**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**

# FORM 8-K

## CURRENT REPORT

**Pursuant to Section 13 or 15(d) of**
**the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported) March 17, 2008

**NATIONAL WESTERN LIFE INSURANCE COMPANY**
(Exact Name of Registrant as Specified in Its Charter)

| | |
|---|---|
| COLORADO | 84-0467208 |
| (State or Other Jurisdiction of Incorporation) | (I.R.S. Employer Identification Number) |

2-17039
(Commission File Number)

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

(512) 836-1010
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On March 17, 2008, the Compensation and Stock Option Committee of National Western Life Insurance Company ("Company") approved the 2008 Executive Officer Bonus Program ("Bonus Program"). This Bonus Program is designed to provide additional compensation to select executive officers based on the Company achieving certain performance and profit criteria so that executives are held accountable through their compensation for the performance of the business. Participants in the Bonus Program include Chairman of the Board and Chief Executive Officer, Robert L. Moody; President and Chief Operating Officer, Ross R. Moody; and Senior Vice President, Chief Financial & Administrative Officer and Treasurer, Brian M. Pribyl. The Bonus Program is in effect for the year ending December 31, 2008. Any amounts earned under the Bonus Program will be paid in 2009.

**Item 9.01. Financial Statements and Exhibits.**

( d ) Exhibits

| Exhibit Number | Description |
|---|---|
| 10(bq) | National Western Life Insurance Company 2008 Executive Officer Bonus Program |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NATIONAL WESTERN LIFE INSURANCE COMPANY

Date: March 27, 2008

By: /S/ Brian M. Pribyl
Brian M. Pribyl
Senior Vice President
Chief Financial & Administrative Officer
and Treasurer

**EXHIBIT INDEX**

| Exhibit Number | Description |
|---|---|
| 10(bq) | National Western Life Insurance Company 2008 Executive Officer Bonus Program |

## EXHIBIT 10(bq)

## National Western Life Insurance Company
## 2008 EXECUTIVE OFFICER BONUS PROGRAM

The Bonus Program ("Program") is designed to reward selected executive officers for their performance in assisting the Company in achieving pre-determined sales targets while managing to profit criteria. The Plan incorporates three measurable performance factors: (1) sales, which are defined as net placed annualized target premium for Life business and as total placed premium for Annuity business, (2) expense management, and (3) overall Company profitability.

Each of the above performance factors will have an assigned target level for purposes of the Program. Assuming a "par" performance (i.e. achieving each target level), the weighting of the bonus (applied to base salary) is 10% for sales performance, 10% for expense management performance, and 10% for profitability, or an overall par percentage of 30%. Actual results compared to the targets can either increase or decrease each of these individual percentages as explained in the following sections. However, the total bonus percentage cannot exceed 30%.

**Sales Component:**

The sales component of the Program is further subdivided between Life production and Annuity production. For 2008, the bonus sales goals are:

- International Life -- $34,900,000 net placed annualized target premium
- Domestic Life -- $12,200,000 net placed annualized target premium
- Annuities -- $485,000,000 net placed total premium

The New Business Market Summary Report (NWAR60) will be the source of sales results for purposes of this Program. Based upon these sales goals, the bonus percentage corresponding with each sales production levels achieved in 2007 will be applied to 100% of the executive officer's base salary in accordance with the following grid:

| Intl Life Placed Target | Bonus % | Domestic Life Placed Target | Bonus % | Annuities Placed Premium | Bonus % |
|---|---|---|---|---|---|
| $30,900,000 | 2.00% | $11,000,000 | 2.00% | $430,000,000 | 2.00% |
| $32,900,000 | 2.50% | $11,600,000 | 2.50% | $455,000,000 | 2.50% |
| **$34,900,000** | **3.34%** | **$12,200,000** | **3.33%** | **$480,000,000** | **3.33%** |
| $36,900,000 | 4.00% | $12,800,000 | 4.00% | $505,000,000 | 4.00% |
| $38,900,000 | 5.00% | $13,400,000 | 5.00% | $530,000,000 | 5.00% |

The level shaded in gray represents the Company's sales goals for each segment for purposes of the bonus program and represents the par performance level. If the actual results attain this level, the executive officer would be eligible to receive a bonus of 10% (3.33% for each line of business) of base salary.

**Expense Management Component:**

The expense component of the program is based upon a ratio of actual expenses to a sales unit of production. For purposes of this ratio, the sales unit of production will be based upon target premium. Annuity sales target premium will be assumed to be equal to 7.5% of total placed annuity premium.

Assuming "par" sales goals of $34.9 million in International Life sales, $12.2 million in Domestic Life sales, and $480 million in total annuity sales, the par sales production for purposes of the expense management component is $83.1 million. The submitted expense budget based upon these sales goals is approximately $47 million. Accordingly, the par ratio of expenses to sales production is roughly 57%. Based upon this relationship, the bonus percentage corresponding with the actual expense ratio achieved in 2008 will be applied to 100% of each executive officer's base salary in accordance with the following grid:

| Expense/Sales Ratio | Bonus % |
|---|---|
| 63% | 6.00% |
| 60% | 8.00% |
| **57%** | **10.00%** |
| 54% | 11.00% |
| 51% | 12.00% |

For purposes of the expense component, marketing and executive officer bonuses will be excluded. In addition, special consideration may be given at the discretion of the Compensation and Stock Option Committee of the Board of Directors ("Compensation Committee") for items of an unusual and/or non-recurring nature (i.e. excess pension contributions) that are beyond the control of Company management.

**Company Profitability Component:**

The profitability component of the program is based upon GAAP operating earnings as a percentage of beginning stockholders' equity. GAAP operating earnings are net of federal income taxes and exclude realized gains and losses on investments. The amounts used for purposes of the bonus calculation will be the figures audited by the Company's independent auditors.

The bonus percentage corresponding with the actual GAAP operating earnings achieved in 2008 relative to beginning of the year stockholders' equity will be applied to 100% of each executive officer's base salary in accordance with the following grid:

| GAAP Profitability | Bonus % |
|---|---|
| 7.5% of Stockholders' Equity | 6.00% |
| 8.5% of Stockholders' Equity | 8.00% |
| **9.5% of Stockholders' Equity** | **10.00%** |
| 10.5% of Stockholders' Equity | 11.00% |
| 11.5% of Stockholders' Equity | 12.00% |

**Example:**

Assume the following results for 2008:

| | |
|---|---|
| ➢ International Life placed target premium sales | $ 35,000,000 |
| ➢ Domestic Life placed target premium sales | $ 13,000,000 |
| ➢ Annuity placed total premium sales | $435,000,000 |
| ➢ Actual budget center expenses | $ 47,500,000 |
| ➢ GAAP operating earnings | $ 85,000,000 |
| ➢ Beginning GAAP stockholders' equity | $975,000,000 |

Based upon the above charts, the executive officer's 2008 bonus would be calculated as follows:

**Sales Component**

| | |
|---|---|
| International Life sales bonus % | 3.34% |
| Domestic Life sales bonus % | 4.00% |
| Annuity sales bonus % | 2.00% |
| Total sales bonus % | 9.34% |

**Expense Management Component**

| | | |
|---|---|---|
| Actual budget center expenses | $ | 47,500,000 |
| Sale Production Amount: | | |
| International Life target premium | $ | 35,000,000 |
| Domestic Life target premium | | 13,000,000 |
| Annuity target ($435m @ 7.5%) | | 32,625,000 |
| | $ | 80,625,000 |
| Ratio of Actual/Sales Production | | 58.9% |
| Expense management bonus % | | 8.0% |

**Company Profitability Component**

| | | |
|---|---|---|
| GAAP operating earnings | $ | 85,000,000 |
| Beginning stockholders' equity | $ | 975,000,000 |
| | | |
| Ratio of earnings/equity | | 8.72% |
| Company profitability bonus | | 8.00% |

**Total Bonus %**

| | |
|---|---|
| Sales component | 9.83% |
| Expense management component | 8.00% |
| Company profitability component | 8.72% |
| | 26.55% |

**Administration:**

Bonus amounts under the program will be earned and paid at the end of the Company's calendar year upon the availability of audited GAAP financial statements. The Company's independent auditors will also review the calculation of the bonus % for compliance with the details of this Program as part of the Company's audited financial statements.

If employment with the Company is terminated for any reason other than "termination for cause" by NWL, the bonus amount paid at termination will be based upon the pro rated percentage of the calendar year that services were rendered to the Company. In the event of death, the bonus amount will be paid to the individual's spouse, and if the individual's spouse is also not living at that time, then to the individual's children.

Participants in the Program are designated by the Compensation Committee. The Program, its terms, and its administration are at the complete discretion of the Compensation Committee and may be changed or revoked at any time without the consent of the participants. This includes, among other things, amendment of the terms, targets, and other features of the Program as the Compensation Committee sees fit. Accordingly, this Program does not constitute a legal and binding obligation of the Company to perform.

February 2008