



The aggregate market value of the common stock (based upon the closing price) held by non-





Distributions of the Company's direct premium revenues and deposits by product type are provided below.









*Risk-*











## ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The following five-year financial summary includes comparative amounts derived from the audited consolidated financial statements.





## **Critical Accounting Policies**

Accounting policies discussed below are those considered critical to an understanding of the Company'









































































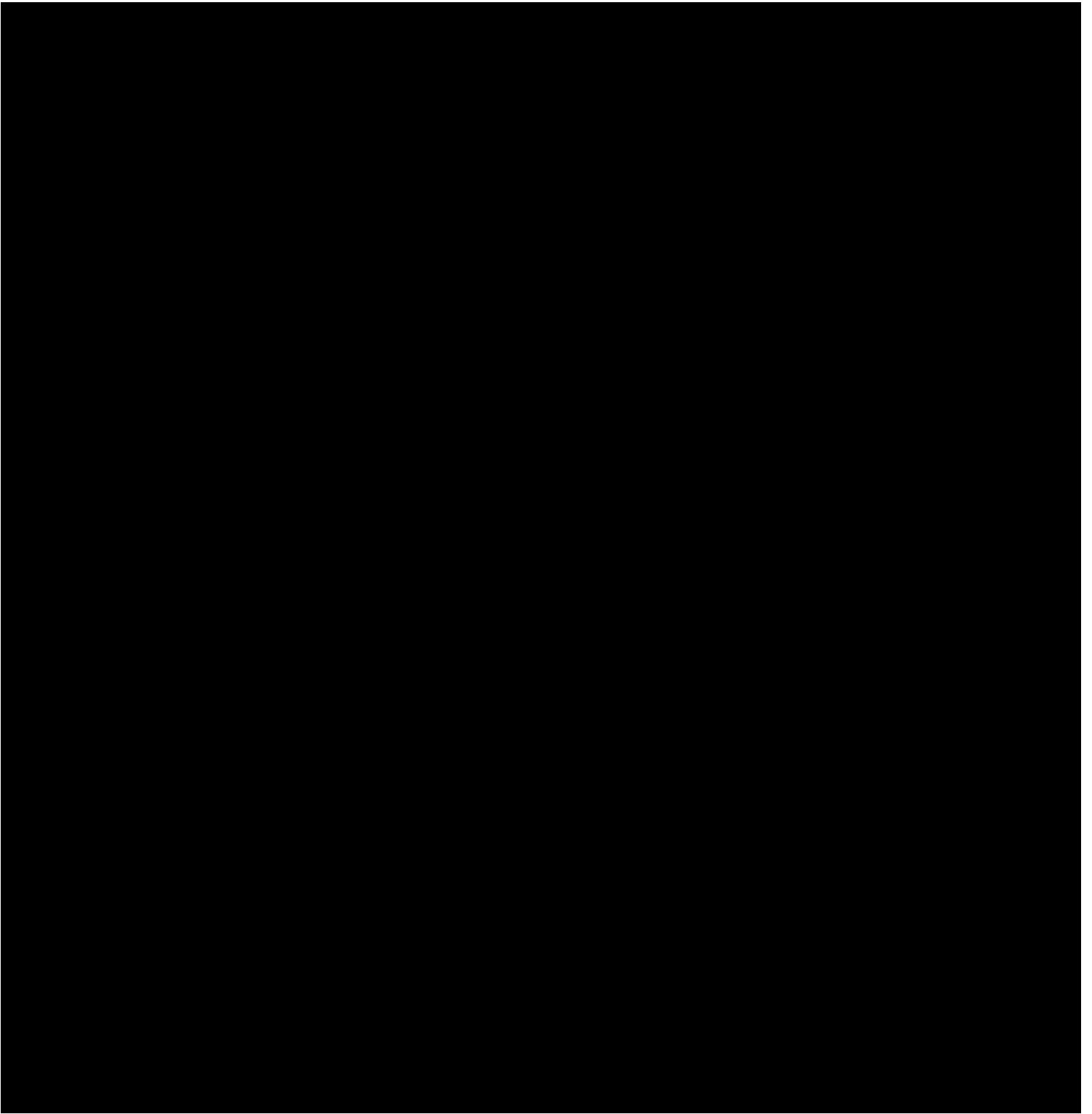


*Discretionary Bonus Awards*













**Outstanding Equity Awards at December 31, 2006**



**Option Exercises and Stock Vested**

The following table sets forth information regarding option exercises by the executive officers named in the Summary Compensation Table for the year ended December 31,

**Pension Benefits**

The following table provides information regarding benefits under the Company's Pension Plan, Non-Qualified Defined Benefit Plan, Nons Pension Plan, Non



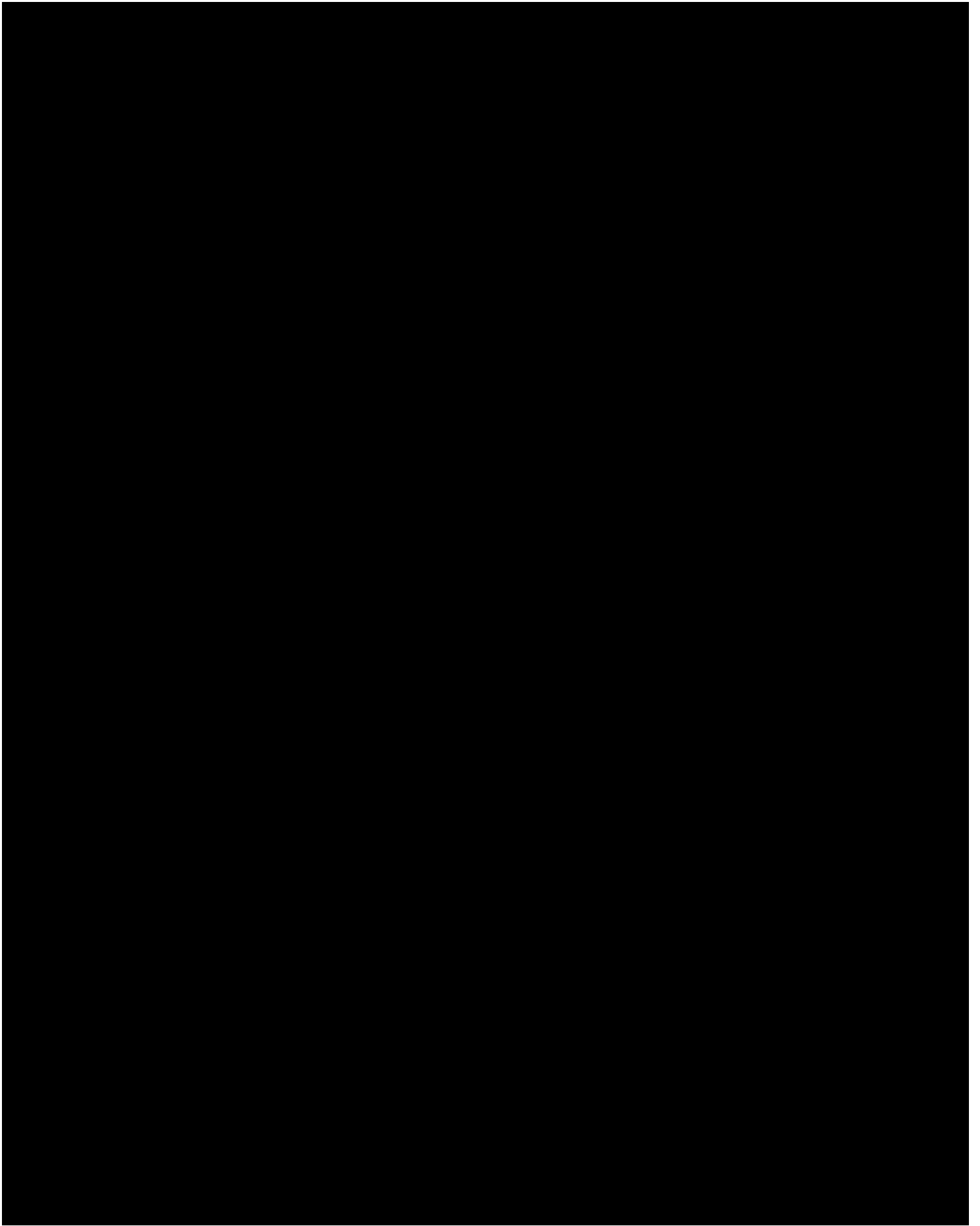
(b) was the benefit payable to him under the terms of the Pension Plan as of July 1, 2005, and,







**ITEM 12. SECURITY OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT**



























See accompanying notes to consolidated financial statements.











See accompanying notes to consolidated financial statements.

**NATIONAL WESTERN LIFE INSURANCE COMPANY AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*(A) Principles of Consolidation.*











11. Reconciliations of statutory capital and surplus, as included in the annual statements filed with the Colorado Division of Insurance, to total stockholders' equity as reported in the accompanying consolidated financial statements prepared under GAAP are as follows:









































The Company also sponsors three non-





















Effective March 10, 2006, the Company adopted and implemented a limited stock buy-back program which provides option holders the additional alternative of selling shares acquired through the exercise of options directly back to the Company. Option holders may elect to sell such acquired shares back to the Company at any time









A summary of segment information, prepared in accordance with SFAS No. 131, is provided below.



**(B) Geographic Information**

A significant portion of the Company's premiums and contract revenues are from countries other than the United States. Premiums and contract revenues detailed by













