

North Carolina Security Breach Reporting Form Pursuant to the Identity Theft Protection Act of 2005

Name of Business Owning or Licensing Information Affected by the Breach: National Western Life Insurance Company
Address: 850 East Anderson Lane
Austin, Texas 78752
Telephone: (512) 719-2346
Fax: (512) 719-8503
Email: rpaulson@nationalwesternlife.com

PLEASE SUBMIT FORM TO:
Consumer Protection Division
NC Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001
Telephone: (919) 716-6000
Toll Free in NC: (877) 566-7226
FAX: (919) 716-6050

Date Security Breach Reporting Form submitted: Letter - June 26, 2008 Form-July 16, 2008

Date the Security Breach was discovered: 6/2/08

Estimated number of affected individuals: 37519

Estimated number of NC residents affected: 824

Name of business maintaining or possessing information that was the subject of the Security Breach, if the business that experienced the Security Breach is not the same entity as the business reporting the Security Breach (pursuant to N.C.G.S. § 75-65(b)): same

Describe the circumstances surrounding the Security Breach and state whether the information breached was in electronic or paper format: paper, mailing equipment malfunction caused more than one form to be included in a mailing in some instances.

Regarding electronic information breached, state whether the information breached or potentially breached was password protected or encrypted in some manner. n/a If so, please describe the security measures protecting the information: _____

Describe any measures taken to prevent a similar Security Breach from occurring in the future: new equipment. New mailing procedures including use of different materials, monitoring.

Date affected NC residents were/will be notified: 7/2/08

If there has been any delay in notifying affected NC residents, describe the circumstances surrounding the delay pursuant to N.C.G.S. § 75-65(a) and (c): _____

If the delay was pursuant to a request from law enforcement pursuant to N.C.G.S. § 75-65(c), please include the written request or the contemporaneous memorandum.

How NC residents were/will be notified? (pursuant to N.C.G.S. § 75-65(e))
Please attach copy of the notice if in written form or a copy of any scripted notice if in telephonic form.

- written notice
- electronic notice (email)
- telephone notice
- substitute notice

Signature: R Paulson Date: 7/16/08

Contact Person, Title: Rachel Rega Paulson, Assistant Vice President-Corporate Counsel

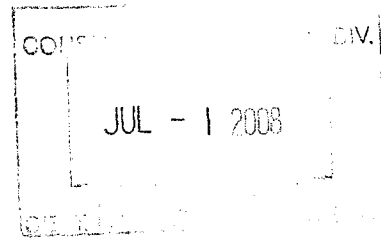
Address: _____

(if different from above)

Telephone: (512) 719-2346 Fax: (512) 719-8503 Email: rpaulson@nationalwesternlife.com



RACHEL REGA PAULSON
ASSISTANT VICE PRESIDENT
CORPORATE COUNSEL



June 26, 2008

Consumer Protection Division
Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001

Dear Sir or Madam:

Pursuant to the requirements of your security breach law, this letter will constitute notice by National Western of possible unauthorized use of personal information of one of your residents. Attached is a copy of the draft notice that we intend to provide to the affected individuals, which we will shortly send via first class mail to the 824 affected residents of your state. As indicated in the letter, on June 2nd, we discovered that through mailing error, some of the 5498 tax reporting statements we sent out in late May were included with 5498s mailed to other policyholders. The data that could potentially be viewed were names, addresses, and Social Security numbers. The period of exposure was for forms mailed on May 29th and May 30th. Although our investigation is ongoing, we have no indication that any data was stolen or misused.

Please do not hesitate to contact me at the number below if you have any questions or wish to receive any additional information.

Sincerely,

A handwritten signature in cursive script that reads 'RR Paulson'.

Rachel Rega Paulson

cc: Equifax
P.O. Box 740241
Atlanta, GA 30374-0241

Experian
P.O. Box 9532
Allen, TX 75013

Trans Union Corp.
P.O. Box 6790
Fullerton, CA 92834-6790

Enclosure