

**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) July 1, 2005

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

COLORADO
(State or Other Jurisdiction of Incorporation)

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

2-17039
(Commission File Number)

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

78752-1602
(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 1.01. Entry into a Material Definitive Agreement.

Effective July 1, 2005, National Western Life Insurance Company ("Company") established the Non-Qualified Defined Benefit Plan for Robert L. Moody ("Plan"), Chairman of the Board and Chief Executive Officer of the Company. This Plan was established by the Company to provide an additional benefit for Mr. Moody related to the retirement benefits otherwise provided by the Company.

The Plan is subject to section 409A of the Internal Revenue Code of 1986, as amended, and is intended to provide for post-2004 benefit accruals that mirror the pre-2005 benefit accruals under a previous nonqualified plan ("Grandfathered Plan") which was frozen due to law changes under the American Jobs Creation Act of 2004 ("Act"). Mr. Moody's benefit under the Grandfathered Plan was frozen effective as of December 31, 2004. The Plan established July 1, 2005, is separate from the Grandfathered Plan and complies with the requirements of the Act. Effective July 1, 2005, Mr. Moody's defined benefit retirement amounts will be paid from three Company plans: the qualified pension plan, the Grandfathered Plan (for benefits accrued from January 1, 1991 through December 31, 2004) and the Plan (for benefits accrued after December 31, 2004).

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|--|
| 10(az) | National Western Life Insurance Company Non-Qualified Defined Benefit Plan for Robert L. Moody |

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: July 8, 2005

By: /S/Brian M. Pribyl

Name: Brian M. Pribyl
Title: Senior Vice President
Chief Financial & Administrative Officer
and Treasurer

EXHIBIT INDEX

| Exhibit Number | Description |
|-------------------|---|
| 10(az) | National Western Life Insurance Company Non-Qualified Defined Benefit Plan for Robert L. Moody. |

EXHIBIT 10(az)

**NATIONAL WESTERN LIFE INSURANCE COMPANY
NON-QUALIFIED DEFINED BENEFIT PLAN
FOR ROBERT L. MOODY**

Effective
July 1, 2005

NATIONAL WESTERN LIFE INSURANCE COMPANY
NON-QUALIFIED DEFINED BENEFIT PLAN
FOR ROBERT L. MOODY

Table of Contents

| | <u>Page</u> |
|---|-------------|
| ARTICLE I – Purpose, Definitions and Construction | |
| 1.1 Purpose of the Plan | 1 |
| 1.2 Definitions | 1 |
| 1.3 Construction..... | 3 |
| ARTICLE II – Eligibility | |
| 2.1 Eligibility Requirements | 4 |
| 2.2 Loss of Eligible Employee Status | 4 |
| ARTICLE III – Funding | |
| 3.1 Funding | 5 |
| ARTICLE IV – Benefits Under the Plan | |
| 4.1 Benefit for the Participant | 6 |
| ARTICLE V – Determination of Payment of Account | |
| 5.1 Form of Payment..... | 8 |
| ARTICLE VI – Miscellaneous | |
| 6.1 Administration of the Plan | 9 |
| 6.2 Benefit Claims | 9 |
| 6.3 Amendment of the Plan..... | 10 |
| 6.4 Termination of the Plan..... | 10 |
| 6.5 Notices to Participants | 11 |
| 6.6 Non-Alienation | 11 |
| 6.7 Severability | 11 |
| 6.8 Governing Law | 11 |
| 6.9 Taxes..... | 11 |
| 6.10 Waiver..... | 11 |

ARTICLE I
PURPOSE, DEFINITIONS AND CONSTRUCTION

1.1 Purpose of the Plan

This Plan is established by the Employer to provide an additional benefit for Robert L. Moody, to augment the retirement benefits which are otherwise provided to him under the Qualified Plan (as defined below) and the Grandfathered Nonqualified Plan (as defined below). This Plan is not intended to, and does not, qualify under sections 401(a) and 501(a) of the Code (as defined below), and is designed to be a plan described in section 201(2) of ERISA (as defined below).

This Plan is subject to section 409A of the Code and is intended to provide for post-2004 benefit accruals that mirror the pre-2005 benefit accruals under the Grandfathered Nonqualified Plan. However, this Plan is a separate plan from the Grandfathered Nonqualified Plan, and nothing herein shall be construed to constitute a material modification of the Grandfathered Nonqualified Plan or to otherwise cause the Grandfathered Nonqualified Plan to be subject to section 409A of the Code. The Participant’s benefit under the Grandfathered Nonqualified Plan was frozen effective as of December 31, 2004.

1.2 Definitions

The following terms, when found in the Plan, shall have the meanings set forth below:

- (a) Accrued Benefit: The benefit determined under Article IV hereof which has accrued at any time under the provisions of the Plan.
- (b) Actuarially Equivalent: The equivalent in value of amounts expected to be received under the Plan under different forms of payment, determined based upon an interest assumption of eight and one-half percent (8.5%) and a mortality assumption based on the 1984 Unisex Pension (UP84) Mortality Table.
- (c) Code: The Internal Revenue Code of 1986, as it may be amended from time to time, including any successor.
- (d) Compensation: Twelve (12) times the average of the Participant's monthly compensation over the sixty (60)-consecutive calendar months during which the average of his monthly compensation is the highest. "Monthly compensation" shall be the total remuneration paid by the Employer during each month of the Plan Year and reported as taxable income on Internal Revenue Service Form W-2 or its subsequent equivalent. Notwithstanding the foregoing, "monthly compensation" shall include director's fees; amounts deferred under Code Sections 125, 132(f)(4), or 401(k); and nonqualified elective deferrals, and "monthly compensation" shall exclude reimbursements or other expense allowances, moving expenses, welfare benefits, nonqualified retirement benefits, bonuses relating to or in lieu of nonqualified retirement benefits, and imputed value of insurance. Compensation hereunder shall not be subject to any limitations applicable to tax-qualified plans, such as pursuant to Code Sections 401(a)(17) or 415.
- (e) Effective Date: July 1, 2005.
- (f) Eligible Employee: Robert L. Moody while he remains a member of the select group of management or highly compensated employees of the Employer, as such term is defined under Section 201 of ERISA.
- (g) Employer: National Western Life Insurance Company, a corporation organized and existing under the laws of the State of Colorado, and any successor or successors.
- (h) ERISA: the Employee Retirement Income Security Act of 1974, and regulations and rulings promulgated thereunder by the Department of Labor.
- (i) Grandfathered Nonqualified Plan: the National Western Life Insurance Company Non-Qualified Defined Benefit Plan, originally adopted effective as of January 1, 1991 and as amended from time to time.
- (j) Normal Retirement Age: The date on which the Participant attains age sixty-five (65).
- (k) Normal Retirement Date: The first day of the month coincident with or next following the Participant's Normal Retirement Age.
- (l) Participant: The Eligible Employee who has met the requirements of Section 2.1 hereof, and whose participation has not been terminated.
- (m) Plan: The National Western Life Insurance Company Non-Qualified Defined Benefit Plan for Robert L. Moody, as set forth herein, and as it may be amended from time to time.
- (n) Plan Year: The twelve month period beginning on January 1 and ending on December 31 each year.
- (o) Qualified Plan: The National Western Life Insurance Company Pension Plan, as amended from time to time.
- (p) Service: The period of the Participant's employment considered in the determination of his eligibility hereunder and in the calculation of the vested amount of his benefits. The Participant's Service shall be determined in twelve (12) month periods, commencing with the twelve (12) month period that begins on his date of hire with the

Employer, and thereafter based on Plan Years, including the Plan Year within which falls his date of hire. During such twelve (12) month periods, a Year of Service will be granted if the Participant completes at least one thousand (1,000) Hours of Service. An Hour of Service is each hour for which the Participant is paid by virtue of his employment with the Employer, including hours paid but not worked, and including hours completed prior to the date he actually becomes a Participant hereunder.

(q) Committee: The individuals appointed by the Board of Directors of the Employer, and known as the Pension Committee, to manage and direct the administration of the Plan.

1.3 Construction

The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, and the singular may indicate the plural, unless the context clearly indicates the contrary. The words “hereof”, “herein”, “hereunder” and other similar compounds of the word “here” shall, unless otherwise specifically stated, mean and refer to the entire Plan, not to any particular provision or Section. Article and Section headings are included for convenience of reference and are not intended to add to, or subtract from, the terms of the Plan.

ARTICLE II
ELIGIBILITY

2.1 Eligibility Requirements

The Eligible Employee shall become a Participant hereunder as of the Effective Date.

2.2 Loss of Eligible Employee Status

In the event of the demotion or termination of employment of the Eligible Employee, such that the employee is no longer an Eligible Employee with the meaning of Section 1.2(f) herein, the employee shall lose his status as a Participant, and no further benefit accruals for the employee shall be allowed under the Plan.

ARTICLE III

FUNDING

3.1 Funding

The Employer is under no obligation to earmark or set aside any funds toward the funding of this Plan. However, it is intended that the benefits to be provided to each Participant hereunder shall be paid from the assets of the National Western Life Insurance Company Non-Qualified Plans Trust, designed to be an irrevocable grantor trust under Code section 671. However, if the assets of such trust are not available or are insufficient to pay such benefits or if no such trust is established or funded, then benefits hereunder shall be paid from the general assets of the Employer. The rights of the Participant hereunder shall be solely those of an unsecured general creditor of the Employer.

ARTICLE IV
BENEFITS UNDER THE PLAN

4.1 Benefit for the Participant

(a) The gross annual benefit of the Participant under the Plan as of the Effective Date shall be equal to (i) less (ii), with the result multiplied by (iii), where:

(i) equals the product of the following amounts determined as of the Participant's Normal Retirement Date (A) such Participant's years of Service (up to a maximum of forty-five (45)) multiplied by (B) 1.66667% multiplied by (C) the excess of such Participant's "Plan Compensation" over such Participant's "Primary Social Security Benefit" as defined by the terms of the Qualified Plan as of December 31, 1990, as if the Qualified Plan had continued without change, and without regard to limitations applicable under Code Sections 401(a)(17) and 415, and

(ii) equals the Actuarially Equivalent life annuity which may be provided by an accumulation of two percent (2%) of the Participant's actual annual compensation during each year of Service on and after January 1, 1991, accumulated at an assumed interest rate of eight and one-half percent (8.5%) to the Participant's Normal Retirement Date, and

(iii) equals the product of (A) the ratio of the Participant's years of Service as of the Effective Date (up to a maximum of forty-five (45)) to his years of Service credited as of his Normal Retirement Date multiplied by (B) the ratio of the Participant's Compensation as of the Effective Date to his Compensation as of his Normal Retirement Date.

(b) The net annual benefit actually payable to the Participant under the Plan as of the Effective Date shall be (i) less (ii) less (iii), where

(i) equals the gross benefit determined under (a) above, and

(ii) equals the annual benefit which is actually payable to such Participant under the terms of the Qualified Plan as of the Effective Date, and

(iii) equals the annual benefit which is actually payable to such Participant under the terms of the Grandfathered Nonqualified Plan as of December 31, 2004.

(c) Subsequent to the Effective Date, the net annual benefit payable to the Participant under the Plan as of the Effective Date shall be increased for additional Service and changes in Compensation as follows. The gross annual benefit under (b)(i) above shall be increased by multiplying it by (i) the ratio of the Participant's then current years of Service (up to a maximum of forty-five (45)) to his years of Service credited as of the Effective Date and (ii) the ratio of the Participant's then current Compensation to his Compensation as of the Effective Date. The adjusted net annual benefit shall be equal to the gross annual benefit so increased, less the current annual benefit then payable under the terms of the Qualified Plan and less the current annual benefit then payable under the terms of the Grandfathered Nonqualified Plan.

(d) For purposes of calculating the benefit payable to the Participant under (c) above, the Participant's (i) Compensation and Service and (ii) resulting pension benefit under this Plan shall be redetermined on a monthly basis.

(e) The benefit payable under this Section 4.1 shall be payable in accordance with Article V hereof as to form and duration of payment. Monthly installments under Article V shall be calculated by dividing the Participant's annual benefit by twelve (12).

ARTICLE V
DETERMINATION OF PAYMENT OF ACCOUNT

5.1 Form of Payment

The Participant shall receive his vested Accrued Benefit payable in the form of a single life annuity payable in monthly installments. Accordingly, no benefit is payable under this Plan after the death of the Participant. Any benefit payable hereunder may be paid directly by the Employer (or its delegate) or by any funding vehicle established pursuant to Section 3.1. At the discretion of the Committee or, as applicable, the trustee of any trust established pursuant to Section 3.1, payment of such benefit may be facilitated through purchase of an annuity contract; provided that in no event shall any action be taken to cause the Plan to be considered funded for purposes of the Code or Title I of ERISA.

ARTICLE VI
MISCELLANEOUS

6.1 Administration of the Plan

The Plan shall be administered by the Committee. The books and records of the Plan shall be maintained by the Employer at its expense, and no member of the Board of Directors of the employer, or any employee of the Employer acting on its behalf, shall be liable to any person for any action taken or omitted in connection with the administration of the Plan, unless attributable to his own fraud or willful misconduct.

(a) The Employer shall appoint the members of the Committee and may terminate a Committee member at any time by providing written notice of such termination to the member. Any member of the Committee may resign by delivering his written resignation to the Employer and to the other members of the Committee.

(b) The Committee shall perform any act which the Plan authorizes. The Committee may, by a writing signed by a majority of its members, appoint any member of the Committee to act on behalf of the Committee.

(c) The Committee may designate in writing other persons to carry out its responsibilities under the Plan, and may remove any person designated to carry out its responsibilities under the Plan by notice in writing to that person. The Committee may employ persons to render advice with regard to any of its responsibilities. All usual and reasonable expenses of the Committee shall be paid by the Employer. The Employer shall indemnify and hold harmless each member of the Committee from and against any and all claims and expenses (including, without limitation, attorney's fees and related costs), in connection with the performance by such member of his duties in that capacity, other than any of the foregoing arising in connection with the willful neglect or willful misconduct of the person so acting.

(d) The Committee shall establish rules, not contrary to the provisions of the Plan, for the administration of the Plan and the transaction of its business. The Committee shall have the authority to interpret the Plan in its sole and absolute discretion, and shall determine all questions arising in the administration, interpretation and application of the Plan, including all claims for benefit hereunder. All determinations of the Committee shall be conclusive and binding on all concerned.

6.2 Benefit Claims

The Committee shall automatically direct the distribution of all benefits to which the Participant is entitled hereunder. In the event that the Participant believes that he has been denied benefits to which he is entitled under the provisions of the Plan, the Committee shall, upon the request of the Participant, provide to the Participant written notice of the denial which shall set forth:

- (a) the specific reason or reasons for the denial;
- (b) specific references to pertinent Plan provisions on which the Committee based its denial;
- (c) a description of any additional material or information needed for the Participant to perfect the claim and an explanation of why the material or information is needed;

(d) a statement that the Participant or his authorized representative may (i) request a review upon written application to the Committee; (ii) review pertinent Plan documents; and (iii) submit issues and comments in writing;

(e) a statement that any appeal the Participant wishes to make of the adverse determination must be made in writing to the Committee within sixty (60) days after receipt of the Committee's notice of denial of benefits and that failure to appeal the initial determination to the Committee in writing within such sixty (60)-day period will render the Committee's determination final, binding, and conclusive; and

(f) the address to which the Participant must forward any request for review.

If the Participant should appeal to the Committee, he, or his duly authorized representative, may submit, in writing, whatever issues and comments he, or his duly authorized representative, feels are pertinent. The Committee shall re-examine all facts related to the appeal and make a final determination as to whether the denial of the claim is justified under the circumstances. The Committee shall advise the Participant in writing of its decision on appeal, the specific reasons for the decision, and the specific Plan provisions on which the decision is based. The notice of the decision shall be given within sixty (60) days after the Participant's written request for review, unless special circumstances (such as a hearing) would make the rendering of a decision within such sixty (60)-day period impracticable. In such case, notice of an extension shall be provided to the Participant within the original sixty (60)-day period, and notice of a final decision regarding the denial of a claim for benefits will be provided within 120 days after its receipt of a request for review. If an extension of time for review is required because of special circumstances, written notice of the extension shall be furnished to the Participant prior to the date the extension period commences.

6.3 Amendment of the Plan

The Plan may be amended, in whole or in part, from time-to-time, by the Board of Directors of the Employer, without the consent of any other party.

6.4 Termination of the Plan

The Plan may be terminated, at any time, by action of the Board of Directors, without the consent of any other party. The termination of this Plan shall not result in the granting of any additional rights to any Participant, such as full vesting of his Account, except as already provided under the terms of Article IV hereof.

6.5 Notices to Participants

From time-to-time, the Employer shall provide the Participant with a statement regarding his Accrued Benefit. Further, the Participant will be provided written notice of any amendment of the Plan that affects his rights herein, and of the termination of the Plan.

6.6 Non-Alienation

To the extent permitted by law, the right of the Participant in his Accrued Benefit hereunder shall not be subject in any manner to attachment or other legal process for the debts of such Participant, and any such benefit shall not be subject to anticipation, alienation, sale, transfer, assignment or encumbrance.

6.7 Severability

In the event that any provision of this Plan shall be declared illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of this Plan but shall be fully severable and this Plan shall be construed and enforced as if said illegal or invalid provision had never been inserted herein.

6.8 Governing Law

The validity and effect of this Plan and the rights and obligations of all persons affected hereby shall be construed and determined in accordance with the internal laws of the State of Texas except to the extent superseded by federal law

6.9 Taxes

All amounts payable hereunder shall be reduced by any and all federal, state and local taxes imposed upon the Participant which are required to be paid or withheld by the Employer or any other payor of Plan benefits.

6.10 Waiver

Neither the failure nor any delay on the part of the Employer or the Committee to exercise any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise or waiver of any such right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege available to the Employer or the Committee at law or in equity.

IN WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing instrument comprising the National Western Life Insurance Company Non-Qualified Defined Benefit Plan for Robert L. Moody, NATIONAL WESTERN LIFE INSURANCE COMPANY, as the Employer, has caused its seal to be affixed hereto and these presents to be duly executed in its name and behalf by its proper officers thereunto authorized this 24th day of June, 2005.

ATTEST:

NATIONAL WESTERN LIFE
INSURANCE COMPANY

/S/ Margaret Simpson
Secretary

/S/ James P. Payne
Name: James P. Payne
Title: Senior Vice President - Secretary