

NATIONAL WESTERN LIFE INSURANCE CO  
Form 10-Q  
May 12, 2008

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, 2008

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 6, 2008, the number of shares of Registrant's common stock outstanding was: Class A  
– 3,425,454 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, 2008	December 31, 2007
Investments:		
Securities held to maturity, at amortized cost	\$ 3,766,162	3,778,603
Securities available for sale, at fair value	1,911,583	1,900,714
Mortgage loans, net of allowance for possible losses (\$3,568 and \$3,567)	98,530	99,033
Policy loans	82,032	83,772
Derivatives	8,069	25,907
Other long-term investments	16,214	16,562
<b>Total Investments</b>	<b>5,882,590</b>	<b>5,904,591</b>
Cash and short-term investments	93,997	45,206
Deferred policy acquisition costs	663,117	664,805
Deferred sales inducements	104,937	104,029
Accrued investment income	64,222	65,034
Federal income tax receivable	6,099	10,010
Other assets	46,112	41,651
	<b>\$ 6,861,074</b>	<b>6,835,326</b>

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)

LIABILITIES AND STOCKHOLDERS' EQUITY	(Unaudited) March 31, 2008	December 31, 2007
<b>LIABILITIES:</b>		
Future policy benefits:		
Traditional life and annuity contracts	\$ 138,723	138,672
Universal life and annuity contracts	5,423,348	5,441,871
Other policyholder liabilities	130,685	120,400
Federal income tax liability:		
Current	-	-
Deferred	65,599	61,720
Other liabilities	75,742	60,978
<b>Total liabilities</b>	<b>5,834,097</b>	<b>5,823,641</b>
<b>COMMITMENTS AND CONTINGENCIES (Notes 5 and 8)</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock:		
Class A - \$1 par value; 7,500,000 shares authorized; 3,425,454 and 3,422,324 issued and outstanding in 2008 and 2007	3,425	3,422
Class B - \$1 par value; 200,000 shares authorized, issued, and outstanding in 2008 and 2007	200	200
Additional paid-in capital	36,563	36,236
Accumulated other comprehensive loss	(6,549)	(7,065)
Retained earnings	993,338	978,892