

NATIONAL WESTERN LIFE INSURANCE CO
Form 10-Q
May 17, 2010

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

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2010

- 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)

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 whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated file" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 11, 2010, the number of shares of Registrant's common stock outstanding was: Class A - 3,425,966 and Class B - 200,000.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NATIONAL WESTERN LIFE INSURANCE COMPANY AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In thousands)

ASSETS	(Unaudited)	
	March 31, 2010	December 31, 2009
Investments:		
Securities held to maturity, at amortized cost (fair value: \$4,585,620 and \$4,331,077)	\$4,365,685	4,176,661
Securities available for sale, at fair value (cost: \$2,038,142 and \$1,967,365)	2,156,231	2,050,079
Mortgage loans, net of allowance for possible losses (\$5,418 and \$5,033)	108,659	98,200
Policy loans	79,294	78,336
Derivatives, index options	83,348	89,915
Other long-term investments	31,822	32,829
Total Investments	6,825,039	6,526,020
Cash and short-term investments	51,690	108,866
Deferred policy acquisition costs	624,025	626,440
Deferred sales inducements	122,810	122,232
Accrued investment income	76,571	71,572
Other assets	68,949	63,605
	\$7,769,084	7,518,735

See accompanying notes to condensed consolidated financial statements.

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NATIONAL WESTERN LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	(Unaudited)	
	March 31,	December
LIABILITIES AND STOCKHOLDERS' EQUITY	2010	31, 2009
LIABILITIES:		
Future policy benefits:		
Traditional life and annuity contracts	\$ 135,216	133,169
Universal life and annuity contracts	6,167,220	5,988,665
Other policyholder liabilities	143,121	128,931
Deferred Federal income tax liability	38,328	32,818
Federal income tax payable	9,622	13,197
Other liabilities	130,735	107,902
Total liabilities	6,624,242	6,404,682
COMMITMENTS AND CONTINGENCIES (Note 8)		
STOCKHOLDERS' EQUITY:		
Common stock:		
Class A - \$1 par value; 7,500,000 shares authorized; 3,425,966 issued and outstanding in 2010 and 2009	3,426	3,426
Class B - \$1 par value; 200,000 shares authorized, issued, and outstanding in 2010 and 2009	200	200
Additional paid-in capital	36,680	36,680
Accumulated other comprehensive income	30,141	17,760
Retained earnings	1,074,395	1,055,987
Total stockholders' equity	1,144,842	1,114,053
	\$ 7,769,084	7,518,735

Note: The condensed consolidated balance sheet at December 31, 2009, has been derived from the audited consolidated financial statements as of that date.

See accompanying notes to condensed consolidated financial statements.

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NATIONAL WESTERN LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

For the Three Months Ended March 31, 2010 and 2009

(Unaudited)

(In thousands, except per share amounts)

	2010	2009
Premiums and other revenue:		
Traditional life and annuity premiums	\$3,617	4,131
Universal life and annuity contract charges	32,094	38,571
Net investment income	102,850	70,606