

NATIONAL WESTERN LIFE INSURANCE CO
Form 10-K/A
April 28, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment No. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2004

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 2-17039

NATIONAL WESTERN LIFE INSURANCE COMPANY
(Exact name of Registrant as specified in its charter)

COLORADO
(State of Incorporation)

84-0467208
(I.R.S. Employer Identification Number)

850 EAST ANDERSON LANE, AUSTIN, TEXAS 78752-1602
(Address of Principal Executive Offices)

(512) 836-1010
(Telephone Number)

Securities registered pursuant to Section 12 (b) of the Act:
None

Securities registered pursuant to Section 12 (g) of the Act:
None
(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).
Yes [] No []

The aggregate market value of the common stock (based upon the closing price) held by non-affiliates of the Registrant on June 30, 2004 was \$338,646,080.

As of March 9, 2005, the number of shares of Registrant's common stock outstanding was: Class A - 3,392,065 and Class B - 200,000.

DOCUMENTS INCORPORATED BY REFERENCE

None

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A, amends our previously filed Annual Report on Form 10-K for the fiscal year ending December 31, 2004, ("Original Filing"). This amendment is being filed to report management's annual report on internal control over financial reporting, required by Item 308(a) of Regulation S-K, and the related attestation report of the registered public accounting firm, required by Item 308(b) of Regulation S-K. In addition, this Amendment No. 1 also corrects a typographical error in Item 11 relating to the Summary Compensation Table column (D) information. As a result of this amendment, the certifications, pursuant to Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002, filed and furnished, respectively, as exhibits to the Original Filing, have been re-executed and re-filed as of the date of this Form 10-K/A and a revised Consent of Independent Registered Public Accounting Firm, dated April 27, 2005, as a result of the revisions described above is being filed. Items 9A and 11 have been replaced in their entirety.

Except for the amendments described above, this Form 10-K/A does not modify or update other disclosures in, or exhibits to, the Original Filing.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of the Company's management, including the principal executive officer and principal financial officer, the Company conducted an evaluation of the disclosure controls and procedures, as such term is defined under Rule 13(a)-15(e) promulgated under the Securities and Exchange Act of 1934. Based on this evaluation, the Company's principal executive officer and principal accounting officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this annual report.

Management's Report on Internal Control Over Financial Reporting

The management of National Western Life Insurance Company "Company" is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) and Rule 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statement for external reporting purposes in accordance with U.S. generally accepted accounting principles. The Company's management, including the Chief Executive Officer and Chief Financial

Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2004.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedure may deteriorate.

In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organization of the Treadway Commission (COSO) *Internal Control - Integrated Framework*. Based on the Company's assessment and those criteria, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2004.

The independent registered public accounting firm that audited the Company's consolidated financial statements included in the Company's Annual Report for the year ended December 31, 2004, has issued an audit report on internal control over financial reporting as of December 31, 2004, and management's assessment of internal control over financial reporting. This report issued by KPMG, LLP is included below.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
National Western Life Insurance Company:

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that National Western Life Insurance Company maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). National Western Life Insurance Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that National Western Life Insurance Company maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, National Western Life Insurance Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of National Western Life Insurance Company and subsidiaries as of December 31, 2004, and the related consolidated statements of earnings, comprehensive income, stockholders' equity, and cash flows for the year then ended, and our report dated March 15, 2005 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Austin, Texas
April 27, 2005

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting (as defined in Rules 13a - 15(f) and 15d - 15(f) under the Exchange Act) during the quarter ended December 31, 2004 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

| Name and Principal Position | Year | Annual Compensation | | | | |
|--------------------------------|------|---------------------|--------------|-------------------------------------|----------------------------------|----------------------------------|
| | | Salary (A) | Bonus (B) | Other Annual Compensation (C) | Long-Term Compensation (D) | All Other Compensation (E) |

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| | | | | | | | |
|---|--|------|--------------|---------|--------|--------|------------|
| 1 | Robert L. Moody | 2004 | \$ 1,496,364 | \$ - | \$ - | 21,000 | \$ 611,101 |
| | Chairman of the Board | 2003 | 1,390,453 | - | 90,152 | - | 530,517 |
| | and Chief Executive Officer | 2002 | 1,336,385 | - | - | - | 485,860 |
| 2 | Ross R. Moody | 2004 | 540,322 | 128,270 | - | 11,000 | 31,147 |
| | President and Chief Operating Officer | 2003 | 500,619 | 45,432 | - | - | 31,558 |
| | | 2002 | 479,015 | - | - | - | 47,913 |
| 3 | Jay C. Bugg | 2004 | 191,260 | 190,784 | - | 2,000 | 11,459 |
| | Senior Vice President - Chief Marketing Officer | 2003 | 183,431 | 364,667 | - | - | 24,094 |
| | | 2002 | 125,638 | 118,500 | - | - | 11,307 |
| 4 | Richard M. Edwards | 2004 | 188,335 | 156,524 | - | 2,000 | 11,271 |
| | Senior Vice President - International Marketing | 2003 | 180,616 | 147,293 | - | - | 17,847 |
| | | 2002 | 179,047 | 177,161 | - | - | 21,348 |
| 5 | Brian M. Pribyl | 2004 | 221,805 | 67,075 | - | 2,000 | 12,057 |
| | Senior Vice President - Chief Financial and Administrative Officer and Treasurer | 2003 | 207,310 | 36,419 | - | - | 13,500 |
| | | 2002 | 192,304 | 24,192 | - | - | 12,709 |

Notes to Summary Compensation Table

:

(A)

Salary includes directors' fees from National Western Life Insurance Company and its subsidiaries.

(B)

Bonuses include employment and performance related bonuses.

(C)

Other annual compensation in 2003 includes claims paid by the Company's Group Excess Benefit Plan on the behalf of Robert L. Moody, totaling \$90,152.

(D)

Represents number of securities underlying stock options granted under the National Western Life Insurance Company 1995 Stock and Incentive Plan.

(E)

All other compensation includes primarily employer contributions made to the Company's 401(k) Plan and Non-Qualified Deferred Compensation Plan on behalf of the employee. In addition, this item also includes taxable income for Robert L. Moody of approximately \$581,000, \$503,000, and \$459,000 in 2004, 2003, and 2002, respectively, related to life insurance benefits under policies owned by the Company on Mr. Moody's life which have been assigned to Mr. Moody by the Company. Further included are various expense allowances for Ross R. Moody in 2002 of approximately \$19,000.

Option/SAR Grants Table

During 1995 the Company adopted the National Western Life Insurance Company 1995 Stock and Incentive Plan ("Plan"). The purpose of the Plan is to align the personal financial incentives of key personnel with the long-term growth of the Company and the interests of the Company's stockholders through the ownership and performance of the Company's Class A, \$1.00 par value, common stock, to enhance the Company's ability to retain key personnel, and to attract outstanding prospective employees and directors. The Plan was effective as of April 21, 1995, and had a termination date of April 20, 2005. The plan was amended on June 25, 2004 to extend the termination date to April 20, 2010. The number of shares of Class A, \$1.00 par value, common stock which may be issued under the Plan, or as to which stock appreciation rights or other awards may be granted, may not exceed 300,000. These shares may be authorized and unissued shares or treasury shares.

All of the employees of the Company and its subsidiaries are eligible to participate in the Plan. In addition, directors of the Company, other than Compensation and Stock Option Committee members, are eligible for restricted stock awards, incentive awards, and performance awards.

The Committee approved the issuance of nonqualified stock options to selected officers of the Company during 2004 totaling 56,750. Additionally, during 2004 the Committee granted 10,000 nonqualified, nondiscretionary stock options to Company directors. The directors' stock options vest 20% annually following one full year of service to the Company from the date of grant. The officers' stock options vest 20% annually following three full years of service to the Company from the date of grant. The exercise prices of the stock options were set at the fair market values of the common stock on the dates of grant. Nonqualified stock options were not issued in 2003 or 2002.

| Name | Number of Securities Underlying Options Granted | % of Total Options Granted to Employees and Directors in Fiscal Year | Exercise Price | Expiration Date | Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term | |
|-------------------|---|--|----------------|-----------------|--|--------------|
| | | | | | 5% | 10% |
| 1 Robert L. Moody | 20,000 | 30.0 % | \$ 150 | 4-22-2014 | \$ 1,885,705 | \$ 4,778,182 |
| | 1,000 | 1.5 | 150 | 6-25-2014 | 94,318 | 239,011 |
| 2 Ross R. Moody | 10,000 | 15.0 | 150 | 4-22-2014 | 942,852 | 2,389,091 |

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| | | | | | | |
|----------------------|-------|-----|-----|-----------|---------|---------|
| | 1,000 | 1.5 | 150 | 6-25-2014 | 94,319 | 239,011 |
| 3 Jay C. Bugg | 2,000 | 3.0 | 150 | 4-22-2014 | 188,570 | 477,818 |
| 4 Richard M. Edwards | 2,000 | 3.0 | 150 | 4-22-2014 | 188,570 | 477,818 |
| 5 Brian M. Pribyl | 2,000 | 3.0 | 150 | 4-22-2014 | 188,570 | 477,818 |

Aggregated Option/SAR Exercises and Fiscal Year-End Option/SAR Value Table

Detailed below is stock option information for the Company's named executive officers for the year ended December 31, 2004.

| Name | Shares Acquired | | Number of Securities Underlying Unexercised Options | | Value of Unexercised In-The-Money Options | |
|----------------------|-----------------|----------------|---|---------------|---|---------------|
| | On Exercise | Value Realized | Exercisable | Unexercisable | Exercisable | Unexercisable |
| 1 Robert L. Moody | \$ 13,000 | 1,571,949 | 46,900 | 33,000 | \$ 4,286,801 | \$ 1,206,304 |
| 2 Ross R. Moody | 8,000 | 610,111 | 10,600 | 22,100 | 727,326 | 975,683 |
| 3 Jay C. Bugg | - | - | - | 2,000 | - | 33,000 |
| 4 Richard M. Edwards | 1,060 | 65,140 | - | 3,540 | - | 140,970 |
| 5 Brian M. Pribyl | 280 | 14,467 | - | 3,120 | - | 116,294 |

Long-Term Incentive Plan Awards Table

None.

Defined Benefit or Actuarial Plan Disclosure

The Company currently sponsors two employee defined benefit plans for the benefit of its employees and officers. A brief description and formulas by which benefits are determined for each of the plans are detailed as follows.

Qualified Defined Benefit Plan

- This plan covers all full-time employees and officers of the Company and provides benefits based on the participant's years of service and compensation. The Company makes annual contributions to the plan that comply with the minimum funding provisions of the Employee Retirement Income Security Act.

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Annual pension benefits for those employees who became eligible participants prior to January 1, 1991, are calculated as the sum of the following:

(1) 50% of the participant's final 5-year average annual eligible compensation at December 31, 1990, less 50% of their primary social security benefit determined at December 31, 1990; this net amount is then prorated for less than 15 years of benefit service at normal retirement date. This result is multiplied by a fraction which is the participant's years of benefit service at December 31, 1990, divided by the participant's years of benefit service at normal retirement date.

(2) 1.5% of the participant's eligible compensation earned during each year of benefit service after December 31, 1990.

Annual pension benefits for those employees who become eligible participants on or subsequent to January 1, 1991, are calculated as 1.5% of their compensation earned during each year of benefit service.

Non-Qualified Defined Benefit Plan -

This plan covers the Chairman of the Company, the President of the Company, those officers who were in the position of senior vice president or above prior to 1991, and other employees who have been designated by the President of the Company as being in the class of persons who are eligible to participate in the plan. This plan provides benefits based on the participant's years of service and compensation. However, no minimum funding standards are required.

The benefit to be paid pursuant to this plan to a participant who retires at his normal retirement date other than the current Chairman of the Company shall be equal to (a) minus (b) minus (c), but the benefit may not exceed (d) minus (b) where:

(a) is the benefit which would have been payable at the participant's normal retirement date under the terms of the Qualified Defined Benefit Plan as of December 31, 1990, as if that plan had continued without change and without regard to Internal Revenue Code Section 401(a) (17) and 415 limits, and,

(b) is the benefit which actually becomes payable under the terms of the Qualified Defined Benefit Plan at the participant's normal retirement date, and,

(c) is the actuarially equivalent life annuity which may be provided by an accumulation of 2% of the participant's compensation for each year of service on and after January 1, 1991, accumulated at an assumed interest rate of 8.5% to the participant's normal retirement date, and,

(d) is the benefit which would have been payable at the participant's normal retirement date under the terms of the Qualified Defined Benefit Plan as of December 31, 1990, as if that plan had continued without change and without regard to Internal Revenue Code Section 401(a)(17) and 415 limits, except that the proration over 15 years shall instead be calculated over 30 years.

For the current President of the Company, the above provisions are applied by substituting April 1, 1991 for January 1, 1991 and by calculating a benefit under the terms of the Qualified Defined Benefit Plan as in effect as of December 31, 1990 (using his service and compensation from and after April 1, 1991) even though he did not participate in the Qualified Defined Benefit Plan until after December 31, 1990.

The Chairman of the Company, Robert L. Moody, is currently receiving in-service benefits from this plan. The benefit that Mr. Moody began receiving as of his normal retirement date pursuant to the plan was equal to (a) minus (b) minus (c) where:

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(a) was his years of service (up to 45), multiplied by 1.66667%, and then multiplied by the excess of his eligible compensation over his primary social security benefit under the terms of the Qualified Defined Benefit Plan as of December 31, 1990, as if that plan had continued without change and without regard to Internal Revenue Code Section 401(a) (17) and 415 limits, and,

(b) was the benefit actually payable to him under the terms of the Qualified Defined Benefit Plan, and,

(c) was the actuarially equivalent life annuity provided by an accumulation of 2% of his compensation for each year of service on and after January 1, 1991, accumulated at an assumed interest rate of 8.5% to his normal retirement date.

This benefit was increased for additional service and changes in eligible compensation through December 31, 2004. The benefit was frozen as of December 31, 2004 in connection with plan changes required by the American Jobs Creation Act of 2004. However, the Company expects that a new nonqualified defined benefit plan will be adopted in 2005 to provide for additional benefit accruals and payments to Mr. Moody in connection with his continued employment after December 31, 2004.

To comply with the American Jobs Creation Act of 2004, the Company expects that it will freeze benefit accruals as of December 31, 2004 for all other participants in this plan. However, the Company also expects that it will adopt a new nonqualified defined benefit plan to provide for substantially similar benefit accruals with respect to service and compensation after December 31, 2004.

The estimated annual benefits payable to the named executive officers upon retirement, at normal retirement age, or, in the case of Robert L. Moody, currently being paid, for the Company's defined benefit plans are as follows:

| Name | Estimated Annual Benefits | | |
|----------------------|--------------------------------------|--|---------|
| | Qualified Defined Benefit Plan | Non-Qualified Defined Benefit Plan | Totals |
| 1 Robert L. Moody | \$ 143,684 | 713,258 | 856,942 |
| 2 Ross R. Moody | 112,118 | - | 112,118 |
| 3 Jay C. Bugg | 56,890 | - | 56,890 |
| 4 Richard M. Edwards | 75,225 | - | 75,225 |
| 5 Brian M. Pribyl | 70,902 | - | 70,902 |

Compensation of Directors

All directors of the Company currently receive \$22,200 a year and \$500 for each board meeting attended. They are also reimbursed for actual travel expenses incurred in performing services as directors. An additional \$500 is paid for each committee meeting attended. However, a director attending multiple meetings on the same day receives only one meeting fee. The amounts paid pursuant to these arrangements are included in the summary compensation table of this item. The directors and their dependents are also eligible to participate in the Company's group insurance program.

Directors of the Company, other than Compensation and Stock Option Committee members, are eligible for restricted stock awards, incentive awards, and performance awards under the National Western Life Insurance Company 1995 Stock and Incentive Plan. Company directors, including members of the Compensation and Stock Option Committee,

are eligible for nondiscretionary stock options. On June 25, 2004, the stockholders approved the issuance of 10,000 nonqualified stock options to Company directors, with each director receiving 1,000 stock options.

Directors of the Company's subsidiary, NWL Investments, Inc., receive \$250 annually. Nonemployee directors of the Company's subsidiary, NWL Services, Inc., receive \$1,000 per board meeting attended. Directors of the Company's downstream subsidiaries, Regent Care General Partner, Inc., and Regent Care Operations General Partner, Inc., receive \$250 per board meeting attended. Directors of the Company's downstream subsidiary, Regent Care Limited Partner, Inc. receive \$500 per board meeting attended.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

Robert L. Moody, Ross R. Moody, and Brian M. Pribyl, all named executive officers, had a bonus compensation agreement with the Company during 2004. The contract consisted of several components in which certain levels of Company performance related to life insurance premiums, annuity contract deposits, expense management, and overall profitability were required in order to earn the bonus. The compensation bonus related to this agreement will be paid in 2005.

Jay C. Bugg, also a named executive officer, had a bonus compensation agreement with the Company during 2004. The agreement consisted of several components in which certain levels of Company performance relating to domestic life insurance and annuity contract persistency rates, domestic life insurance premiums, domestic annuity contract deposits, and related expenses were required in order to earn bonuses. Substantially all of the compensation bonus related to this agreement was paid in 2004 and is disclosed in the summary compensation table of this item.

Richard M. Edwards, also a named executive officer, had a bonus compensation contract with the Company during 2004. The contract consisted of several components in which certain levels of Company performance relating to international life insurance persistency rates, international life insurance premiums, and related expenses were required in order to earn bonuses. The compensation bonus related to this agreement will be paid in 2005.

Report on Repricing of Options/SARs

None.

Compensation Committee Interlocks and Insider Participation

The Company's Board of Directors performs the functions of an executive compensation committee. The Board is responsible for developing and administering the policies that determine executive compensation. Additionally, a separate Compensation and Stock Option Committee, comprised of outside directors, is charged with the responsibility of establishing and reviewing appropriate Company policy relating to the compensation of the three highest compensated executive officers of the Company. The Committee has a mandate to recommend salaries for the three highest compensated executive officers of the Company for the ensuing year, and also performs various projects relating to executive compensation at the request of the Board of Directors. Those directors serving on the Committee include Harry L. Edwards, Stephen E. Glasgow, and E. J. Pederson.

Mr. Robert Moody, Mr. Ross Moody, and Mr. Charles Milos served as directors and also served as officers and employees of National Western Life Insurance Company. Mr. Ross Moody served as an officer and director of the Company's wholly owned subsidiaries, The Westcap Corporation, NWL Investments, Inc., NWL Financial, Inc., NWL Services, Inc., Regent Care Limited Partner, Inc., and Regent Care Operations Limited Partner, Inc., and served as an officer of Westcap Holdings, LLC, a limited liability company whose sole member is The Westcap Corporation. Mr. Charles Milos served as an officer and director of The Westcap Corporation, Regent Care General Partner, Inc., and Regent Care Operations General Partner, Inc. and as an officer of NWL Investments, Inc., NWL Financial, Inc., NWL Services, Inc., Regent Care Limited Partner, Inc., and Regent Care Operations Limited Partner, Inc., and served

as an officer of Westcap Holdings, LLC, a limited liability company whose sole member is The Westcap Corporation. Mr. Robert Moody was an officer of NWL Services, Inc. and Regent Care Limited Partner, Inc. Mr. Harry Edwards served as a director and was formerly an officer of National Western Life Insurance Company. Mr. Arthur Dummer was previously an officer and director of NWL Services, Inc., and Regent Care Operations General Partner, Inc., and a director of Regent Care General Partner, Inc. The Donner Company, 100% owned by Mr. Dummer, was paid \$93,000 in 2004 pursuant to an agreement between The Donner Company and a reinsurance intermediary relating to a reinsurance contract between the Company and certain life insurance insurers.

No compensation committee interlocks exists with other unaffiliated companies.

Board Compensation Committee Report on Executive Compensation

The Company's Board of Directors determines and approves executive compensation, along with developing and administering the policies that determine executive compensation.

Executive compensation, including that of the chief executive officer, is comprised primarily of a base salary. The salary is adjusted annually based on a performance review of the individual as well as the performance of the Company as a whole. The president and chief executive officer make recommendations annually to the Board of Directors regarding such salary adjustments. The review encompasses the following factors: (1) contributions to the Company's short and long-term strategic goals, including financial goals such as Company revenues and earnings, (2) achievement of specific goals within the individual's realm of responsibility, (3) development of management and employees within the Company, and (4) performance of leadership within the industry. These policies are reviewed periodically by the Board of Directors to ensure the support of the Company's overall business strategy and to attract and retain key executives.

As previously described, a separate Compensation and Stock Option Committee, comprised of outside directors, determines compensation for the three highest-paid Company executives. The policies used by the Compensation and Stock Option Committee in determining compensation are similar to those described above for all other Company executives.

Performance Graph

The following graph compares the change in the Company's cumulative total stockholder return on its common stock with the NASDAQ - U.S. Companies Index and the NASDAQ Insurance Stock Index. The graph assumes that the value of the Company's common stock and each index was \$100 at December 31, 1999, and that all dividends were reinvested.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES,
AND REPORTS ON FORM 8-K

(a) 3. Listing of Exhibits

The exhibits listed below, as part of Form 10-K, are numbered in accordance with the numbering used in Item 601 of regulation S-K of The Securities and Exchange Commission.

- Exhibit 2 - Order Confirming Third Amended Joint Consensual Plan Of Reorganization Proposed By The Debtors And The Official Committee Of Unsecured Creditors (As Modified As Of August 28, 1998) (incorporated by reference to Exhibit 2 to the Company's Form 8-K dated August 28, 1998).
- Exhibit 3(a) - Restated Articles of Incorporation of National Western Life Insurance Company dated April 10, 1968 (incorporated by reference to Exhibit 3(a) to the Company's Form 10-K for the year ended December 31, 1995).
- Exhibit 3(b) - Amendment to the Articles of Incorporation of National Western Life Insurance Company dated July 29, 1971 (incorporated by reference to Exhibit 3(b) to the Company's Form 10-K for the year ended December 31, 1995).
- Exhibit 3(c) - Amendment to the Articles of Incorporation of National Western Life Insurance Company dated May 10, 1976 (incorporated by reference to Exhibit 3(c) to the Company's Form 10-K for the year ended December 31, 1995).
- Exhibit 3(d) - Amendment to the Articles of Incorporation of National Western Life Insurance Company dated April 28, 1978 (incorporated by reference to Exhibit 3(d) to the Company's Form 10-K for the year ended December 31, 1995).

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- Exhibit 3(e) - Amendment to the Articles of Incorporation of National Western Life Insurance Company dated May 1, 1979 (incorporated by reference to Exhibit 3(e) to the Company's Form 10-K for the year ended December 31, 1995).
- Exhibit 3(f) - Bylaws of National Western Life Insurance Company as amended through April 24, 1987 (incorporated by reference to Exhibit 3(f) to the Company's Form 10-K for the year ended December 31, 1995).
- Exhibit 10(a) - National Western Life Insurance Company Non-Qualified Defined Benefit Plan dated July 26, 1991 (incorporated by reference to Exhibit 10(a) to the Company's Form 10-K for the year ended December 31, 1995).
- Exhibit 10(c) - National Western Life Insurance Company Non-Qualified Deferred Compensation Plan, as amended and restated, dated March 27, 1995 (incorporated by reference to Exhibit 10(c) to the Company's Form 10-K for the year ended December 31, 1995).
- Exhibit 10(d) - First Amendment to the National Western Life Insurance Company Non-Qualified Deferred Compensation Plan effective July 1, 1995 (incorporated by reference to Exhibit 10(d) to the Company's Form 10-K for the year ended December 31, 1995).
- Exhibit 10(e) - National Western Life Insurance Company 1995 Stock and Incentive Plan (incorporated by reference to Exhibit 10(e) to the Company's Form 10-K for the year ended December 31, 1995).
- Exhibit 10(f) - First Amendment to the National Western Life Insurance Company Non-Qualified Defined Benefit Plan effective December 17, 1996 (incorporated by reference to Exhibit 10(f) to the Company's Form 10-K for the year ended December 31, 1996).
- Exhibit 10(g) - Second Amendment to the National Western Life Insurance Company Non-Qualified Defined Benefit Plan effective December 17, 1996 (incorporated by reference to Exhibit 10(g) to the Company's Form 10-K for the year ended December 31, 1996).
- Exhibit 10(h) - Second Amendment to the National Western Life Insurance Company Non-Qualified Deferred Compensation Plan effective December 17, 1996 (incorporated by reference to Exhibit 10(h) to the Company's Form 10-K for the year ended December 31, 1996).
- Exhibit 10(i) - Third Amendment to the National Western Life Insurance Company Non-Qualified Deferred Compensation Plan effective December 17, 1996 (incorporated by reference to Exhibit 10(i) to the Company's Form 10-K for the year ended December 31, 1996).
- Exhibit 10(j) - Fourth Amendment to the National Western Life Insurance Company Non-Qualified Deferred Compensation Plan effective June 20, 1997 (incorporated by reference to Exhibit 10(j) to the Company's Form 10-K for the year ended December 31, 1997).
- Exhibit 10(k) - First Amendment to the National Western Life Insurance Company 1995 Stock and Incentive Plan effective June 19, 1998 (incorporated by reference to Exhibit 10(k) to the Company's Form 10-Q for the quarter ended June 30, 1998).
- Exhibit 10(m) - Fifth Amendment to the National Western Life Insurance Company Non-Qualified Deferred Compensation Plan effective July 1, 1998 (incorporated by reference to Exhibit 10(m) to the Company's Form 10-Q for the quarter ended September 30, 1998).

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- Exhibit 10(n) - Sixth Amendment to the National Western Life Insurance Company Non-Qualified Deferred Compensation Plan effective August 7, 1998 (incorporated by reference to Exhibit 10(n) to the Company's Form 10-K for the year ended December 31, 1998).
- Exhibit 10(o) - Third Amendment to the National Western Life Insurance Company Non-Qualified Defined Benefit Plan effective August 7, 1998 (incorporated by reference to Exhibit 10(o) to the Company's Form 10-K for the year ended December 31, 1998).
- Exhibit 10(p) - Exchange Agreement by and among National Western Life Insurance Company, NWL Services, Inc., Alternative Benefit Management, Inc., and American National Insurance Company effective November 23, 1998 (incorporated by reference to Exhibit 10(p) to the Company's Form 10-K for the year ended December 31, 1998).
- Exhibit 10(s) - Seventh Amendment to the National Western Life Insurance Company Non-Qualified Deferred Compensation Plan effective August 7, 1998 (incorporated by reference to Exhibit 10(s) to the Company's Form 10-K for the year ended December 31, 2000).
- Exhibit 10(u) - Eighth Amendment to the National Western Life Insurance Company Non-Qualified Deferred Compensation Plan effective December 1, 2000 (incorporated by reference to Exhibit 10(u) to the Company's Form 10-K for the year ended December 31, 2000).
- Exhibit 10(v) - Fourth Amendment to the National Western Life Insurance Company Non-Qualified Defined Benefit Plan effective December 1, 2000 (incorporated by reference to Exhibit 10(v) to the Company's Form 10-K for the year ended December 31, 2000).
- Exhibit 10(w) - Second Amendment to the National Western Life Insurance Company 1995 Stock and Incentive Plan (incorporated by reference to Exhibit 10(w) to the Company's Form 10-Q for the quarter ended September 30, 2001).
- Exhibit 10(z) - Fifth Amendment to the National Western Life Insurance Company Non-Qualified Defined Benefit Plan effective January 1, 2001 (incorporated by reference to Exhibit 10(z) to the Company's Form 10-K for the year ended December 31, 2001).
- Exhibit 10(ad) - Supplement to exchange agreement by and between National Western Life Insurance Company and Alternative Benefit Management, Inc., executed on April 12, 2002 (incorporated by reference to Exhibit 10(ad) to the Company's Form 10-Q for the quarter ended September 30, 2002).
- Exhibit 10(ae) - Sixth Amendment to the National Western Life Insurance Company Non-Qualified Defined Benefit Plan effective August 23, 2002 (incorporated by reference to Exhibit 10(ae) to the Company's Form 10-Q for the quarter ended September 30, 2002).
- Exhibit 10(af) - Seventh Amendment to the National Western Life Insurance Company Non-Qualified Defined Benefit Plan effective October 18, 2002 (incorporated by reference to Exhibit 10(af) to the Company's Form 10-Q for the quarter ended September 30, 2002).
- Exhibit 10(ai) - Eighth Amendment to the National Western Life Insurance Company Non-Qualified Defined Benefit Plan effective January 1, 2003 (incorporated by reference to Exhibit 10(ai) to the Company's Form 10-K for the year ended December 31, 2002).
- Exhibit 10(aj) - Bonus program by and between National Western Life Insurance Company and Domestic Marketing officers of National Western Life Insurance Company for the year ending

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December 31, 2003 (incorporated by reference to Exhibit 10(aj) to the Company's Form 10-Q for the quarter ended March 31, 2003).

- Exhibit 10(ak) - Bonus program by and between National Western Life Insurance Company and International Marketing Officers of National Western Life Insurance Company for the year ending December 31, 2003 (incorporated by reference to Exhibit 10(ak) to the Company's Form 10-Q for the quarter ended March 31, 2003).
- Exhibit 10(al) - Bonus program by and between National Western Life Insurance Company and certain Executive Officers of National Western Life Insurance Company for the year ending December 31, 2003 (incorporated by reference to Exhibit 10(al) to the Company's Form 10-Q for the quarter ended June 30, 2003).
- Exhibit 10(am) - Ninth amendment to the National Western Life Insurance Company Non-Qualified Deferred Compensation Plan effective November 1, 2003 (incorporated by reference to Exhibit 10(am) to the Company's Form 10-K for the year ended December 31, 2003).
- Exhibit 10(an) - Ninth amendment to the National Western Life Insurance Company Non-Qualified Defined Benefit Plan effective December 5, 2003 (incorporated by reference to Exhibit 10(an) to the Company's Form 10-K for the year ended December 31, 2003.)
- Exhibit 10(ao) - Bonus program by and between National Western Life Insurance Company and Domestic Marketing officers of National Western Life Insurance Company for the year ending December 31, 2004 (incorporated by reference to Exhibit 10(ao) to the Company's Form 10-Q for the quarter ended March 31, 2004).
- Exhibit 10(ap) - Bonus program by and between National Western Life Insurance Company and International Marketing Officers of National Western Life Insurance Company for the year ending December 31, 2004 (incorporated by reference to Exhibit 10(ap) to the Company's Form 10-Q for the quarter ended March 31, 2004).
- Exhibit 10(aq) - Bonus program by and between National Western Life Insurance Company and certain Executive officers of National Western Life Insurance Company for the year ending December 31, 2004 (incorporated by reference to Exhibit 10(aq) to the Company's Form 10-Q for the quarter ended June 30, 2004).
- Exhibit 10(ar) - Third Amendment to the National Western Life Insurance Company 1995 Stock and Incentive Plan (incorporated by reference to Exhibit 10(ar) to the Company's Form 10-Q for the quarter ended September 30, 2004).
- Exhibit 10(as) - Amendment to the National Western Life Insurance Company Group Excess Benefit Plan effective December 15, 2004 (incorporated by reference to Exhibit 10(as) to the Company's Form 10-K for the year ended December 31, 2004).
- Exhibit 10(at) - The National Western Life Insurance Company Employee Health Plan was amended and restated effective August 20, 2004 (incorporated by reference to Exhibit 10(at) to the Company's Form 10-K for the year ended December 31, 2004).
- Exhibit 10(au) - Tenth Amendment to the National Western Life Insurance Company Non-Qualified Defined Benefit Plan effective December 31, 2004 (incorporated by reference to Exhibit 10(au) to the Company's Form 10-K for the year ended December 31, 2004).

- Exhibit 16 - Letter Regarding Change in Certifying Accountant (incorporated by reference to Exhibit 16 to the Company's Form 8-KA dated May 14, 2004).
- Exhibit 21 - Subsidiaries of the Registrant. (Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 2004.)
- Exhibit 23(a) - Consent of KPMG LLP, for the year ended December 31, 2004.
- Exhibit 23(b) - Consent of Deloitte & Touche LLP, for the years ended December 31, 2003 and 2002. (Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 2004.)
- Exhibit 31(a) - Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- Exhibit 31(b) - Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- Exhibit 32(a) - Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NATIONAL WESTERN LIFE INSURANCE COMPANY

(Registrant)

Date: April 27, 2005

/S/ Robert L. Moody

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| <u>Signature</u> | <u>Title (Capacity)</u> | <u>Date</u> |
|---|---|----------------|
| <u>/S/ Robert L. Moody</u> Robert L. Moody | Chairman of the Board and Chief Executive Officer, and Director (Principal Executive Officer) | April 27, 2005 |
| <u>/S/ Ross R. Moody</u> Ross R. Moody | President and Chief Operating Officer, and Director | April 27, 2005 |
| <u>/S/ Brian M. Pribyl</u> Brian M. Pribyl | Senior Vice President - Chief Financial & Administrative Officer, and Treasurer | April 27, 2005 |

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| | | |
|----------------------------------|---|----------------|
| | (Principal Financial Officer) | |
| /S/ Kay E. Osbourn _____ | Vice President, Controller & Assistant Treasurer | April 27, 2005 |
| Kay E. Osbourn | (Principal Accounting Officer) | |
| /S/ Harry L. Edwards _____ | Director | April 27, 2005 |
| Harry L. Edwards | | |
| /S/ Stephen E. Glasgow _____ | Director | April 27, 2005 |
| Stephen E. Glasgow | | |
| /S/ E. Douglas McLeod _____ | Director | April 27, 2005 |
| E. Douglas McLeod | | |
| /S/ Charles D. Milos _____ | Director | April 27, 2005 |
| Charles D. Milos | | |
| _____ | Director | April 27, 2005 |
| Frances A. Moody-Dahlberg | | |
| _____ | Director | April 27, 2005 |
| Russell S. Moody | | |
| /S/ Louis E. Pauls, Jr. _____ | Director | April 27, 2005 |
| Louis E. Pauls, Jr. | | |
| /S/ E.J. Pederson _____ | Director | April 27, 2005 |
| E.J. Pederson | | |