency Portfolio	12.50	6.68	0
PIMCO VIT High Yield Portfolio	11.38	8.59	4,786.55
PIMCO VIT Low Duration Portfolio	10.84	10.65	1,483.17
PIMCO VIT Real Return Portfolio	11.04	10.13	657.92
PIMCO VIT Total Return Portfolio	11.16	11.53	79,829.78
Premier VIT NACM Small Cap Portfolio	12.21	7.03	544.57
Rydex VT Government Long Bond 1.2x Strategy Fund	10.98	15.69	4,102.93

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2007)	Accumulation Unit Value at End of Period (12/31/2008)	Number of Accumulation Units at End of Period
Rydex VT Inverse Government Long Bond Strategy Fund	9.26	6.38	1,620.11
Rydex VT Inverse NASDAQ-100® Strategy Fund	8.28	12.09	1,194.55
Rydex VT Inverse S&P 500 Fund	8.66	11.90	1,163.59
Rydex VT NASDAQ-100® Fund	12.42	7.12	5,348.17
Rydex VT Nova Fund	12.50	5.61	789.54
Rydex VT Sector Rotation	15.35	8.97	0
Rydex VT U.S. Govt Money Market Fund	10.56	10.54	0
Van Eck Worldwide Bond Fund	11.00	11.24	593.35
Van Eck Worldwide Emerging Markets Fund	25.65	8.91	453.15
Van Eck Worldwide Hard Assets Fund	25.68	13.65	4,993.52
Van Eck Worldwide Real Estate Fund	16.20	7.17	1,176.22

Table 2 – 3.20% Asset Charge

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2007)	Accumulation Unit Value at End of Period (12/31/2008)	Number of Accumulation Units at End of Period
2008			
AIM V.I. Financial Services Fund	8.94	3.51	0
AIM V.I. Global Health Care Fund	11.99	8.29	0
AIM V.I. Technology Fund	11.57	6.22	0
AIM V.I. Utilities Fund	15.66	10.26	0
Alger American LargeCap Growth Portfolio	13.09	6.82	629.11
Alger American Capital Appreciation Portfolio	16.89	8.97	0
Alger American Mid-Cap Growth Portfolio	14.53	5.86	322.42
Alger American Small Capitalization Growth Portfolio	15.12	7.82	0
American Century VP Balanced Fund	10.92	8.42	0
American Century VP Capital Appreciation Fund	18.47	9.63	0
American Century VP Income & Growth Fund	10.98	6.94	0
American Century VP Inflation Protection Fund	10.36	9.87	0
American Century VP International Fund	14.93	7.97	202.06
American Century VP Large Company Value	11.27	6.83	0
American Century VP Mid Cap Value Fund	11.68	8.54	0
American Century VP Ultra® Fund	11.10	6.27	0
American Century VP Value Fund	10.66	7.55	477.09
Calvert VS Social Equity Portfolio	11.69	7.27	0
Calvert VS Social Mid Cap Growth Portfolio	10.76	6.54	0
Fidelity VIP Asset Manager SM Portfolio	11.74	8.08	0
Fidelity VIP Asset Manager: Growth® Portfolio	12.05	7.47	0
Fidelity VIP Balanced Portfolio	11.71	7.47	0
Fidelity VIP Contrafund Portfolio	13.67	7.58	0
Fidelity VIP Equity-Income Portfolio	11.61	6.43	398.40
Fidelity VIP Growth & Income Portfolio	12.43	6.99	0
Fidelity VIP Growth Opportunities Portfolio	12.91	5.61	0
Fidelity VIP Growth Portfolio	13.19	6.73	0
Fidelity VIP High Income Portfolio	10.57	7.66	0
Fidelity VIP Index 500 Portfolio	11.58	7.05	1,013.32
Fidelity VIP Investment Grade Bond Portfolio	10.09	9.43	0
Fidelity VIP Mid Cap Portfolio	13.46	7.87	0
Fidelity VIP Money Market Portfolio	10.35	10.32	0

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2007)	Accumulation Unit Value at End of Period (12/31/2008)	Number of Accumulation Units at End of Period
Fidelity VIP Overseas Portfolio	14.65	7.95	539.77
Fidelity VIP Value Strategies Portfolio	11.66	5.50	0
Goldman Sachs VIT Growth and Income Fund	11.63	7.38	0
Goldman Sachs VIT Mid Cap Value Fund	12.05	7.35	306.63
Goldman Sachs VIT Structured Small Cap Equity Fund	9.15	5.84	355.79
JPMorgan Bond Portfolio (Series Trust II)	9.84	8.01	0
JPMorgan Small Company (Series Trust II) Portfolio	10.39	6.84	55.34
Janus Aspen Growth and Income Portfolio	12.03	6.85	0
Lord Abbett Series Fund, Inc. Growth and Income Portfolio	11.40	7.02	0
Lord Abbett Series Fund, Inc. International Portfolio	14.97	7.03	742.38
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio	11.12	6.53	124.50
MFS VIT Growth Series	13.26	8.02	0
MFS VIT Investors Trust Series	12.04	7.78	0
MFS VIT New Discovery Series	11.54	6.76	0
MFS VIT Research Series	12.09	7.46	0
Neuberger Berman AMT Small -Cap Growth Portfolio	10.18	5.97	0
Neuberger Berman AMT Mid-Cap Growth Portfolio	14.46	7.91	0
Neuberger Berman AMT Regency Portfolio	11.51	6.04	0
PIMCO VIT High Yield Portfolio	10.59	7.84	0
PIMCO VIT Low Duration Portfolio	10.33	9.97	0
PIMCO VIT Real Return Portfolio	10.42	9.38	0
PIMCO VIT Total Return Portfolio	10.57	10.73	180.22
Premier VIT NACM Small Cap Portfolio	12.02	6.79	0
Rydex VT Government Long Bond 1.2x Strategy Fund	10.26	14.39	0
Rydex VT Inverse Government Long Bond Strategy Fund	9.09	6.14	0
Rydex VT Inverse NASDAQ-100® Strategy Fund	7.62	10.93	0
Rydex VT Inverse S&P 500 Fund	8.44	11.38	0
Rydex VT NASDAQ-100® Fund	12.23	6.88	0
Rydex VT Nova Fund	11.52	5.08	0
Rydex VT Sector Rotation	14.10	8.09	0
Rydex VT U.S. Govt Money Market Fund	10.03	9.82	0
Van Eck Worldwide Bond Fund	10.47	10.50	0
Van Eck Worldwide Emerging Markets Fund	21.30	7.26	0
Van Eck Worldwide Hard Assets Fund	22.76	11.88	118.63
Van Eck Worldwide Real Estate Fund	14.74	6.40	0

Table 1 – 1.35% Asset Charge

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2006)	Accumulation Unit Value at End of Period (12/31/2007)	Number of Accumulation Units at End of Period
2007			
AIM V.I. Financial Services Fund (9/20/99 – 12/31/05)	12.48	9.57	3,785.50
AIM V.I. Global Health Care Fund (5/21/97 – 12/31/05)	11.89	13.12	3,092.84
AIM V.I. Technology Fund (5/20/97 – 12/31/05)	11.26	11.97	3,149.39
AIM V.I. Utilities Fund (12/30/94 – 12/31/05)	14.38	17.11	3,075.38
Alger American Growth Portfolio (2/1/02 - 12/31/05)	11.87	14.05	23,344.37
Alger American Leveraged AllCap Portfolio (2/1/02 – 12/31/05)	13.70	18.05	1,343.19
Alger American Mid-Cap Growth Portfolio (2/1/02 – 12/31/05)	12.11	15.72	7,002.51
Alger American Small Capitalization Growth Portfolio (2/1/02 –	14.21	16.43	2,827.69

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2006)	Accumulation Unit Value at End of Period (12/31/2007)	Number of Accumulation Units at End of Period
12/31/05)			
American Century VP Balanced Fund (2/1/02 – 12/31/05)	11.39	11.79	1,728.58
American Century VP Capital Appreciation Fund (2/1/02 – 12/31/05)	14.48	20.82	978.79
American Century VP Income & Growth Fund (2/1/02 – 12/31/05)	12.26	12.04	1,888.25
American Century VP Inflation Protection Fund (1/3/05 – 12/31/05)	10.06	10.87	14,760.47
American Century VP International Fund (2/1/02 – 12/31/05)	14.22	16.54	16,615.98
American Century VP Large Company Value (1/3/05 – 12/31/05)	12.31	11.98	1,563.67
American Century VP Mid Cap Value Fund (1/3/05 – 12/31/05)	12.79	12.31	1,124.47
American Century VP Ultra [®] Fund (1/3/05 – 12/31/05)	9.57	11.41	181.64
American Century VP Value Fund (2/1/02 – 12/31/05)	12.48	11.65	21,810.97
Calvert VS Social Equity Portfolio (5/1/02 – 12/31/05)	11.45	12.42	2,132.36
Calvert VS Social Small Cap Growth Portfolio (5/1/02 – 12/31/05)	10.77	11.71	3,914.52
Fidelity VIP Asset Manager: Growth [®] Portfolio (2/1/02 – 12/31/05)	11.00	12.50	277.40
Fidelity VIP Asset Manager SM Portfolio (2/1/02 – 12/31/05)	10.99	12.86	0.00
Fidelity VIP Balanced Portfolio (2/1/02 – 12/31/05)	11.59	12.43	911.17
Fidelity VIP Contrafund Portfolio (2/1/02 – 12/31/05)	12.93	14.96	11,725.87
Fidelity VIP Equity-Income Portfolio (2/1/02 – 12/31/05)	12.63	12.61	12,823.67
Fidelity VIP Growth & Income Portfolio (2/1/02 – 12/31/05)	11.98	13.23	1,631.77
Fidelity VIP Growth Opportunities Portfolio (2/1/02 – 12/31/05)	11.36	13.77	564.20
Fidelity VIP Growth Portfolio (2/1/02 – 12/31/05)	11.17	13.96	2,923.06
Fidelity VIP High Income Portfolio (2/1/02 – 12/31/05)	11.17	11.30	6,259.29
Fidelity VIP Index 500 Portfolio (2/1/02 – 12/31/05)	12.04	12.49	34,905.60
Fidelity VIP Investment Grade Bond Portfolio (2/1/02 – 12/31/05)	10.37	10.65	5,510.78
Fidelity VIP Mid Cap Portfolio (2/1/02 – 12/31/05)	13.21	15.03	2,202.86
Fidelity VIP Money Market Portfolio (2/1/02 – 12/31/05)	10.52	10.92	19,702.25
Fidelity VIP Overseas Portfolio (2/1/02 – 12/31/05)	14.11	16.30	13,639.35
Fidelity VIP Value Strategies Portfolio (2/20/02 – 12/31/05)	12.21	12.70	131.13
Goldman Sachs VIT Growth and Income Fund (1/3/05 – 12/31/05)	12.53	12.54	1,545.65
Goldman Sachs VIT Mid Cap Value Fund (1/3/05 – 12/31/05)	12.95	13.18	3,550.78
Goldman Sachs VIT Structured Small Cap Equity Fund (1/3/05 – 12/31/05)	11.79	9.71	9,315.98
Janus Aspen Growth and Income Portfolio (3/21/03 – 12/31/05)	10.48	10.47	10,166.08
JPMorgan Bond Portfolio (Series Trust II) (5/1/02 – 12/31/05)	11.99	11.16	664.10
JPMorgan Small Company (Series Trust II) Portfolio (5/1/02 – 12/31/05)	12.27	13.17	926.89
Lord Abbett Series Fund, Inc. Growth and Income Portfolio (2/1/02 – 12/31/05)	12.11	12.35	522.23
Lord Abbett Series Fund, Inc. International Portfolio (2/1/02 – 12/31/05)	16.57	17.12	17,525.54
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio (2/1/02 – 12/31/05)	12.27	12.18	13,219.86
MFS VIT Growth Series (2/1/02 – 12/31/05)	11.88	14.17	2,285.97
MFS VIT Investors Trust Series (2/1/02 – 12/31/05)	12.10	13.14	75.15
MFS VIT New Discovery Series (2/1/02 – 12/31/05)	11.96	12.07	96.03
MFS VIT Research Series (2/1/02 – 12/31/05)	11.96	13.33	985.37
Neuberger Berman AMT Fasciano Portfolio (1/3/05 – 12/31/05)	10.66	10.57	0.00
Neuberger Berman AMT Mid-Cap Growth Portfolio (1/3/05 – 12/31/05)	12.84	15.48	180.72
Neuberger Berman AMT Regency Portfolio (1/3/05 – 12/31/05)	12.26	12.50	0.00
PIMCO VIT High Yield Portfolio (5/1/03 – 12/31/05)	11.14	11.38	5,217.05
PIMCO VIT Low Duration Portfolio (5/1/03 – 12/31/05)	10.23	10.84	459.47
PIMCO VIT Real Return Portfolio (5/1/03 – 12/31/05)	10.12	11.04	794.85

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2006)	Accumulation Unit Value at End of Period (12/31/2007)	Number of Accumulation Units at End of Period
PIMCO VIT Total Return Portfolio (5/1/03 – 12/31/05)	10.40	11.16	45,605.32
Premier VIT OpCap Renaissance Portfolio (1/3/05 – 12/31/05)	10.48	10.99	0.00
Premier VIT OpCap Small Cap Portfolio (1/3/05 – 12/31/05)	12.30	12.21	0.00
Rydex VT Government Long Bond Advantage Fund (01/03/05 – 12/31/05)	10.14	10.98	220.42
Rydex VT Inverse Government Long Bond Fund (5/1/03 – 12/31/05)	9.83	9.26	1,673.13
Rydex VT Inverse OTC Fund (5/1/02 – 12/31/05)	9.46	8.28	0.00
Rydex VT Inverse S&P 500 Fund (5/1/02 – 12/31/05)	8.70	8.66	0.00
Rydex VT Nova Fund (5/1/02 – 12/31/05)	12.53	12.50	281.14
Rydex VT OTC Fund (5/1/02 – 12/31/05)	10.69	12.42	0.00
Rydex VT Sector Rotation (5/1/02 – 12/31/05)	12.68	15.35	0.00
Rydex VT U.S. Govt Money Market Fund (5/1/02 – 12/31/05)	10.30	10.56	0.00
Van Eck Worldwide Bond Fund (11/01/02 – 12/31/05)	10.16	11.00	593.96
Van Eck Worldwide Emerging Markets Fund (5/1/02 – 12/31/05)	18.89	25.65	893.77
Van Eck Worldwide Hard Assets Fund (2/1/02 – 12/31/05)	17.91	25.68	4,212.76
Van Eck Worldwide Real Estate Fund (11/01/02 – 12/31/05)	16.27	16.20	2,421.46

Table 2 – 3.20% Asset Charge

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2006)	Accumulation Unit Value at End of Period (12/31/2007)	Number of Accumulation Units at End of Period
2007			
AIM V.I. Financial Services Fund (9/20/99 – 12/31/05)	11.87	8.94	0.00
AIM V.I. Global Health Care Fund (5/21/97 – 12/31/05)	11.07	11.99	0.00
AIM V.I. Technology Fund (5/20/97 – 12/31/05)	11.09	11.57	0.00
AIM V.I. Utilities Fund (12/30/94 – 12/31/05)	13.40	15.66	0.00
Alger American Growth Portfolio (2/1/02 - 12/31/05)	11.27	13.09	195.22
Alger American Leveraged AllCap Portfolio (2/1/02 – 12/31/05)	13.06	16.89	0.00
Alger American Mid-Cap Growth Portfolio (2/1/02 – 12/31/05)	11.41	14.53	85.11
Alger American Small Capitalization Growth Portfolio (2/1/02 – 12/31/05)	13.32	15.12	0.00
American Century VP Balanced Fund (2/1/02 – 12/31/05)	10.75	10.92	0.00
American Century VP Capital Appreciation Fund (2/1/02 – 12/31/05)	13.08	18.47	0.00
American Century VP Income & Growth Fund (2/1/02 – 12/31/05)	11.39	10.98	0.00
American Century VP Inflation Protection Fund (1/3/05 – 12/31/05)	9.77	10.36	0.00
American Century VP International Fund (2/1/02 – 12/31/05)	13.08	14.93	208.72
American Century VP Large Company Value (1/3/05 – 12/31/05)	11.80	11.27	0.00
American Century VP Mid Cap Value Fund (1/3/05 – 12/31/05)	12.36	11.68	0.00
American Century VP Ultra [®] Fund (1/3/05 – 12/31/05)	9.49	11.10	0.00
American Century VP Value Fund (2/1/02 – 12/31/05)	11.62	10.66	253.43
Calvert VS Social Equity Portfolio (5/1/02 – 12/31/05)	10.97	11.69	0.00
Calvert VS Social Mid Cap Growth Portfolio (5/1/02 – 12/31/05)	10.08	10.76	0.00
Fidelity VIP Asset Manager: Growth [®] Portfolio (2/1/02 – 12/31/05)	10.52	11.74	0.00
Fidelity VIP Asset Manager SM Portfolio (2/1/02 – 12/31/05)	10.49	12.05	0.00
Fidelity VIP Balanced Portfolio (2/1/02 – 12/31/05)	11.12	11.71	0.00
Fidelity VIP Contrafund Portfolio (2/1/02 – 12/31/05)	12.03	13.67	0.00
Fidelity VIP Equity-Income Portfolio (2/1/02 – 12/31/05)	11.84	11.61	13.91
Fidelity VIP Growth & Income Portfolio (2/1/02 – 12/31/05)	11.47	12.43	0.00
Fidelity VIP Growth Opportunities Portfolio (2/1/02 – 12/31/05)	10.85	12.91	0.00
Fidelity VIP Growth Portfolio (2/1/02 – 12/31/05)	10.76	13.19	0.00

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2006)	Accumulation Unit Value at End of Period (12/31/2007)	Number of Accumulation Units at End of Period
Fidelity VIP High Income Portfolio (2/1/02 – 12/31/05)	10.64	10.57	0.00
Fidelity VIP Index 500 Portfolio (2/1/02 – 12/31/05)	11.37	11.58	294.55
Fidelity VIP Investment Grade Bond Portfolio (2/1/02 – 12/31/05)	10.01	10.09	0.00
Fidelity VIP Mid Cap Portfolio (2/1/02 – 12/31/05)	12.05	13.46	0.00
Fidelity VIP Money Market Portfolio (2/1/02 – 12/31/05)	10.16	10.35	0.00
Fidelity VIP Overseas Portfolio (2/1/02 – 12/31/05)	12.92	14.65	192.55
Fidelity VIP Value Strategies Portfolio (2/20/02 – 12/31/05)	11.42	11.66	0.00
Goldman Sachs VIT Growth and Income Fund (1/3/05 – 12/31/05)	11.84	11.63	0.00
Goldman Sachs VIT Mid Cap Value Fund (1/3/05 – 12/31/05)	12.07	12.05	0.00
Goldman Sachs VIT Structured Small Cap Equity Fund (1/3/05 – 12/31/05)	11.31	9.15	53.93
Janus Aspen Growth and Income Portfolio (3/21/03 – 12/31/05)	10.03	9.84	0.00
JPMorgan Bond Portfolio (Series Trust II) (5/1/02 – 12/31/05)	11.38	10.39	50.01
JPMorgan Small Company (Series Trust II) Portfolio (5/1/02 – 12/31/05)	11.42	12.03	0.00
Lord Abnett Series Fund, Inc. Growth and Income Portfolio (2/1/02 – 12/31/05)	11.38	11.40	0.00
Lord Abnett Series Fund, Inc. International Portfolio (2/1/02 – 12/31/05)	14.76	14.97	30.45
Lord Abnett Series Fund, Inc. Mid-Cap Value Portfolio (2/1/02 – 12/31/05)	11.42	11.12	106.99
MFS VIT Growth Series (2/1/02 – 12/31/05)	11.33	13.26	0.00
MFS VIT Investors Trust Series (2/1/02 – 12/31/05)	11.30	12.04	0.00
MFS VIT New Discovery Series (2/1/02 – 12/31/05)	11.65	11.54	0.00
MFS VIT Research Series (2/1/02 – 12/31/05)	11.06	12.09	0.00
Neuberger Berman AMT Fasciano Portfolio (1/3/05 – 12/31/05)	10.46	10.18	0.00
Neuberger Berman AMT Mid-Cap Growth Portfolio (1/3/05 – 12/31/05)	12.22	14.46	0.00
Neuberger Berman AMT Regency Portfolio (1/3/05 – 12/31/05)	11.51	11.51	0.00
PIMCO VIT High Yield Portfolio (5/1/03 – 12/31/05)	10.57	10.59	0.00
PIMCO VIT Low Duration Portfolio (5/1/03 – 12/31/05)	9.94	10.33	0.00
PIMCO VIT Real Return Portfolio (5/1/03 – 12/31/05)	9.73	10.42	0.00
PIMCO VIT Total Return Portfolio (5/1/03 – 12/31/05)	10.04	10.57	58.86
Premier VIT OpCap Renaissance Portfolio (1/3/05 – 12/31/05)	10.56	10.88	0.00
Premier VIT OpCap Small Cap Portfolio (1/3/05 – 12/31/05)	12.34	12.02	0.00
Rydex VT Government Long Bond Advantage Fund (01/03/05 – 12/31/05)	9.65	10.26	0.00
Rydex VT Inverse Government Long Bond Fund (5/1/03 – 12/31/05)	9.83	9.09	0.00
Rydex VT Inverse OTC Fund (5/1/02 – 12/31/05)	8.87	7.62	0.00
Rydex VT Inverse S&P 500 Fund (5/1/02 – 12/31/05)	8.64	8.44	0.00
Rydex VT Nova Fund (5/1/02 – 12/31/05)	11.77	11.52	0.00
Rydex VT OTC Fund (5/1/02 – 12/31/05)	10.72	12.23	0.00
Rydex VT Sector Rotation (5/1/02 – 12/31/05)	11.86	14.10	0.00
Rydex VT U.S. Govt Money Market Fund (5/1/02 – 12/31/05)	9.97	10.03	0.00
Van Eck Worldwide Bond Fund (11/01/02 – 12/31/05)	9.85	10.47	0.00
Van Eck Worldwide Emerging Markets Fund (5/1/02 – 12/31/05)	15.98	21.30	0.00
Van Eck Worldwide Hard Assets Fund (2/1/02 – 12/31/05)	16.17	22.76	5.22
Van Eck Worldwide Real Estate Fund (11/01/02 – 12/31/05)	15.08	14.74	0.00

Table 1 – 1.35% Asset Charge

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2005)	Accumulation Unit Value at End of Period (12/31/2006)	Number of Accumulation Units at End of Period
2006			
AIM V.I. Financial Services Fund (9/20/99 – 12/31/05)	10.86	12.48	3,624.89
AIM V.I. Global Health Care Fund (5/21/97 – 12/31/05)	11.45	11.89	2,767.97
AIM V.I. Technology Fund (5/20/97 – 12/31/05)	10.33	11.26	2,917.56
AIM V.I. Utilities Fund (12/30/94 – 12/31/05)	11.62	14.38	2,873.13
Alger American Growth Portfolio (2/1/02 - 12/31/05)	11.44	11.87	12,870.51
Alger American Leveraged AllCap Portfolio (2/1/02 – 12/31/05)	11.64	13.70	1,517.04
Alger American Mid-Cap Growth Portfolio (2/1/02 – 12/31/05)	11.14	12.11	4,680.74
Alger American Small Capitalization Portfolio (2/1/02 – 12/31/05)	12.00	14.21	2,058.74
American Century VP Balanced Fund (2/1/02 – 12/31/05)	10.53	11.39	1,817.70
American Century VP Capital Appreciation Fund (2/1/02 – 12/31/05)	12.52	14.48	1,029.87
American Century VP Income & Growth Fund (2/1/02 – 12/31/05)	10.63	12.26	1,871.19
American Century VP Inflation Protection Fund (1/3/05 – 12/31/05)	10.04	10.06	4,107.10
American Century VP International Fund (2/1/02 – 12/31/05)	11.55	14.22	17,362.25
American Century VP Large Company Value (1/3/05 – 12/31/05)	10.42	12.31	1,545.69
American Century VP Mid Cap Value Fund (1/3/05 – 12/31/05)	10.78	12.79	373.83
American Century VP Ultra [®] Fund (1/3/05 – 12/31/05)	10.04	9.57	58.83
American Century VP Value Fund (2/1/02 – 12/31/05)	10.67	12.48	16,747.91
Calvert VS Social Equity Portfolio (5/1/02 – 12/31/05)	10.55	11.45	2,102.88
Calvert VS Social Mid Cap Growth Portfolio (5/1/02 – 12/31/05)	10.22	10.77	2,452.91
Calvert VS Social Small Cap Growth Portfolio (5/1/02 – 12/31/05)	9.27	9.22	1,839.04
Fidelity VIP Asset Manager SM Portfolio (2/1/02 – 12/31/05)	10.41	11.00	299.73
Fidelity VIP Asset Manager: Growth [®] Portfolio (2/1/02 – 12/31/05)	10.44	10.99	0.00
Fidelity VIP Balanced Portfolio (2/1/02 – 12/31/05)	10.53	11.59	924.41
Fidelity VIP Contrafund Portfolio (2/1/02 – 12/31/05)	11.76	12.93	7,139.53
Fidelity VIP Equity-Income Portfolio (2/1/02 – 12/31/05)	10.67	12.63	5,814.54
Fidelity VIP Growth & Income Portfolio (2/1/02 – 12/31/05)	10.76	11.98	1,482.18
Fidelity VIP Growth Opportunities Portfolio (2/1/02 – 12/31/05)	10.95	11.36	379.76
Fidelity VIP Growth Portfolio (2/1/02 – 12/31/05)	10.62	11.17	1,739.16
Fidelity VIP High Income Portfolio (2/1/02 – 12/31/05)	10.20	11.17	5,337.63
Fidelity VIP Index 500 Portfolio (2/1/02 – 12/31/05)	10.57	12.04	19,785.39
Fidelity VIP Investment Grade Bond Portfolio (2/1/02 – 12/31/05)	10.09	10.37	2,960.98
Fidelity VIP Mid Cap Portfolio (2/1/02 – 12/31/05)	11.91	13.21	931.58
Fidelity VIP Money Market Portfolio (2/1/02 – 12/31/05)	10.17	10.52	13,372.56
Fidelity VIP Overseas Portfolio (2/1/02 – 12/31/05)	12.14	14.11	6,553.11
Fidelity VIP Value Strategies Portfolio (2/20/02 – 12/31/05)	10.66	12.21	0.00
Goldman Sachs VIT Structured Small Cap Equity Fund (1/3/05 – 12/31/05)	10.35	12.53	1,608.55
Goldman Sachs VIT Growth and Income Fund (1/3/05 – 12/31/05)	11.30	12.95	1,436.45
Goldman Sachs VIT Mid Cap Value Fund (1/3/05 – 12/31/05)	10.64	11.79	5,443.19
JPMorgan Bond Portfolio (Series Trust II) (5/1/02 – 12/31/05)	10.20	10.48	10,874.96
JPMorgan Small Company (Series Trust II) Portfolio (5/1/02 – 12/31/05)	10.57	11.99	346.79
Janus Aspen Series Growth and Income Portfolio (3/21/03 – 12/31/05)	11.51	12.27	972.65
Lord Abbett Series Fund, Inc. Growth and Income Portfolio (2/1/02 – 12/31/05)	10.46	12.11	522.23
Lord Abbett Series Fund, Inc. International Portfolio (2/1/02 – 12/31/05)	13.01	16.57	4,452.50
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio (2/1/02 – 12/31/05)	11.08	12.27	10,764.35
MFS VIT Growth Series (2/1/02 – 12/31/05)	11.19	11.88	2,254.24

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2005)	Accumulation Unit Value at End of Period (12/31/2006)	Number of Accumulation Units at End of Period
MFS VIT Investors Trust Series (2/1/02 – 12/31/05)	10.88	12.10	207.56
MFS VIT New Discovery Series (2/1/02 – 12/31/05)	10.74	11.96	138.43
MFS VIT Research Series (2/1/02 – 12/31/05)	11.00	11.96	944.55
Neuberger Berman AMT Fasciano Portfolio (1/3/05 – 12/31/05)	10.26	10.66	0.00
Neuberger Berman AMT Mid-Cap Growth Portfolio (1/3/05 – 12/31/05)	11.37	12.84	180.82
Neuberger Berman AMT Regency Portfolio (1/3/05 – 12/31/05)	11.18	12.26	0.00
PIMCO VIT High Yield Portfolio (5/1/03 – 12/31/05)	10.36	11.14	2167.81
PIMCO VIT Low Duration Portfolio (5/1/03 – 12/31/05)	9.97	10.23	857.88
PIMCO VIT Real Return Portfolio (5/1/03 – 12/31/05)	10.18	10.12	797.27
PIMCO VIT Total Return Portfolio (5/1/03 – 12/31/05)	10.15	10.40	29,455.16
Premier VIT OpCap Renaissance Portfolio (1/3/05 – 12/31/05)	9.53	10.48	0.00
Premier VIT OpCap Small Cap Portfolio (1/3/05 – 12/31/05)	10.05	12.30	0.00
Rydex VT Government Long Bond Advantage Fund (01/03/05 – 12/31/05)	10.61	10.14	566.23
Rydex VT Inverse Government Long Bond Fund (5/1/03 – 12/31/05)	9.22	9.83	1,714.12
Rydex VT Inverse OTC Fund (5/1/02 – 12/31/05)	9.72	9.46	0.00
Rydex VT Inverse S&P 500 Fund (5/1/02 – 12/31/05)	9.54	8.70	0.00
Rydex VT Nova Fund (5/1/02 – 12/31/05)	10.64	12.53	281.38
Rydex VT OTC Fund (5/1/02 – 12/31/05)	10.24	10.69	0.00
Rydex VT Sector Rotation (5/1/02 – 12/31/05)	11.54	12.68	0.00
Rydex VT U.S. Govt Money Market Fund (5/1/02 – 12/31/05)	10.06	10.30	0.00
Van Eck Worldwide Bond Fund (11/01/02 – 12/31/05)	9.67	10.16	973.31
Van Eck Worldwide Emerging Markets Fund (5/1/02 – 12/31/05)	13.73	18.89	357.38
Van Eck Worldwide Hard Assets Fund (2/1/02 – 12/31/05)	14.58	17.91	1,712.02
Van Eck Worldwide Real Estate Fund (11/01/02 – 12/31/05)	12.60	16.27	1,898.08

Table 2 – 3.20% Asset Charge

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2005)	Accumulation Unit Value at End of Period (12/31/2006)	Number of Accumulation Units at End of Period
2006			
AIM V.I. Financial Services Fund (9/20/99 – 12/31/05)	10.53	11.87	0.00
AIM V.I. Global Health Care Fund (5/21/97 – 12/31/05)	10.86	11.07	0.00
AIM V.I. Technology Fund (5/20/97 – 12/31/05)	10.37	11.09	0.00
AIM V.I. Utilities Fund (12/30/94 – 12/31/05)	11.03	13.40	0.00
Alger American Growth Portfolio (2/1/02 - 12/31/05)	11.06	11.27	248.54
Alger American Leveraged AllCap Portfolio (2/1/02 – 12/31/05)	11.30	13.06	0.00
Alger American Mid-Cap Growth Portfolio (2/1/02 – 12/31/05)	10.69	11.41	94.47
Alger American Small Capitalization Portfolio (2/1/02 – 12/31/05)	11.46	13.32	0.00
American Century VP Balanced Fund (2/1/02 – 12/31/05)	10.12	10.75	0.00
American Century VP Capital Appreciation Fund (2/1/02 – 12/31/05)	11.52	13.08	0.00
American Century VP Income & Growth Fund (2/1/02 – 12/31/05)	10.07	11.39	0.00
American Century VP Inflation Protection Fund (1/3/05 – 12/31/05)	9.93	9.77	0.00
American Century VP International Fund (2/1/02 – 12/31/05)	10.82	13.08	198.15
American Century VP Large Company Value (1/3/05 – 12/31/05)	10.17	11.80	0.00
American Century VP Mid Cap Value Fund (1/3/05 – 12/31/05)	10.61	12.36	0.00
American Century VP Ultra [®] Fund (1/3/05 – 12/31/05)	10.14	9.49	0.00
American Century VP Value Fund (2/1/02 – 12/31/05)	10.13	11.62	261.59

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2005)	Accumulation Unit Value at End of Period (12/31/2006)	Number of Accumulation Units at End of Period
Calvert VS Social Equity Portfolio (5/1/02 – 12/31/05)	10.30	10.97	0.00
Calvert VS Social Mid Cap Growth Portfolio (5/1/02 – 12/31/05)	9.74	10.08	0.00
Calvert VS Social Small Cap Growth Portfolio (5/1/02 – 12/31/05)	9.37	9.15	0.00
Fidelity VIP Asset Manager SM Portfolio (2/1/02 – 12/31/05)	10.14	10.52	0.00
Fidelity VIP Asset Manager: Growth [®] Portfolio (2/1/02 – 12/31/05)	10.15	10.49	0.00
Fidelity VIP Balanced Portfolio (2/1/02 – 12/31/05)	10.30	11.12	0.00
Fidelity VIP Contrafund Portfolio (2/1/02 – 12/31/05)	11.15	12.03	0.00
Fidelity VIP Equity-Income Portfolio (2/1/02 – 12/31/05)	10.19	11.84	50.58
Fidelity VIP Growth & Income Portfolio (2/1/02 – 12/31/05)	10.50	11.47	0.00
Fidelity VIP Growth Opportunities Portfolio (2/1/02 – 12/31/05)	10.65	10.85	0.00
Fidelity VIP Growth Portfolio (2/1/02 – 12/31/05)	10.42	10.76	0.00
Fidelity VIP High Income Portfolio (2/1/02 – 12/31/05)	9.90	10.64	0.00
Fidelity VIP Index 500 Portfolio (2/1/02 – 12/31/05)	10.17	11.37	362.95
Fidelity VIP Investment Grade Bond Portfolio (2/1/02 – 12/31/05)	9.93	10.01	0.00
Fidelity VIP Mid Cap Portfolio (2/1/02 – 12/31/05)	11.07	12.05	0.00
Fidelity VIP Money Market Portfolio (2/1/02 – 12/31/05)	10.00	10.16	0.00
Fidelity VIP Overseas Portfolio (2/1/02 – 12/31/05)	11.33	12.92	252.07
Fidelity VIP Value Strategies Portfolio (2/20/02 – 12/31/05)	10.16	11.42	0.00
Goldman Sachs VIT Structured Small Cap Equity Fund (1/3/05 – 12/31/05)	9.97	11.84	0.00
Goldman Sachs VIT Growth and Income Fund (1/3/05 – 12/31/05)	10.72	12.07	0.00
Goldman Sachs VIT Mid Cap Value Fund (1/3/05 – 12/31/05)	10.40	11.31	58.58
JPMorgan Bond Portfolio (Series Trust II) (5/1/02 – 12/31/05)	9.95	10.03	0.00
JPMorgan Small Company (Series Trust II) Portfolio (5/1/02 – 12/31/05)	10.21	11.38	58.50
Janus Aspen Series Growth and Income Portfolio (3/21/03 – 12/31/05)	10.91	11.42	0.00
Lord Abbett Series Fund, Inc. Growth and Income Portfolio (2/1/02 – 12/31/05)	10.02	11.38	0.00
Lord Abbett Series Fund, Inc. International Portfolio (2/1/02 – 12/31/05)	11.81	14.76	123.18
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio (2/1/02 – 12/31/05)	10.50	11.42	123.14
MFS VIT Growth Series (2/1/02 – 12/31/05)	10.87	11.33	0.00
MFS VIT Investors Trust Series (2/1/02 – 12/31/05)	10.35	11.30	0.00
MFS VIT New Discovery Series (2/1/02 – 12/31/05)	10.65	11.65	0.00
MFS VIT Research Series (2/1/02 – 12/31/05)	10.36	11.06	0.00
Neuberger Berman AMT Fasciano Portfolio (1/3/05 – 12/31/05)	10.26	10.46	0.00
Neuberger Berman AMT Mid-Cap Growth Portfolio (1/3/05 – 12/31/05)	11.02	12.22	0.00
Neuberger Berman AMT Regency Portfolio (1/3/05 – 12/31/05)	10.69	11.51	0.00
PIMCO VIT High Yield Portfolio (5/1/03 – 12/31/05)	10.00	10.57	0.00
PIMCO VIT Low Duration Portfolio (5/1/03 – 12/31/05)	9.87	9.94	0.00
PIMCO VIT Real Return Portfolio (5/1/03 – 12/31/05)	9.97	9.73	0.00
PIMCO VIT Total Return Portfolio (5/1/03 – 12/31/05)	9.98	10.04	64.68
Premier VIT OpCap Renaissance Portfolio (1/3/05 – 12/31/05)	9.79	10.56	0.00
Premier VIT OpCap Small Cap Portfolio (1/3/05 – 12/31/05)	10.27	12.34	0.00
Rydex VT Government Long Bond Advantage Fund (01/03/05 – 12/31/05)	10.28	9.65	0.00
Rydex VT Inverse Government Long Bond Fund (5/1/03 – 12/31/05)	9.39	9.83	0.00
Rydex VT Inverse OTC Fund (5/1/02 – 12/31/05)	9.29	8.87	0.00
Rydex VT Inverse S&P 500 Fund (5/1/02 – 12/31/05)	9.64	8.64	0.00
Rydex VT Nova Fund (5/1/02 – 12/31/05)	10.18	11.77	0.00

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2005)	Accumulation Unit Value at End of Period (12/31/2006)	Number of Accumulation Units at End of Period
Rydex VT OTC Fund (5/1/02 – 12/31/05)	10.46	10.72	0.00
Rydex VT Sector Rotation (5/1/02 – 12/31/05)	10.99	11.86	0.00
Rydex VT U.S. Govt Money Market Fund (5/1/02 – 12/31/05)	9.91	9.97	0.00
Van Eck Worldwide Bond Fund (11/01/02 – 12/31/05)	9.55	9.85	0.00
Van Eck Worldwide Emerging Markets Fund (5/1/02 – 12/31/05)	11.83	15.98	0.00
Van Eck Worldwide Hard Assets Fund (2/1/02 – 12/31/05)	13.41	16.17	25.02
Van Eck Worldwide Real Estate Fund (11/01/02 – 12/31/05)	11.90	15.08	0.00

Table 1 – 1.35% Asset Charge

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2004)	Accumulation Unit Value at End of Period (12/31/2005)	Number of Accumulation Units at End of Period
2005			
AIM V.I. Financial Services Fund (9/20/99 – 12/31/05)	10.39	10.86	434.56
AIM V.I. Global Health Care Fund (5/21/97 – 12/31/05)	10.73	11.45	409.98
AIM V.I. Technology Fund (5/20/97 – 12/31/05)	10.25	10.33	347.43
AIM V.I. Utilities Fund (12/30/94 – 12/31/05)	10.08	11.62	0.00
Alger American Growth Portfolio (2/1/02 - 12/31/05)	10.35	11.44	5,457.71
Alger American Leveraged AllCap Portfolio (2/1/02 – 12/31/05)	10.31	11.64	634.52
Alger American Mid-Cap Growth Portfolio (2/1/02 – 12/31/05)	10.28	11.14	1,788.13
Alger American Small Capitalization Portfolio (2/1/02 – 12/31/05)	10.40	12.00	125.81
American Century VP Balanced Fund (2/1/02 – 12/31/05)	10.17	10.53	362.78
American Century VP Capital Appreciation Fund (2/1/02 – 12/31/05)	10.39	12.52	69.58
American Century VP Income & Growth Fund (2/1/02 – 12/31/05)	10.31	10.63	474.72
American Century VP Inflation Protection Fund (1/3/05 – 12/31/05)	10.02	10.04	264.92
American Century VP International Fund (2/1/02 – 12/31/05)	10.35	11.55	11,034.34
American Century VP Large Company Value (1/3/05 – 12/31/05)	10.00	10.42	430.27
American Century VP Mid Cap Value Fund (1/3/05 – 12/31/05)	10.00	10.78	374.08
American Century VP Ultra [®] Fund (1/3/05 – 12/31/05)	9.98	10.04	58.97
American Century VP Value Fund (2/1/02 – 12/31/05)	10.32	10.67	11,210.81
Calvert VS Social Equity Portfolio (5/1/02 – 12/31/05)	10.22	10.55	443.94
Calvert VS Social Mid Cap Growth Portfolio (5/1/02 – 12/31/05)	10.31	10.22	55.89
Calvert VS Social Small Cap Growth Portfolio (5/1/02 – 12/31/05)	10.34	9.27	193.29
Fidelity VIP Asset Manager SM Portfolio (2/1/02 – 12/31/05)	10.17	10.41	324.12
Fidelity VIP Asset Manager: Growth [®] Portfolio (2/1/02 – 12/31/05)	10.21	10.44	0.00
Fidelity VIP Balanced Portfolio (2/1/02 – 12/31/05)	10.12	10.53	680.81
Fidelity VIP Contrafund Portfolio (2/1/02 – 12/31/05)	10.22	11.76	2,630.98
Fidelity VIP Equity-Income Portfolio (2/1/02 – 12/31/05)	10.24	10.67	3,528.28
Fidelity VIP Growth & Income Portfolio (2/1/02 – 12/31/05)	10.16	10.76	548.99
Fidelity VIP Growth Opportunities Portfolio (2/1/02 – 12/31/05)	10.21	10.95	173.07
Fidelity VIP Growth Portfolio (2/1/02 – 12/31/05)	10.21	10.62	275.07
Fidelity VIP High Income Portfolio (2/1/02 – 12/31/05)	10.10	10.20	3,366.85
Fidelity VIP Index 500 Portfolio (2/1/02 – 12/31/05)	10.25	10.57	10,305.69
Fidelity VIP Investment Grade Bond Portfolio (2/1/02 – 12/31/05)	10.04	10.09	1,055.86
Fidelity VIP Mid Cap Portfolio (2/1/02 – 12/31/05)	10.23	11.91	0.00
Fidelity VIP Money Market Portfolio (2/1/02 – 12/31/05)	10.00	10.17	10,525.46
Fidelity VIP Overseas Portfolio (2/1/02 – 12/31/05)	10.36	12.14	2,196.43
Fidelity VIP Value Strategies Portfolio (2/20/02 – 12/31/05)	10.55	10.66	0.00

Base Contract - No Riders			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2004)	Accumulation Unit Value at End of Period (12/31/2005)	Number of Accumulation Units at End of Period
Goldman Sachs VIT Structured Small Cap Equity Fund (1/3/05 – 12/31/05)	10.00	10.64	2,462.95
Goldman Sachs VIT Growth and Income Fund (1/3/05 – 12/31/05)	10.00	10.35	0.00
Goldman Sachs VIT Mid Cap Value Fund (1/3/05 – 12/31/05)	10.00	11.30	94.83
JPMorgan Bond Portfolio (Series Trust II) (5/1/02 – 12/31/05)	10.05	10.20	7,974.23
JPMorgan Small Company (Series Trust II) Portfolio (5/1/02 – 12/31/05)	10.36	10.57	8.95
Janus Aspen Series Growth and Income Portfolio (3/21/03 – 12/31/05)	10.39	11.51	73.26
Lord Abbett Series Fund, Inc. Growth and Income Portfolio (2/1/02 – 12/31/05)	10.27	10.46	0.00
Lord Abbett Series Fund, Inc. International Portfolio (2/1/02 – 12/31/05)	10.41	13.01	0.00
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio (2/1/02 – 12/31/05)	10.38	11.08	7,730.59
MFS VIT Growth Series (2/1/02 – 12/31/05)	10.41	11.19	667.51
MFS VIT Investors Trust Series (2/1/02 – 12/31/05)	10.31	10.88	172.57
MFS VIT New Discovery Series (2/1/02 – 12/31/05)	10.36	10.74	103.01
MFS VIT Research Series (2/1/02 – 12/31/05)	10.37	11.00	54.72
Neuberger Berman AMT Fasciano Portfolio (1/3/05 – 12/31/05)	10.00	10.26	0.00
Neuberger Berman AMT Mid-Cap Growth Portfolio (1/3/05 – 12/31/05)	10.00	11.37	0.00
Neuberger Berman AMT Regency Portfolio (1/3/05 – 12/31/05)	10.00	11.18	0.00
PIMCO VIT High Yield Portfolio (5/1/03 – 12/31/05)	10.08	10.36	611.06
PIMCO VIT Low Duration Portfolio (5/1/03 – 12/31/05)	10.01	9.97	1,012.98
PIMCO VIT Real Return Portfolio (5/1/03 – 12/31/05)	10.11	10.18	676.15
PIMCO VIT Total Return Portfolio (5/1/03 – 12/31/05)	10.04	10.15	16,995.18
Premier VIT OpCap Renaissance Portfolio (1/3/05 – 12/31/05)	10.00	9.53	0.00
Premier VIT OpCap Small Cap Portfolio (1/3/05 – 12/31/05)	10.00	10.05	0.00
Rydex VT Inverse OTC Fund (5/1/02 – 12/31/05)	9.73	9.72	0.00
Rydex VT Inverse Government Long Bond Fund (5/1/03 – 12/31/05)	9.86	9.22	0.00
Rydex VT Nova Fund (5/1/02 – 12/31/05)	10.38	10.64	76.23
Rydex VT OTC Fund (5/1/02 – 12/31/05)	10.27	10.24	0.00
Rydex VT Sector Rotation (5/1/02 – 12/31/05)	10.28	11.54	0.00
Rydex VT Government Long Bond Advantage Fund (01/03/05 – 12/31/05)	10.00	10.61	686.23
Rydex VT U.S. Govt Money Market Fund (5/1/02 – 12/31/05)	10.00	10.06	0.00
Rydex VT Inverse S&P 500 Fund (5/1/02 – 12/31/05)	9.74	9.54	0.00
Van Eck Worldwide Bond Fund (11/01/02 – 12/31/05)	10.11	9.67	1,105.34
Van Eck Worldwide Emerging Markets Fund (5/1/02 – 12/31/05)	10.54	13.73	0.00
Van Eck Worldwide Hard Assets Fund (2/1/02 – 12/31/05)	9.74	14.58	436.28
Van Eck Worldwide Real Estate Fund (11/01/02 – 12/31/05)	10.55	12.60	523.12

Table 2 – 3.20% Asset Charge

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2004)	Accumulation Unit Value at End of Period (12/31/2005)	Number of Accumulation Units at End of Period
2005			
AIM V.I. Financial Services Fund (9/20/99 – 12/31/05)	10.00	10.53	0.00
AIM V.I. Global Health Care Fund (5/21/97 – 12/31/05)	10.00	10.86	0.00
AIM V.I. Technology Fund (5/20/97 – 12/31/05)	10.00	10.37	0.00

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2004)	Accumulation Unit Value at End of Period (12/31/2005)	Number of Accumulation Units at End of Period
AIM V.I. Utilities Fund (12/30/94 – 12/31/05)	10.00	11.03	0.00
Alger American Growth Portfolio (2/1/02 - 12/31/05)	10.00	11.06	87.62
Alger American Leveraged AllCap Portfolio (2/1/02 – 12/31/05)	10.00	11.30	0.00
Alger American Mid-Cap Growth Portfolio (2/1/02 – 12/31/05)	10.00	10.69	45.22
Alger American Small Capitalization Portfolio (2/1/02 – 12/31/05)	10.00	11.46	0.00
American Century VP Balanced Fund (2/1/02 – 12/31/05)	10.00	10.12	0.00
American Century VP Capital Appreciation Fund (2/1/02 – 12/31/05)	10.00	11.52	0.00
American Century VP Income & Growth Fund (2/1/02 – 12/31/05)	10.00	10.07	0.00
American Century VP Inflation Protection Fund (1/3/05 – 12/31/05)	10.00	9.93	0.00
American Century VP International Fund (2/1/02 – 12/31/05)	10.00	10.82	130.79
American Century VP Large Company Value (1/3/05 – 12/31/05)	10.00	10.17	0.00
American Century VP Mid Cap Value Fund (1/3/05 – 12/31/05)	10.00	10.61	0.00
American Century VP Ultra [®] Fund (1/3/05 – 12/31/05)	10.00	10.14	0.00
American Century VP Value Fund (2/1/02 – 12/31/05)	10.00	10.13	128.36
Calvert VS Social Equity Portfolio (5/1/02 – 12/31/05)	10.00	10.30	0.00
Calvert VS Social Mid Cap Growth Portfolio (5/1/02 – 12/31/05)	10.00	9.74	0.00
Calvert VS Social Small Cap Growth Portfolio (5/1/02 – 12/31/05)	10.00	9.37	0.00
Fidelity VIP Asset Manager SM Portfolio (2/1/02 – 12/31/05)	10.00	10.14	0.00
Fidelity VIP Asset Manager: Growth [®] Portfolio (2/1/02 – 12/31/05)	10.00	10.15	0.00
Fidelity VIP Balanced Portfolio (2/1/02 – 12/31/05)	10.00	10.30	0.00
Fidelity VIP Contrafund Portfolio (2/1/02 – 12/31/05)	10.00	11.15	0.00
Fidelity VIP Equity-Income Portfolio (2/1/02 – 12/31/05)	10.00	10.19	0.00
Fidelity VIP Growth & Income Portfolio (2/1/02 – 12/31/05)	10.00	10.50	0.00
Fidelity VIP Growth Opportunities Portfolio (2/1/02 – 12/31/05)	10.00	10.65	0.00
Fidelity VIP Growth Portfolio (2/1/02 – 12/31/05)	10.00	10.42	0.00
Fidelity VIP High Income Portfolio (2/1/02 – 12/31/05)	10.00	9.90	0.00
Fidelity VIP Index 500 Portfolio (2/1/02 – 12/31/05)	10.00	10.17	135.86
Fidelity VIP Investment Grade Bond Portfolio (2/1/02 – 12/31/05)	10.00	9.93	0.00
Fidelity VIP Mid Cap Portfolio (2/1/02 – 12/31/05)	10.00	11.07	0.00
Fidelity VIP Money Market Portfolio (2/1/02 – 12/31/05)	10.00	10.00	0.00
Fidelity VIP Overseas Portfolio (2/1/02 – 12/31/05)	10.00	11.33	107.65
Fidelity VIP Value Strategies Portfolio (2/20/02 – 12/31/05)	10.00	10.16	0.00
Goldman Sachs VIT Structured Small Cap Equity Fund (1/3/05 – 12/31/05)	10.00	10.40	22.44
Goldman Sachs VIT Growth and Income Fund (1/3/05 – 12/31/05)	10.00	9.97	0.00
Goldman Sachs VIT Mid Cap Value Fund (1/3/05 – 12/31/05)	10.00	10.72	0.00
JPMorgan Bond Portfolio (Series Trust II) (5/1/02 – 12/31/05)	10.00	9.95	0.00
JPMorgan Small Company (Series Trust II) Portfolio (5/1/02 – 12/31/05)	10.00	10.21	22.86
Janus Aspen Series Growth and Income Portfolio (3/21/03 – 12/31/05)	10.00	10.91	0.00
Lord Abbett Series Fund, Inc. Growth and Income Portfolio (2/1/02 – 12/31/05)	10.00	10.02	0.00
Lord Abbett Series Fund, Inc. International Portfolio (2/1/02 – 12/31/05)	10.00	11.81	0.00
Lord Abbett Series Fund, Inc. Mid-Cap Value Portfolio (2/1/02 – 12/31/05)	10.00	10.50	52.42
MFS VIT Growth Series (2/1/02 – 12/31/05)	10.00	10.87	0.00
MFS VIT Investors Trust Series (2/1/02 – 12/31/05)	10.00	10.35	0.00
MFS VIT New Discovery Series (2/1/02 – 12/31/05)	10.00	10.65	0.00
MFS VIT Research Series (2/1/02 – 12/31/05)	10.00	10.36	0.00

Base Contract with GMWB Aggressive Asset Allocation Model and Premium Bonus Rider			
Investment Portfolio	Accumulation Unit Value at Beginning of Period (12/31/2004)	Accumulation Unit Value at End of Period (12/31/2005)	Number of Accumulation Units at End of Period
Neuberger Berman AMT Fasciano Portfolio (1/3/05 – 12/31/05)	10.00	10.26	0.00
Neuberger Berman AMT Mid-Cap Growth Portfolio (1/3/05 – 12/31/05)	10.00	11.02	0.00
Neuberger Berman AMT Regency Portfolio (1/3/05 – 12/31/05)	10.00	10.69	0.00
PIMCO VIT High Yield Portfolio (5/1/03 – 12/31/05)	10.00	10.00	0.00
PIMCO VIT Low Duration Portfolio (5/1/03 – 12/31/05)	10.00	9.87	0.00
PIMCO VIT Real Return Portfolio (5/1/03 – 12/31/05)	10.00	9.97	0.00
PIMCO VIT Total Return Portfolio (5/1/03 – 12/31/05)	10.00	9.98	22.23
Premier VIT OpCap Renaissance Portfolio (1/3/05 – 12/31/05)	10.00	9.79	0.00
Premier VIT OpCap Small Cap Portfolio (1/3/05 – 12/31/05)	10.00	10.27	0.00
Rydex VT Inverse OTC Fund (5/1/02 – 12/31/05)	10.00	9.29	0.00
Rydex VT Inverse Government Long Bond Fund (5/1/03 – 12/31/05)	10.00	9.39	0.00
Rydex VT Nova Fund (5/1/02 – 12/31/05)	10.00	10.18	0.00
Rydex VT OTC Fund (5/1/02 – 12/31/05)	10.00	10.46	0.00
Rydex VT Sector Rotation (5/1/02 – 12/31/05)	10.00	10.99	0.00
Rydex VT Government Long Bond Advantage Fund (01/03/05 – 12/31/05)	10.00	10.28	0.00
Rydex VT U.S. Govt Money Market Fund (5/1/02 – 12/31/05)	10.00	9.91	0.00
Rydex VT Inverse S&P 500 Fund (5/1/02 – 12/31/05)	10.00	9.64	0.00
Van Eck Worldwide Bond Fund (11/01/02 – 12/31/05)	10.00	9.55	0.00
Van Eck Worldwide Emerging Markets Fund (5/1/02 – 12/31/05)	10.00	11.83	0.00
Van Eck Worldwide Hard Assets Fund (2/1/02 – 12/31/05)	10.00	13.41	0.00
Van Eck Worldwide Real Estate Fund (11/01/02 – 12/31/05)	10.00	11.90	0.00

APPENDIX I

Guaranteed Minimum Withdrawal Benefit - Examples

Example 1: Assume You select the GMWB rider when You purchase Your contract and Your initial premium is \$100,000.

- Your **guaranteed amount** is \$100,000, which is Your initial premium.
- Your **payment amount** is \$7,000, which is 7% of Your initial **guaranteed amount**.

Example 2: Assume the same facts as Example 1. If You make an additional premium payment of \$50,000, then

- Your **Guaranteed Amount** is \$150,000, which is Your prior **guaranteed amount** (\$100,000) plus Your additional premium payment (\$50,000).
- Your **payment amount** is \$10,500, which is Your prior **payment amount** (\$7,000) plus 7% of Your additional premium payment (\$3,500).

Example 3: Assume the same facts as Example 1. If You take the maximum payment amount before the end of the first contract year, then

- Your **Guaranteed Amount** becomes \$93,000, which is Your prior **guaranteed amount** (\$100,000) minus the **payment amount** (\$7,000).
- Your **payment amount** for the next year remains \$7,000, because You did not take more than the **payment amount** (\$7,000).

Each time a withdrawal is taken from the contract, the withdrawal is deducted from the **guaranteed amount** (this is the “new **guaranteed amount**”) and the withdrawal is deducted from the contract’s **accumulation value** (this is the “new **accumulation value**”). There are three distinct circumstances that may occur when the total withdrawals exceed the **payment amount** in any **contract year**.

First, following a withdrawal that exceeds the **payment amount**, the new **accumulation value** may equal or exceed the new **guaranteed amount** and the **net premiums** (total premiums less withdrawals prior to current withdrawal). In this case, the new **guaranteed amount** and the **payment amount** remains unchanged.

Second, following a withdrawal that exceeds the **payment amount**, the new **accumulation value** may equal or exceed the new **guaranteed amount** and be less than the **net premiums** (total premiums less withdrawals prior to current withdrawal). In this case the new **guaranteed amount** is unchanged and the **payment amount** is reduced to 7% of the new **accumulation value**.

Finally, following a withdrawal that exceeds the **payment amount**, the new **accumulation value** may be less than the new **guaranteed amount**. In this case the new **guaranteed amount** is reduced to the new **accumulation value** and the **payment amount** is reduced to 7% of the new **guaranteed amount**. Examples 4, 5 and 6 demonstrate these circumstances, respectively.

Example 4: Assume the same facts as Example 1. If You withdraw \$50,000, and Your accumulation value is \$150,000 at the time of the withdrawal, then

We recalculate Your **guaranteed amount** by comparing the results of two calculations:

- First We deduct the amount of the withdrawal (\$50,000) from Your **accumulation value** (\$150,000). This equals \$100,000 and is Your “new **accumulation value**”.
- Second, We deduct the amount of the withdrawal (\$50,000) from Your **guaranteed amount** (\$100,000). This is \$50,000 and is Your “new **guaranteed amount**”.

Since the new **accumulation value** (\$100,000) is greater than or equal to the new **guaranteed amount** (\$50,000), and it is greater than or equal to Your **net premiums** in the contract before the withdrawal (\$100,000), there is no reduction in the new **guaranteed amount** (\$50,000) or the **payment amount** (\$7,000).

Example 5: Assume the same facts as Example 1. If You withdraw \$60,000, and Your accumulation value is \$150,000 at the time of the withdrawal, then

We recalculate Your **guaranteed amount** by comparing the results of two calculations:

- First We deduct the amount of the withdrawal (\$60,000) from Your **accumulation value** (\$150,000). This equals \$90,000 and is Your “new **accumulation value**”.
- Second, We deduct the amount of the withdrawal (\$60,000) from Your **guaranteed amount** (\$100,000). This is \$40,000 and is Your “new **guaranteed amount**”.

Since the new **accumulation value** (\$90,000) is greater than or equal to the new **guaranteed amount** (\$40,000), but less than Your **net premiums** in the contract before the withdrawal (\$100,000), there is no reduction in the new **guaranteed amount** (\$40,000) and the **payment amount** is reduced. The new **payment amount** is 7% of Your new **accumulation value**, which is \$6,300.

Example 6: Assume the same facts as Example 1. If You withdraw \$50,000, and Your accumulation value is \$80,000 at the time of the withdrawal, then

We recalculate Your **guaranteed amount** by comparing the results of two calculations:

- First We deduct the amount of the withdrawal (\$50,000) from Your **accumulation value** (\$80,000). This equals \$30,000 and is Your “new **accumulation value**”.
- Second, We deduct the amount of the withdrawal (\$50,000) from Your **guaranteed amount** (\$100,000). This is \$50,000 and is Your “new **guaranteed amount**”.

Since the new **accumulation value** (\$30,000) is less than the new **guaranteed amount** (\$50,000), Your new **guaranteed amount** is reduced to the new **accumulation value** (\$30,000) and the **payment amount** is reduced to 7% of the new **guaranteed amount** (\$2,100).

Example 7: Assume the same facts as Example 1. If You elect to “step up” Your GMWB after the 5th contract anniversary following the addition of this rider to Your contract, assuming You have made no withdrawals during the 5 years the rider has been in force, and Your accumulation value at the time of step up is \$200,000, then

We recalculate Your **guaranteed amount** by comparing the results of two calculations:

- We recalculate Your new **guaranteed amount** to equal Your **accumulation value**, which is \$200,000.
- Your new **payment amount** is equal to 7% of Your new **guaranteed amount**, or \$14,000.

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 C** including more information about commissions and distribution expenses. A free copy of the SAI can be obtained by contacting Your registered representative or by contacting Our **Principal Office** at:

Midland National Life Insurance Company
4350 Westown Parkway
West Des Moines, IA 50266
Phone: (877) 586-0240 (toll-free)
Fax: (866) 270-9565 (toll-free)

Information about Midland National Life Insurance Company 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 Midland National Life Insurance Company 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. 811-07772