



*Annuity*

# Understanding Your Client's Needs

Fixed Annuity Product Guide



# FIXED ANNUITY PRODUCT GUIDE

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## POINTS TO CONSIDER

It is important to ensure that our products meet the needs of your clients. Carefully read this guide in its entirety and call Sales Support at 866-322-7066 with any questions.

This booklet is intended to serve as a guide in helping you identify some of the important factors to consider for each of your clients. By applying this information, you should have a foundation from which an appropriate product recommendation can be made. Please note that the information provided herein is not intended to be all-inclusive. Individual client circumstances will vary and you are expected to adhere to all requirements applicable to insurance producers doing business in your state and your customer's state of residence, if applicable.

Understanding your client's needs is vital before recommending the purchase of an annuity. Simply knowing the features of the annuity is not enough to make a proper recommendation. It is imperative that fact-finding take place as well.

**It is our general policy that no outside sales illustrations, proposals, projections, and/or software, be used during the application, sale, purchase, or any other aspect of marketing our fixed index annuity products, other than Company provided illustration software and approved calculators. The use of any third party vendor illustration software is prohibited. This includes, but is not limited to, sales illustrations, proposals, projections, and/or software that provide hypothetical or past index performance to demonstrate or predict product returns.**

An annuity can be an excellent insurance product for your clients. Clients have various factors that will help indicate which annuity, if any, is appropriate for their individual situation. In discussing an annuity with your client the following factors, in addition to those previously mentioned, must be considered for each annuity purchase. *Please refer to the Compliance Manual for Company guidelines and a comprehensive discussion of each topic.*

- Broad protection of Senior Protection Laws
- Evaluating the buyer—mental or cognitive impairment
- Need to err on side of being conservative
- “Buyer’s remorse”
- Some clients may be less sophisticated than they appear
- Seniors often work closely with other advisors
- Full fact finding and documentation is very important
- Reverse Mortgage, Mortgage and refinancing
- Beneficiaries sometimes have different objectives than the Contract owner
- Index account allocations
- Use of illustrations
- Use of clients’ statements in the sales process
- Wills, trusts and Medicaid planning
- Use of professional designations
- Replacements

## KNOWING YOUR CLIENT

With good fact-finding, the starting point should seem logical. Start with easy questions, even ones with obvious answers. This will give your clients a chance to become comfortable with the process and provide a foundation of knowledge to build upon. We highly recommend the use of a “Fact Finder” form to aid in gathering this information. Please see our website for an example of a Fact Finder. The following are some basic points to consider during your initial interview.

### Personal Information

#### Basics

- Client’s name and date of birth.
- Spouse’s name and date of birth.

#### Occupation of Client (and Spouse if Applicable)

- Current occupation. (A 5-year employment history is helpful.)
- Length of employment.
- Length of time until retirement.
- Current income. (Projections of possible changes in income.)
- Other sources of income. (Some examples to consider may be: pension, side business, part-time work, investment income, rental property.)
- Current debt obligations.
- Annual income needs.
- Future income needs.

#### Dependents

Dependents may be anyone for whom your clients are financially responsible. This could be anyone from stay-at-home spouses who don’t have a retirement account of their own, a child who wants to go to college, or an elderly parent who is in your client’s care. All of these factors affect how long and how much your clients may be able to invest. The following are some basic considerations.

#### Spouse

- Is the spouse currently employed?
- Does the spouse have a pension?
- What type of preparation has the spouse made for retirement?

#### Children

- Age of children, if applicable. (Include addresses and social security numbers.)
- Will they be named as a beneficiary?
- Are they planning on attending college? Is there a savings plan in place now?
- Do you want to include your child(ren) in your financial planning discussion?

#### Other

- Is there an elder dependent living in the home?
- What additional concerns/needs might they have?
- Medical expenses.
- Health-related issues. (e.g. mental or cognitive impairment.)
- Home equity, mortgage, credit card debt.

## KNOWING YOUR CLIENT

### Goals and Objectives

Your clients' goals for their money will vary and may range from short to long-term. All major financial considerations should be accounted for during planning. It is important that, as the person making a recommendation, you understand their needs. For example, are your clients looking to put a down payment on a house or are they attempting to save for retirement?

There will be different factors that motivate each client. It is your duty to understand the client's financial needs, objectives and goals in order to ensure a suitable sale.

#### 1. Retirement

- **Be diversified.** Rarely, if ever, does one type of financial product solve all of your client's retirement needs.
- **Make a plan.** Whatever action you take should be logical. Follow the plan you establish.
- **Make sure your clients won't outlive their income.** Whatever the plan, make sure there will be sufficient income available when needed and for as long as needed.

#### 2. Medical/Long-term Care

- Be sure to discuss these needs.
- Make sure money will be available in the amount needed.
- Consider the liquidity features or riders the annuity offers to accommodate these concerns.

#### 3. Life's Emergencies

- Err on the side of caution when it comes to liquidity needs.
- Leave adequate funds in a savings account or money market for unplanned emergencies.
- Make sure your client is aware of the withdrawal provisions.

#### 4. Higher Education

- Make sure the client's potential purchase does not impede a prior commitment to save for college expenses.
- Pay special attention to the age of the children, as that will affect the time horizon.

#### 5. Life Insurance

- Consider life insurance needs.
- Know what assets your clients need to protect (house, family, lifestyle) and address those concerns specifically.

#### 6. Other

- It may take a little probing to determine what the "other" factors are, but they almost always exist. "Other" may be a new car or second home.
- In addition, how important are these goals in relation to the other concerns listed above? Have they set aside funds for these goals?

The order of these points does not necessarily reflect the level of importance to your client.

## KNOWING YOUR CLIENT

### Income and Assets

It is important to understand just what assets your clients have available. You will need to know the total household income, sources of income, available savings, etc. The more fact-finding you do here, the better. You will gain perspective on just how attainable their goals are, given the income or assets they have available. Below are questions that will assist in this process.

- Net worth?
- Yearly household income?
- Source of this income? (Employment, pension, outside investments, social security, or other.)
- Potential short-term change in income? (Current annuities, life insurance, enhanced withdrawal benefits, etc.)
- How much of the client's savings and available funds will be used to fund this product?
- Current tax bracket?
- Investment experience?
- What kinds of investments or purchases have they made in the past?
- How familiar are they with the concepts you are presenting?

Obtaining this information will give you a better sense of your clients' assets and how an annuity purchase may affect them. As you do this, you may find that they already have an annuity, but no life insurance, and additional annuity products may be inappropriate or unnecessary.

Here are some other points to consider before recommending the purchase of any annuity product:

- What is the source of the funds for the purchase?
- What major expenses do they have that need to be addressed first? (Examples include: mortgage, car payments, health insurance, etc.)
- Are the withdrawal provisions adequate to meet current and anticipated future needs?
- Are other funds available if needed?
- Will they be making a monthly contribution? Is that amount acceptable?
- Who will be the beneficiaries?
- What concerns, if any, may arise specific to the intended beneficiary designation?
- Are the proper beneficiaries provided for the annuitant's beneficiary and the owner's beneficiary?
- Is the product, as applied for, designed to pay the intended beneficiaries at the proper time?
- Is the beneficiary a person or other entity?
- Will the beneficiary/owner in any way impact the tax-deferral status of the annuity contract?

## REPLACEMENT

As you meet with clients, it may become apparent that all or a portion of funds intended for the purchase of a North American annuity could come as the result of a replacement of another company's annuity or life insurance policy. North American strictly adheres to all state laws and regulations regarding replacements. As an insurance agent, there are several factors that you should consider before recommending a transaction involving a replacement.

The following list provides some of those factors:

- Company ratings/financial strength.
- Safety of premium.
- Surrender charges length and/or product.
- Market Value Adjustment (Interest Adjustment)
- Similarities between products.
- Issue date and term remaining on existing contract.
- Rate comparison.
- How a Premium bonus(es) may affect the rate(s).
- Mortality and Expense charges.
- Tax consequences of the replacement.
- Riders on either contract.
- Death Benefit of either contract.
- Collateral effects of replacement. (e.g. How has the need for life insurance been addressed if the life insurance policy is being replaced by an annuity?)
- Each replacement must demonstrate a clear benefit to the client.
- Living/Income benefit of either contract.

Please be aware that North American requires a replacement form for all replacement transactions, regardless of state regulations.

Depending upon the circumstances, a replacement may or may not be in the best interest of a client. In some cases, a change to a currently-owned product may benefit the client more than the purchase of a new product.

Additionally, the definition of "replacement" goes beyond the surrender of one contract and subsequent purchase of another contract. As an agent, you should be aware of all the transactions that are considered a replacement.

For example, a replacement may occur when a life insurance policy or annuity contract has been or is to be:

- Lapsed, forfeited, surrendered, or otherwise terminated;
- Converted to reduced paid-up insurance, continued as extended term insurance or otherwise reduced by the use of nonforfeiture benefits;
- Reduced in value through a withdrawal or partial surrender;
- Reissued with a reduction in cash value;
- Pledged as collateral or subjected to borrowing where the aggregate loan exceeds a state-specified percentage of the loan value of the existing contract; or
- Amended by reducing or eliminating ancillary benefits, such as waiver of premium or accidental death benefits.
- Surrendered to the customer and then used as a cash purchase.
- Reduced in value through a withdrawal or policy surrender with funds sent to the client. Using any portion of these funds to establish a new life insurance policy or annuity contract or fund a subsequent premium on an existing contract.

**Replacing North American business is prohibited by our agent contract. Violating this provision is grounds for termination of your Contract as well as forfeiting the right to service North American contract owners.**

## PRODUCT FEATURES

### Traditional and Fixed Index Annuities

North American has a wide variety of traditional fixed and fixed index annuities. Although each annuity product is different, there are features that are consistent with all of our annuity products. The next section will give you a brief overview and help explain some of the main product features. Following that section is a product-specific summary of our current portfolio. Please also refer to the product-specific brochures, Annuity Disclosure Statements or Annuities At a Glance for additional information. Review the current product approval chart for availability in your state.

Please note: North American's fixed index annuity products are not investments in the stock market and do not participate in any index, stock, bond or equity investments. In addition, market indices do not include the payment or reinvestment of dividends in the calculation of their performance.

Products that have premium bonuses may offer lower credited interest rates, lower Index Cap Rates and or lower Participation Rates than products that don't offer a premium bonus. Over time and under certain scenarios the amount of the premium bonus may be offset by the lower interest rates, lower Index Cap Rates and/or lower Participation Rates.

### Withdrawals

Each contract has specific penalty-free withdrawal provisions that may vary by product. Any excess amount will be subject to a surrender charge and possibly a Market Value Adjustment during the surrender charge period. For most products, the penalty-free withdrawal amount is non-cumulative between contract years. *Please refer to the product brochure for details. Withdrawals prior to age 59½ may be subject to an IRS penalty.*

### Surrender Charges

A surrender charge will be deducted from the Accumulation Value as a result of a full or partial surrender exceeding the penalty-free amount described above. Surrender charges on IRS-Required Minimum Distributions exceeding the penalty-free amount are waived by current Company practice, on most products. Potential earnings may be reduced if your client surrenders the Contract before the end of the surrender charge period or the withdrawal exceeds the penalty-free amount. *Please refer to the product-specific brochure or Annuity Disclosure Statement for a complete listing of surrender charges for each product.*

Note: Surrender charge schedules may vary by product and issue state.

### Market Value Adjustment (also referred to as Interest Adjustment in certain contracts/endorsements)

North American's fixed annuity products may include a Market Value Adjustment. It is applied to the full amount of all full and partial surrenders exceeding the penalty-free amount. The Market Value Adjustment will be assessed during the period specified by the Contract. This adjustment will either decrease or increase the Surrender Value based on the change in the interest rates since the client purchased their annuity. Lower interest rates at time of issue may result in less opportunity for a positive Market Value Adjustment in future contract years. In certain rate scenarios at the time of issue, it may not be possible to experience a positive Market Value Adjustment. *Please refer to the product-specific consumer brochure and Understanding the Market Value Adjustment brochure for more information.*

Note: The Market Value Adjustment feature may not be available in all states or on all products.

### Death Benefit

North American will waive all surrender charges upon the death of the owner or annuitant and will pay out the full Accumulation Value to the beneficiary. If joint annuitants are named in the annuity, the Death Benefit will be paid at the second death. If joint owners are named in the annuity, the Death Benefit will be paid upon the first death.

Distributions will be taxed to the beneficiary at distribution. Clients should consult with and rely on their own tax advisor.

## PRODUCT FEATURES

### Fixed Index Annuities

North American offers innovative fixed index annuity products for you and your clients. With numerous companies offering a wide array of fixed index annuity product designs, it is important to understand all available features and options. The following section explains the features of North American's fixed index annuity portfolio. While this section explains the main features, all North American fixed index annuity products are different; therefore, please refer to the product-specific brochures, Annuity Disclosure Statements or Annuities At a Glance for additional information.

### Fixed Account

The Fixed Account will earn the current Fixed Account interest rate. This rate will be guaranteed for the entire contract year, thereafter a new rate will be declared annually. Please refer to the **Interest Rate Sheet (6745Z)** or our website for current rate information.

### Index Account

North American offers Interest Credits (also referred to as Index Credits) based on the performance of various market indices. Each year, provided there is a gain in the index, the resulting Interest Credit is applied to the Index Account.\* An Index Cap Rate and/or Participation Rate may also be applied to this Interest Credit on certain products. Please refer to the product-specific brochure for additional information. \*For the Biennial option, Interest Credits are applied every 2 years. For the 3-Year Monthly Average option, Interest Credits are applied every 3 years.

### Participation Rate

The Participation Rate is a percentage that is multiplied by the gain each year to determine the Interest Credit. For the 3-Year Monthly Average, the Participation Rate is a percentage that is multiplied by the gain at the end of 3-years to determine the Interest Credit.

### Index Cap Rate

The Index Cap Rate is the maximum percentage of Interest Credit that can be earned. The Index Cap Rate is set at the beginning of each contract year and is guaranteed for one year (except on the Biennial Point to Point option which is set for two years). The Index Cap Rate may be applied to the following Interest Accounts: Annual Point-to-Point, Monthly Average, Monthly Point-to-Point, Biennial Point-to-Point and Daily Average. The Index Cap Rate does not apply to the Fixed Account or the Inverse Performance Trigger. The Fixed Index Annuity may also have a Participation Rate.

If that is the case, the Index Cap Rate may be applied either before or after the Participation Rate depending on the product. If the Index Growth is zero or negative after applying any Index Cap Rate and/or deducting the Participation Rate, the amount credited in that year to the Index Value will be zero.

### Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate that is set in advance each year. The Annual Declared Performance Rate is guaranteed never to go below the minimum guarantee set for this Index Account Option.

### Annual Reset

The Annual Reset allows an Interest Credit, if any, to be added to the Index Account each contract anniversary. That amount, when added, becomes "locked-in" because it can never be taken away due to negative index performance. The "locked-in" Interest Credit will be added to the Accumulation Value, giving the client the advantage of compounding in subsequent years. This feature also resets the starting index point each year on the contract anniversary. Annual Reset minimizes the risk when the index experiences a severe downturn during the year. Your clients then can take advantage of gains from that point forward. Without this feature, they would have to wait for the index to climb up to its original level before any gains could be realized.

### Transfer Options

The client may elect to transfer the values between the Fixed Account and Index Account options. They may also elect to transfer between crediting methods within the Index Account options on an annual basis for all Annual Crediting Method options, every two years for the Biennial Crediting Method or every 3 years for the 3-year Monthly Average Crediting Method. By current Company practice, they will have 30 days following each contract anniversary to reallocate. Transfers are not allowed until after the first contract anniversary for money allocated to the annual options, until their second contract anniversary for money allocated to the biennial option, until their third contract anniversary for money allocated to the three-year options.

## **FIXED INDEX ANNUITY MARKET CONDUCT ISSUES**

A Fixed Index Annuity (FIA) is a fixed annuity with a feature that allows the credited interest rate to be related to an external benchmark (such as the S&P 500®) over which the insurance company has no control. The annuity can earn Interest Credits based upon the performance of the selected indices; however, they are not an actual investment in the stock market or in the applicable index. It is critical that you use accurate terminology when selling North American FIAs. If you do not, you risk giving clients the impression they are buying a registered/variable product, which North American's FIAs are not.

We strongly recommend you refer to the product brochure and disclosure statement to assist you in describing product features. These documents are worded to describe the way the product works in language that your client will likely understand. While we expect you to customize your sales presentation to fit particular clients, it is essential that you describe product features, including surrender charges, liquidity, limitations and withdrawal options, accurately and clearly. A copy of the product brochure must be left with the client.

The brochure and disclosure statement present the product fairly and describe how the interest rate crediting works for all the index options your client has available. First, our disclosure statement details the workings of our product, describing both the features and the contractual obligations. It then requires the client to initial either the product option chosen and/or next to the surrender charge depending on the product. The Annuity Suitability form asks questions to demonstrate that you have considered issues related to the appropriateness of the product for your client. After both you and the client sign the applicable Annuity Suitability form and disclosure statement, submit one copy to North American with the rest of the completed paperwork — leaving copies with the client.

Many states have adopted or proposed legislation that requires a Buyer's Guide to Annuities. North American provides your client, along with their Annuity Contract, a copy of this Buyer's Guide to Annuities, written by the NAIC. The Buyer's Guide is an excellent information resource for annuities in general. It covers the basic definition of an annuity, features and benefits, and the different kinds of annuities, including Fixed Index Annuities. The guide also provides clients a list of questions to ask their agent and points to consider before purchasing an annuity. North American makes available two different versions of the guide; the **Buyer's Guide to Fixed Deferred Annuities (14513Z)** and the **Buyers Guide to Fixed Index Annuities (6828Z-FIA)**. Contact the Annuity Service Center for more information on obtaining copies of the Buyer's Guide to Annuities.

## **FEATURED NORTH AMERICAN ANNUITY PRODUCT INFORMATION**

**Following you will find details on our featured annuity products. This Product Guide does not include our complete line of annuity products.** Please visit our website at [www.NorthAmericanCompany.com](http://www.NorthAmericanCompany.com), reference our Annuities at a Glance resource or contact Sales Support at 866-322-7066 for our full list of annuity products.

# NAC RetireChoice® 10 and 14 Fixed Index Annuity

**2.5% PREMIUM BONUS\* ON 10-YEAR PRODUCT** (for all premium received in the first five contract years)

**5% PREMIUM BONUS\* ON 14-YEAR PRODUCT** (for all premium received in the first five contract years)

High band rates for premium of \$250,000 or greater and low band rates for premium of \$249,999 or less.

## Index Account Options\*\*

Annual reset Index Account options available with the Monthly Point-to-Point, Monthly Average, Annual Point-to-Point Index and Inverse Performance Trigger, Biennial reset Index Account option available with the Biennial (also known as Term) Point-to-Point:

- Dow Jones Industrial Average™ (DJIA®) (MA, APP)
- Nasdaq-100® (APP, MPP)
- S&P 500® (BPP, MA, APP, MPP, IPT)
- S&P MidCap 400® (MA, APP)
- Afternoon (PM) London Gold Market Fixing Price (APP)

## Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.

## Index Cap Rate

The guaranteed minimum Index Cap rate is 2% for Annual Point-to-Point, 4% for the Biennial Point-to-Point, and 1% for Monthly Point-to-Point. An Index Cap Rate does not apply to the Fixed Account, Inverse Performance Trigger or Monthly Average Crediting Methods.

## The Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate to calculate interest credited each year when index performance stays the same or goes down. This Declared Performance Rate may change annually, and it will never fall below the minimum guaranteed rate.

## Minimum Premium

- \$20,000 Qualified and Non-qualified

## Issue Ages

- 0-79 (10-year product) and 0-75 (14-year product)

Note: Issue ages may vary by state.

## Penalty-Free Withdrawals

NAC RetireChoice 10 and 14 allow you to take a penalty-free withdrawal (also known as a Penalty-Free Partial Surrender) of up to 10% of your current Accumulation Value once each contract year after the first contract anniversary, without incurring surrender charges, Premium Bonus Recapture or Market Value Adjustments. Amounts withdrawn in excess of 10% will be assessed a surrender charge, Premium Bonus Recapture and possibly, a Market Value Adjustment during the surrender charge period.

## Surrender Charges

- 10 Years (10%, 10%, 9%, 9%, 8%, 8%, 7%, 6%, 4%, 2%)
- 14 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has a Market Value Adjustment.\*\*\*\*

BPP = Biennial (also known as Term) Point-to-Point  
MA = Monthly Average  
APP = Annual Point-to-Point  
MPP = Monthly Point-to-Point  
IPT = Inverse Performance Trigger

## Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

## Premium Bonus and Recapture Provision

A premium bonus will be credited on premium received during the first five contract years. During the surrender charge period, withdrawals in excess of the penalty-free amount or a full surrender will incur a premium bonus recapture. This is in addition to any applicable surrender charges and/or Market Value Adjustments. This recapture schedule applies to all premium bonus credits, including the additional premium bonus, and is set at issue. Recapture schedule for 10-year product (100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, 10%). Recapture schedule for 14-year product (100%, 95%, 90%, 85%, 80%, 75%, 70%, 65%, 60%, 50%, 40%, 30%, 20%, 10%).

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Market Value Adjustment, less applicable surrender charges, Premium Bonus Recapture and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state, laws at the time of issue, in the state where the Contract is delivered.

## Optional Additional Benefit Rider

- Premium bonus increases from 2.5% to 5% on the 10-year product and 5% to 10% on the 14-year product on premiums received in the first five contract years.
- 5% Additional Payout benefit on Accumulation Value for the 10-year product and 4% on the 14-year product, at payout after the surrender charge period.
- Enhanced Penalty-Free withdrawals—10% of Accumulation Value after the first year. Beginning the third year, withdrawals can increase to 20% (maximum) if no withdrawal was taken in the previous year.
- Return of Premium is available starting in the third contract year, less premium bonus, any withdrawals or optional Rider costs (excluding the Additional Benefit Rider charge)

Rider cost for RetireChoice 10 is 0.55% and for RetireChoice 14 it is 0.60% of the Accumulation Value at each contract anniversary during the Surrender Charge period.

Optional rider cost, under certain scenarios, may result in loss of premium.

\* Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected. North American products and appropriate state variations are issued by North American Company for Life and Health Insurance®, West Des Moines, IA.

\*\*Indices and strategies may not be available in all states.

\*\*\*See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

\*\*\*\*Please see page 8 for further details on the Market Value Adjustment.

# NAC IncomeChoice<sup>SM</sup> 10 and 14 Fixed Index Annuity

Generate guaranteed lifetime income through the Guaranteed Lifetime Withdrawal Benefit (GLWB) feature. High band rates for premium of \$250,000 or greater and low band rates for premium of \$50,000–\$249,999.

## Issue Ages

- 40-79 for 10-year
- 40-75 for 14-year

Note: Issue ages may vary by state.

## Minimum Premium

- \$50,000 Qualified and Non-qualified

## GLWB Value

The GLWB Value is used as the basis for calculating Lifetime Payment Amounts (LPAs) which can provide lifetime income. This value is used only in determining Lifetime Payment Amounts and not as the basis for calculating the Accumulation Value, Death Benefit or other withdrawals from the contract.

## GLWB Bonus

A 5% GLWB Bonus will be applied to the GLWB Value on all premiums received in the first five contract years.

## GLWB Stacking Roll-Up Credit

In addition to the GLWB Bonus, a GLWB Stacking Roll-Up Credit is added to the GLWB Value during the first 20 contract years and it compounds annually. On each contract anniversary during the first 20 contract years, the current GLWB Value may be increased by 5% of the GLWB Value plus the dollar amount of any interest credited to the Accumulation Value. The GLWB Stacking Roll-Up Credit only applies if no withdrawals are taken in the preceding contract year. The GLWB Value is ultimately used to calculate your LPA.

## Lifetime Payment Amounts

The client can choose how frequently they receive their Lifetime Payment Amounts (LPAs): monthly, quarterly, semi-annually or annually. When they first elect Lifetime Payment Amounts, their payments will be based on their current GLWB Value, multiplied by a percentage based on the annuitant's age.) See product brochure for LPP charts and more details regarding this feature.

## Index Account Options\*\*

Index Account options available are the Monthly Average, Monthly Point-to-Point, Annual Point-to-Point Index, 3-Year Monthly Average and Inverse Performance Trigger:

- Dow Jones Industrial Average<sup>TM</sup> (DJIA<sup>®</sup>) (MA, APP)
- Nasdaq-100<sup>®</sup> (MPP, APP)
- S&P 500<sup>®</sup> (MA, MPP, APP, 3YMA, IPT)
- S&P MidCap 400<sup>®</sup> (MA, APP)
- Afternoon (PM) London Gold Market Fixing Price

## Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 0.50%.\*\*\*

## Index Cap Rate

The guaranteed minimum Index Cap rate is 2% for Annual Point-to-Point and 1% for Monthly Point-to-Point.

## Participation Rate

The guaranteed minimum Participation Rate is 10% for Monthly Average and 20% for 3-Year Monthly Average.

## The Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate to calculate Interest Credited each year when index performance stays the same or goes down. This Declared Performance Rate may change annually, and it will never fall below the minimum guaranteed rate.

## Penalty-Free Withdrawals

NAC IncomeChoice allows you to take a penalty-free withdrawal (also known as Penalty-Free Partial Surrender) of up to 5% of your current Accumulation Value once each contract year after the first contract anniversary, without incurring surrender charges or Market Value Adjustments. Amounts withdrawn in excess of 5% will be assessed a surrender charge and possibly a Market Value Adjustment during the surrender charge period. If you take a withdrawal it will result in a reduction of your Accumulation Value and GLWB Value.

## Surrender Charges

- 10 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%, 4%, 2%)
- 14 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has a Market Value Adjustment.\*\*\*\*

## Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Market Value Adjustment, less applicable surrender charges, and state premium taxes. The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the contract is delivered.

\*Products offering a Bonus may result in a lower rate than products that don't offer a Bonus. North American products and appropriate state variations are issued by North American, West Des Moines, IA.

\*\*Indices and strategies may not be available in all states.

\*\*\*See the most current version of the Interest Rate Sheet (6745Z) for rate information.

\*\*\*\*Please see page 8 for further details on the Market Value Adjustment.

## Annuity Product Information *Fixed Annuity Product Guide*

# NAC SecureChoice<sup>SM</sup> 10 and 14 Fixed Index Annuity

## With a Built-In Stacking Roll-Up Death Benefit\*

High band rates for premium of \$250,000 or greater and low band rates for premium of \$249,999 or less.

### Issue Ages

- 40-79 for 10-year
- 40-75 for 14-year

Note: Issue ages may vary by state.

### Minimum Premium

- \$20,000 Qualified and Non-qualified

### Death Benefit

The Contract comes with a Guaranteed Minimum Death Benefit (GMDB) at no additional cost that provides value as a death benefit\* to their heirs.

### Bonus Opportunities\*\*

Several bonus opportunities are provided with the NAC SecureChoice 10 and 14. A 5% bonus is applied to three specific values:

1. 5% Premium Bonus applied to Accumulation Value
2. 5% GMDB Bonus applied to GMDB Amount
3. 5% GLWB Bonus applied to GLWB Value (if NAC SecureChoice Plus Rider elected).

### Index Account Options\*\*\*

Index Account options available with the Monthly Average, 3-Year Monthly Average, Monthly Point-to-Point, Annual Point-to-Point and Inverse Performance Trigger:

- Dow Jones Industrial Average<sup>TM</sup> (DJIA<sup>®</sup>) (MA, APP)
- Nasdaq-100<sup>®</sup> (MPP, APP)
- S&P 500<sup>®</sup> (MA, MPP, APP, 3YMA, IPT)
- S&P MidCap 400<sup>®</sup> (MA, APP)
- Afternoon (PM) London Gold Market Fixing Price

### Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter.

This rate will never fall below the minimum guaranteed interest rate of 0.50%.\*\*\*\*

### Index Cap Rate

The guaranteed minimum Index Cap rate is 2% for Annual Point-to-Point and 1% for Monthly Point-to-Point.

### Participation Rate

The guaranteed minimum Participation Rate is 10% for Monthly Average and 20% for 3-Year Monthly Average.

### The Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate to calculate interest credited each year when index performance stays the same or goes down. This Declared Performance Rate may change annually, and it will never fall below the minimum guaranteed rate.

### Penalty-Free Withdrawals

Up to 5% of your Accumulation Value, once per year after the first contract anniversary. Beginning in the third contract year, penalty-free withdrawals can increase to 10% (maximum) in years in which no withdrawal was taken in the previous year. If any withdrawal is taken during a contract year, the penalty-free allowance available for the following year resets to 5%.

### Surrender Charges

- 10 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%, 4%, 2%)
- 14 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has a Market Value Adjustment.\*\*\*\*\*

### Premium Bonus and Recapture Provision

A premium bonus will be credited on premium received during the first five contract years. During the surrender charge period, withdrawals in excess of the penalty-free amount or a full surrender will incur a premium bonus recapture. This is in addition to any applicable surrender charges and/or Market Value Adjustments. This recapture schedule applies to all premium bonus credits and is set at issue.

- 10-Years (100% 100% 100% 100% 100% 90% 80% 60% 40% 20%)
- 14-Years (100% 100% 100% 100% 100% 90% 80% 70% 60% 50% 40% 30% 20% 10%)

\*While certain included features may have no explicit cost, a product with a built-in GMDB feature may offer lower credited interest rates, lower Index Cap Rates and/or lower Participation Rates than products that don't have these built-in features.

\*\*Products that have bonuses may offer lower credited interest rates, lower Index Cap Rates and/or lower Participation Rates than products that don't offer a bonus. Over time and under certain scenarios the amount of the bonus may be offset by the lower interest rates, lower Index Cap Rates and/or lower Participation Rates. North American products and appropriate state variations are issued by North American, West Des Moines, IA.

\*\*\*Indices and strategies may not be available in all states.

\*\*\*\*See the most current version of the Interest Rate Sheet (18590Z) for rate information.

\*\*\*\*\*Please see page 8 for further details on the Market Value Adjustment.

## NAC SecureChoice<sup>SM</sup> 10 and 14, *Continued*

### Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

### Guaranteed Minimum Death Benefit (GMDB)

- **NO ADDITIONAL CHARGE** – Stacking Roll-Up Death Benefit is Built-in\*
- **5% GMDB Bonus\*\***
- **GMDB Stacking Roll Up Credit:\*\*\*** 2.75% for 10-Year or 3.25% for 14-Year of GMDB Amount + Interest Credits (Dollar Amount)
  - Stacking Roll-Up Applies Even if Penalty-Free Withdrawals are Taken\*\*\*\*

### GMDB Amount

The GMDB Amount is available as a death benefit if greater than the Accumulation Value. See product brochure for more details.

### GMDB Bonus

A 5% GMDB Bonus will be applied to the GMDB Amount on all premiums (excluding premium bonus) received in the first five contract years.

### GMDB Stacking Roll-Up Credit

In addition to the GMDB Bonus, a GMDB Stacking Roll-Up Credit may be added to the GMDB Amount until age 85. On the contract anniversary, the current GMDB Amount may be increased by 2.75% on the 10-Year and 3.25% on the 14-Year of the GMDB Amount plus the dollar amount of any interest credited to the Accumulation Value during the preceding year. The GMDB Stacking Roll-Up Credit percentage (2.75% on the 10-Year and 3.25% on the 14-Year.) is set at issue and is guaranteed never to decrease. The GMDB Stacking Roll-Up Credit compounds annually. The GMDB Stacking Roll-Up Credit will apply when withdrawals are taken as long as the withdrawal doesn't exceed the penalty free amount (or RMD if greater) in any contract year. The GMDB Stacking Roll-Up Credit will end on the Lifetime Payment Election Date.

### NAC SecureChoice Plus Rider

Optional Guaranteed Lifetime Withdrawal Benefit (GLWB) Rider, for a 0.95% annual cost

- 5% GLWB Bonus\*\*
- GLWB Stacking Roll Up Credit:\*\*\* 4.5% of GLWB Value + Interest Credits (Dollar Amount)
  - Stacking Roll-Up Applies Even if Penalty-Free Withdrawals are Taken\*\*\*\*
- Annual Increasing Lifetime Payment Percentages (ages 60-80)

### GLWB Value

The GLWB Value is used as the basis for calculating the Lifetime Payment Amount which can provide lifetime income. See product brochure for more details.

### GLWB Bonus

A 5% GLWB Bonus will be applied to the GLWB Value on all premiums (excluding premium bonus) received in the first five contract years.

### GLWB Stacking Roll-Up Credit

In addition to the GLWB Bonus, a GLWB Stacking Roll-Up Credit may be added to the GLWB Value. On the contract anniversary, the current GLWB Value may be increased by 4.5% of the GLWB Value plus the dollar amount of any interest credited to the Accumulation Value during the preceding year. The GLWB Stacking Roll-Up Credit percentage (4.5%) is set at issue and is guaranteed never to decrease. The GLWB Stacking Roll-Up Credit compounds annually. The GLWB Stacking Roll-Up Credit will apply when withdrawals are taken as long as the withdrawal doesn't exceed the penalty free amount (or RMD if greater) in any contract year. The GLWB Stacking Roll-Up Credit will end on the Lifetime Payment Election Date.

### Lifetime Payment Amounts

The client can choose how frequently they receive their Lifetime Payment Amounts (LPAs): monthly, quarterly, semi-annually or annually. When they first elect Lifetime Payment Amounts, their payments will be based on their current GLWB Value, multiplied by a percentage based on the annuitant's age.) See product brochure for LPP charts and more details regarding this feature.

\*While certain included features may have no explicit cost, a product with a built-in GMDB feature may offer lower credited interest rates, lower Index Cap Rates and/or lower Participation Rates than products that don't have these built-in features.

\*\* Products that have bonuses may offer lower credited interest rates, lower Index Cap Rates and/or lower Participation Rates than products that don't offer a bonus. Over time and under certain scenarios the amount of the bonus may be offset by the lower interest rates, lower Index Cap Rates and/or lower Participation Rates.

\*\*\* GMDB Stacking Roll-Up Credits and GLWB Stacking Roll-Up Credits are not applied to the Accumulation Value, only to the GMDB Amount or GLWB Value. There is no GMDB or GLWB Stacking Roll-Up Credit in years when an excess withdrawal is taken or lifetime income payments have been elected. The GMDB and GLWB Stacking Roll-Up Credit is available if a Required Minimum Distribution (RMD) is required.

\*\*\*\* Certain withdrawals taken will impact the Accumulation Value, GMDB Amount and GLWB Value. Withdrawals taken prior to age 59½ may be subject to IRS penalties. Under current law, annuities grow tax deferred. An annuity is not required for tax deferral in qualified plans.

# Performance Choice® 8, Performance Choice® 8 PLUS Fixed Index Annuity

**4% Premium Bonus\* on Performance Choice 8 Plus** (for all premium received in the first five contract years)

## Index Account Options\*\*

Annual reset Index Account options available with the Monthly Point-to-Point, Annual Point-to-Point Index and Inverse Performance Trigger:

- Dow Jones Industrial Average™ (DJIA®), (APP)
- Nasdaq-100® (APP, MPP)
- S&P 500® (APP, MPP, IPT)
- EURO STOXX 50® (APP)
- Russell 2000® (APP)
- S&P MidCap 400® (APP)
- Hang Seng (APP)

## Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.\*\*\*

## Index Cap Rate

The guaranteed minimum Index Cap rate is 2% for Annual Point-to-Point and 1% for Monthly Point-to-Point. An Index Cap Rate does not apply to the Fixed Account or the Inverse Performance Trigger.

## Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate to calculate interest credited each year when index performance stays the same or goes down. The minimum guaranteed Declared Performance Rate will never be less than 1%.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified

## Issue Ages

- 0-85 (Qualified and Non-qualified)

Note: Issue ages may vary by state.

## Penalty-Free Withdrawals

Up to 10% of the current Accumulation Value, once each contract year, after the first contract anniversary, without incurring surrender charges, Premium Bonus recapture (if applicable) or Interest Adjustments. Amounts withdrawn in excess of 10% will be assessed a surrender charge, Premium Bonus Recapture (if applicable) and, possibly, an Interest Adjustment during the surrender charge period.

## Surrender Charges

- 8 Years (10%, 10%, 10%, 10%, 9%, 8%, 5%, 3%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.\*\*\*\*

## Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

## Premium Bonus and Recapture Provision

For the Performance Choice 8 Plus, a 4% premium bonus will be credited to the Accumulation Value for premium received during the first five contract years. During the surrender charge period, withdrawals in excess of the penalty-free amount or a full surrender will incur a premium bonus recapture as outlined below. This is in addition to any applicable surrender charges and/or Interest Adjustments. The recapture schedule is based on the issue date and applies to all premium bonuses credited. Recapture schedule: Contract Years 1-8 (100%, 90%, 80%, 70%, 60%, 50%, 40%, 20%).

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges, Premium Bonus Recapture and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state, laws at the time of issue, in the state where the Contract is delivered.

\*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

\*\*Indices and strategies may not be available in all states.

\*\*\*See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

\*\*\*\*Please see page 8 for further details on the Interest Adjustment.

# Performance Choice® 12, Performance Choice® 12 PLUS Fixed Index Annuity

**8% Premium Bonus on Performance Choice 12 Plus\*** (for all premium received in the first five contract years)

## Index Account Options\*\*

Annual reset Index Account options available with the Monthly Point-to-Point, Annual Point-to-Point Index and Inverse Performance Trigger:

- Dow Jones Industrial Average™ (DJIA®) (APP)
- Nasdaq-100® (APP, MPP)
- S&P 500® (APP, MPP, IPT)
- EURO STOXX 50® (APP)
- Russell 2000® (APP)
- S&P MidCap 400® (APP)
- Hang Seng (APP)

## Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.\*\*\*

## Index Cap Rate

The guaranteed minimum Index Cap rate is 2% for Annual Point-to-Point and 1% for Monthly Point-to-Point. An Index Cap Rate does not apply to the Fixed Account or the Inverse Performance Trigger.

## Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate to calculate interest credited each year when index performance stays the same or goes down. The minimum guaranteed Declared Performance Rate will never be less than 1%.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified

## Issue Ages

- 0-75 (Qualified and Non-qualified)

Note: Issue ages may vary by state.

## Penalty-Free Withdrawals

Up to 10% of the current Accumulation Value, once each contract year, after the first contract anniversary, without incurring surrender charges, Premium Bonus recapture (if applicable) or Interest Adjustments. Amounts withdrawn in excess of 10% will be assessed a surrender charge, Premium Bonus Recapture (if applicable) and, possibly, an Interest Adjustment during the surrender charge period.

## Surrender Charges

- 12 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 2%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.\*\*\*\*

## Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

## Premium Bonus and Recapture Provision

For the Performance Choice 12 Plus, an 8% premium bonus will be credited to the Accumulation Value for premium received during the first five contract years. During the surrender charge period, withdrawals in excess of the penalty-free amount or a full surrender will incur a premium bonus recapture as outlined below. This is in addition to any applicable surrender charges and/or Interest Adjustments. The recapture schedule is based on the issue date and applies to all premium bonuses credited. Recapture schedule: Contract Years 1-12 (100%, 95%, 90%, 85%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, 10%).

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges, Premium Bonus Recapture and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state, laws at the time of issue, in the state where the contract is delivered.

\*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

\*\*Indices and strategies may not be available in all states.

\*\*\*See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

\*\*\*\*Please see page 8 for further details on the Interest Adjustment.

# North American Charter<sup>SM</sup> Series Fixed Index Annuity

**5% PREMIUM BONUS\* ON 10-YEAR PRODUCT** (for all premium received in the first seven contract years)

**10% PREMIUM BONUS\* ON 14-YEAR PRODUCT** (for all premium received in the first seven contract years)

## Interest Accounts\*\*

Annual reset Index Account options using Daily Average (DA), Monthly Point-to-Point (MPP) and Annual Point-to-Point (APP):

- Dow Jones Industrial Average<sup>TM</sup> (DJIA<sup>®</sup>) (APP, DA)
- Russell 2000<sup>®</sup> Index (APP, DA)
- EURO STOXX 50<sup>®</sup> (APP)
- S&P MidCap 400<sup>®</sup> (APP, DA)
- S&P 500<sup>®</sup> (APP, DA, MPP)
- Nasdaq-100<sup>®</sup> (APP, MPP)
- Hindsight Index Strategy<sup>®</sup> (combination of S&P 500<sup>®</sup>, EURO STOXX 50<sup>®</sup> and Russell 2000<sup>®</sup>) (APP)

## Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.\*\*\*

## Index Cap Rate

The Annual Point-to-Point, Daily Average and Hindsight Index Strategy guaranteed minimum Index Cap Rate is 2%. The Monthly Point-to-Point minimum Index Cap Rate is 1%. This rate does not apply to the Fixed Account.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

## Issue Ages

- 0-79 for the 10-Year product, or
- 0-75 for the 14-Year product

Note: Issue ages apply to both Qualified and Non-qualified premium and may vary by state.

## Penalty-Free Withdrawals

Up to 10% of the Accumulation Value, once each year, after the first contract anniversary. Withdrawals prior to age 59½ may be subject to IRS penalties.

## Surrender Charges (choice of 2 options)

- 14 Years: (18%, 18%, 17%, 15%, 15%, 15%, 15%, 14%, 12%, 10%, 8%, 6%, 4%, 2%)
- 10 Years: (15%, 14%, 13%, 12%, 11%, 10%, 8%, 6%, 4%, 2%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.\*\*\*\*

## Rider

- Nursing Home Confinement Rider

Note: Rider may not be available in all states and is issued to ages 75 and younger. Rider is automatically added to contract at no cost.

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

\*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

\*\*Indices and strategies may not be available in all states.

\*\*\*See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

\*\*\*\*Please see page 8 for further details on the Interest Adjustment.

# North American Precision<sup>SM</sup> Series Fixed Index Annuity

**5% PREMIUM BONUS\* ON 10-YEAR PRODUCT** (for all premium received in the first seven contract years)

**10% PREMIUM BONUS\* ON 14-YEAR PRODUCT** (for all premium received in the first seven contract years)

## Interest Accounts\*\*

Annual reset Index Account options using Daily Average (DA), Monthly Point-to-Point (MPP) and Annual Point-to-Point (APP):

- Dow Jones Industrial Average<sup>TM</sup> (DJIA<sup>®</sup>) (APP, DA)
- Russell 2000<sup>®</sup> Index (APP, DA)
- EURO STOXX 50<sup>®</sup> (APP)
- S&P MidCap 400<sup>®</sup> (APP, DA)
- S&P 500<sup>®</sup> (APP, DA, MPP)
- Nasdaq-100<sup>®</sup> (APP, MPP)
- Hindsight Index Strategy<sup>®</sup> (combination of S&P 500<sup>®</sup>, Dow Jones, EURO STOXX 50<sup>®</sup> and Russell 2000<sup>®</sup>) (APP)

## Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.\*\*\*

## Index Cap Rate

The Annual Point-to-Point and Hindsight Index Strategy guaranteed minimum Index Cap Rate is 2%. The Monthly Point-to-Point minimum Index Cap Rate is 1%. The Index Cap Rate is applied after the Participation Rate for the Annual Point-to-Point Crediting Method. This rate does not apply to the Fixed Account or the Daily Average Crediting Method.

## Participation Rate

**(Not applicable on Fixed Account or MPP)**

The guaranteed minimum Participation Rate is 10% for Daily Average and 15% for Annual Point-to-Point and Hindsight Index Strategy.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

## Penalty-Free Withdrawals

Up to 10% of the Accumulation Value, once each year, after the first contract anniversary. Withdrawals prior to age 59½ may be subject to IRS penalties.

## Issue Ages (Qualified and Non-qualified)

- 0-79 for the 10-Year product, or
- 0-75 for the 14-Year product

Note: Issue ages apply to both Qualified and Non-qualified premium and may vary by state.

## Surrender Charges (choice of 2 options)

- 14 Years: (18%, 18%, 17%, 15%, 15%, 15%, 15%, 14%, 12%, 10%, 8%, 6%, 4%, 2%)
- 10 Years: (15%, 14%, 13%, 12%, 11%, 10%, 8%, 6%, 4%, 2%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.\*\*\*\*

## Rider

- Nursing Home Confinement Rider

Note: Rider may not be available in all states and is issued to ages 75 and younger. Rider is automatically added to contract at no cost.

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

\*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

\*\*Indices and strategies may not be available in all states.

\*\*\*See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

\*\*\*\*Please see page 8 for further details on the Interest Adjustment.

# North American Freedom Choice® Series Fixed Index Annuity

**PREMIUM BANDING ON RATES** (Low Band: \$249,999 premium or less. High Band: \$250,000 premium or greater.)

## Interest Accounts\*

Annual reset Index Account options using Monthly Point-to-Point (MPP) and Annual Point-to-Point (APP):

- Dow Jones Industrial Average™ (DJIA®) (APP)
- Russell 2000® Index (APP)
- EURO STOXX 50® (APP)
- S&P MidCap 400® (APP)
- S&P 500® (APP, MPP)
- Nasdaq-100® (APP, MPP)

## Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.\*\*

## Index Cap Rate

The Annual Point-to-Point guaranteed minimum Index Cap Rate is 2%. The Monthly Point-to-Point minimum Index Cap Rate is 1%. This rate does not apply to the Fixed Account.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

## Issue Ages

- 0-85 for the 8-Year product,
- 0-79 for the 10-Year product, or
- 0-75 for the 14-Year product

Note: Issue ages apply to both Qualified and Non-qualified premium and may vary by state.

## Penalty-Free Withdrawals

Your clients will have the option of selecting either a 5% or 10% penalty-free withdrawal option. The option selected will determine the percentage of your clients' Accumulation Value that may be withdrawn each contract year after their first contract anniversary. Withdrawals, prior to age 59½ may be subject to IRS penalties.

Note: On the 10% withdrawal option only, withdrawals can be taken out on a systematic basis.

## Surrender Charges (choice of 3 options)

- 14 Years: (9%, 9%, 9%, 9%, 8%, 8%, 7%, 7%, 6%, 6%, 5%, 4%, 3%, 2%)
- 10 Years: (9%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%)
- 8 Years: (9%, 9%, 8%, 7%, 6%, 5%, 4%, 2%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.\*\*\*

## Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

\*Indices and strategies may not be available in all states.

\*\*See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

\*\*\*Please see page 8 for further details on the Interest Adjustment.

# North American Prizm Plus® Series Fixed Index Annuity

**5% PREMIUM BONUS\* ON 10-YEAR PRODUCT** (for all premium received in the first seven contract years)

**10% PREMIUM BONUS\* ON 14-YEAR PRODUCT** (for all premium received in the first seven contract years)

## Index Account Options\*\*

Annual reset Index Account options using Monthly Average (MA), Monthly Point-to-Point (MPP) and Annual Point-to-Point (APP):

- Dow Jones Industrial Average™ (DJIA®) (APP, MA)
- Russell 2000® Index (APP, MA)
- EURO STOXX 50® (APP)
- S&P MidCap 400® (APP, MA)
- S&P 500® (APP, MA, MPP)
- Nasdaq-100® (APP, MPP)

## Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.\*\*\*

## Participation Rate

The Participation Rate is guaranteed for the first year, but can change each subsequent year. The Participation Rate is set in advance, never to be less than 10%. The Participation Rate does not apply to the Monthly Point-to-Point Index Option and the Fixed Account.

## Index Cap Rate

### (Monthly Point-to-Point Only)

The Index Cap Rate is declared on each contract anniversary, based upon current economic conditions, and is guaranteed for the next contract year. At no time will the rate ever fall below the guaranteed 1% monthly Index Cap Rate.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

## Issue Ages (Qualified and Non-qualified)

- 0-79 for the 10-Year product, or
- 0-75 for the 14-Year product

Note: Issue ages apply to both Qualified and Non-qualified premium and may vary by state.

## Penalty-Free Withdrawals

Up to 10% of the Accumulation Value, once each year, after the first contract anniversary. Withdrawals prior to age 59½ may be subject to IRS penalties.

## Surrender Charges (choice of 2 options)

- 14 Years: (18%, 18%, 17%, 15%, 15%, 15%, 15%, 14%, 12%, 10%, 8%, 6%, 4%, 2%)
- 10 Years: (14%, 13%, 12%, 11%, 10%, 9%, 8%, 6%, 4%, 3%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.\*\*\*\*

## Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

\*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

\*\*Indices and strategies may not be available in all states.

\*\*\*See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

\*\*\*\*Please see page 8 for further details on the Interest Adjustment.

# North American Pillar® Fixed Index Annuity

**2% PREMIUM BONUS\*** (for all premium received in the first five contract years)

## Index Account Options\*\*

Annual reset Index Account options available with the Daily Average, Monthly Point-to-Point and Annual Point-to-Point Index Accounts:

- Dow Jones Industrial Average™ (DJIA®) (APP, DA)
- Russell 2000® Index (APP, DA)
- EURO STOXX 50® (APP)
- S&P MidCap 400® (APP, DA)
- S&P 500® (APP, DA, MPP)
- Nasdaq-100® (APP, MPP)
- Hindsight Index Strategy® (combination of S&P 500®, EURO STOXX 50® and Russell 2000®) (APP)

## Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.\*\*\*

## Index Cap Rate

The Annual guaranteed minimum Index Cap Rate is 2% for the Annual Point-to-Point Index Accounts. The Monthly Point-to-Point minimum Index Cap Rate is 1%. This rate does not apply to the Fixed Account or Daily Average Account.

## Participation Rate

The guaranteed minimum Participation Rate is 10% for the Daily Average Index Account. The Participation Rate does not apply to the Annual Point-to-Point, Monthly Point-to-Point or Fixed Account.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

## Issue Ages (Qualified and Non-qualified)

- 0-79

Note: Issue ages may vary by state.

## Penalty-Free Withdrawals

Up to 10% of the Accumulation Value, once each year, after the first contract year. Withdrawals prior to age 59½ may be subject to IRS penalties.

## Surrender Charges

- 10 Years: 9%, 8.5%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details.

## Waiver

- Nursing Home Confinement Waiver
- Terminal Illness Waiver

Note: Rider may not be available in all states and is issued to ages 75 and younger. Rider is automatically added to contract at no cost.

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, less applicable surrender charges and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

\*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

\*\*Indices and strategies may not be available in all states.

\*\*\*See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

# North American Guarantee Choice<sup>SM</sup> Multi-Year Guarantee Annuity

## Description

Single premium, multi-year guaranteed interest annuity offering different guarantee periods and premium banding on rates. High band rates for premium of \$200,000 or greater and low band rates for premium of \$199,999 or less.

## Minimum Guaranteed Interest Rate

Minimum guaranteed interest rate is 1%.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified

## Issue Ages (Qualified and Non-qualified)

- 0-90

Note: Issue ages may vary by state.

## Penalty-Free Withdrawals

Current year's interest withdrawals available each year after the first contract anniversary. By current Company practice, can begin as early as 30 days after annuity is issued if received on a systematic withdrawal program. Withdrawals prior to age 59½ may be subject to IRS penalties.

## Surrender Charges

- 4 Years: 10%, 10%, 10%, 10%
- 5 Years: 10%, 10%, 10%, 10%, 10%
- 6 Years: 10%, 10%, 10%, 10%, 10%, 9%
- 7 Years: 10%, 10%, 10%, 10%, 10%, 9%, 8%
- 8 Years: 10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%
- 9 Years: 10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%, 4%
- 10 Years: 10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%, 4%, 2%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. Refer to the rate sheet for available surrender charge options. This product has an Interest Adjustment.\*

## Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

## Minimum Guaranteed Cash Value (MGCV)

The MGCV of this annuity equals 100% of premium, less any withdrawals before any surrender charges or Interest Adjustment, accumulated at the MGCV Interest Rate per year, less any applicable surrender charges.

\*Please see page 8 for further details on the Interest Adjustment.

# North American Guarantee Choice<sup>SM</sup> II Multi-Year Guarantee Annuity

## Description

Single premium, multi-year guarantee interest annuity offering guarantee periods of 3, 4, 5, 6, 7, 8, 9 and 10 years and banding on rates. High band rates for premium of \$200,000 or greater and low band rates for premium of \$199,999 or less.

## Interest Rate

Guaranteed for entire duration elected. For premiums of \$200,000 and above, your client receives a higher interest rate.

## Minimum Guaranteed Interest Rate

Minimum guaranteed interest rate is 0.50%.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified

## Issue Ages (Qualified and Non-qualified)

- 0-90 (Qualified and Non-qualified)

## Penalty-Free Withdrawals

Current year's interest withdrawals available, as soon as 30 days after issue, by current Company practice if received on a systematic withdrawal program. Withdrawals prior to age 59½ may be subject to IRS penalties.

## Surrender Charges

- 4 Years - 9.30%, 8.40%, 7.50%, 6.60%
- 5 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%
- 6 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%, 4.75%
- 7 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%, 4.75%, 3.80%
- 8 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%, 4.75%, 3.80%, 2.85%
- 9 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%, 4.75%, 3.80%, 2.85%, 1.90%
- 10 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%, 4.75%, 3.80%, 2.85%, 1.90%, 0.95%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. This product has an Interest Adjustment.\*

## Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes. At no time will the Surrender Value under this Contract be less than the minimum values required by the NAIC Standard Nonforfeiture Law for Individual Deferred Annuities, model #805.

\*Please see page 8 for further details on the Interest Adjustment.

# North American Income® Immediate Annuity

## Description

Single premium immediate annuity that protects premium while providing a competitive income in order to maximize benefits and achieve retirement goals.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified

## Issue Ages (Qualified and Non-qualified)

- 0-85 All options
- 0-95 Period Certain

Note: Issue ages may vary by state.

## Settlement Options

Available payouts:

- 5-20 Year Certain
- Life Only
- Life with Period Certain
- Joint Life
- Joint Life with Period Certain
- Installment Refund
- Cash Refund

Note: Payouts not to exceed 100 years of age.

## Surrender Charges

Not applicable

# The Boomer Annuity® Traditional Fixed Annuity

**5% PREMIUM BONUS\*** (for all premium received in the first five contract years)

## Interest Accounts

Fixed Account – The Fixed Account Rate is guaranteed for the entire contract year and will renew annually thereafter. This rate will never fall below the Minimum Guaranteed Interest Rate of 1%.\*\*

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

## Issue Ages (Qualified and Non-qualified)

- 0-80

Note: Issue ages may vary by state.

## Penalty-Free Withdrawals

Up to 5% of the Accumulation Value, once each year, after the first contract anniversary. Withdrawals prior to age 59½ may be subject to IRS penalties.

## Surrender Charges

- 10 Years: 15%, 14%, 13%, 12%, 11%, 10%, 8%, 6%, 4%, 2%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.\*\*\*

## Rider

- Nursing Home Confinement Rider

Note: Rider may not be available in all states and is issued to ages 75 and younger. Rider is automatically added to contract at no cost.

## Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes. The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

\*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

\*\*See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

\*\*\*Please see page 8 for further details on the Interest Adjustment.

# North American Director® Traditional Fixed Annuity

## Description

Multi-year guaranteed interest annuity offering an interest rate bonus on all premiums received during the first year.

## Minimum Guaranteed Interest Rate

Minimum guaranteed interest rate is 1%.

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

## Issue Ages (Qualified and Non-qualified)

- 0-85

Note: Issue ages may vary by state.

## Penalty-Free Withdrawals

Up to 10% of Accumulation Value each year, after the first contract anniversary (interest withdrawals are available 30 days after issue by current Company practice). Withdrawals prior to age 59½ may be subject to IRS penalties.

## Surrender Charges

- 9 Years: 12%, 11%, 10%, 9%, 8%, 7%, 6%, 4%, 2%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment. \*

## Riders

- Nursing Home Confinement Rider
- Terminal Illness Rider
- Unemployment Rider

Riders may not be available in all states. Riders are automatically added to contract at no cost. Nursing Home and Terminal Illness Riders are issued to ages 75 and younger. Unemployment Rider is issued to ages 65 and younger.

\*Please see page 8 for further details on the Interest Adjustment.

# NA Flex Series (NA Flex II®, NA Flex III®) Traditional Fixed Annuity

**5% PREMIUM BONUS\* ON NA FLEX II** (for all premium received in the first five contract years)

**10% PREMIUM BONUS\* ON NA FLEX III** (for all premium received in the first five contract years)

## Description

Flexible premium fixed annuity offering a one-year guaranteed interest rate on initial premium.

## Minimum Guaranteed Interest Rate\*\*

Minimum guaranteed interest rate is 1%

## Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

## Issue Ages (Qualified and Non-qualified)

- Flex II – 0-79
- Flex III – 0-75

Note: Issue ages may vary by state.

## Penalty-Free Withdrawals

Up to 10% of Accumulation Value each year, after the first contract anniversary (interest withdrawals are available 30 days after issue by current Company practice). Withdrawals prior to age 59½ may be subject to IRS penalties.

## Surrender Charges

- NA Flex II - 10 Years: 15%, 14%, 13%, 12%, 11%, 10%, 8%, 6%, 4%, 2%
- NA Flex III - 14 Years: 18%, 18%, 17%, 15%, 15%, 15%, 15%, 14%, 12%, 10, 8%, 6%, 4%, 2%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.\*\*\*

## Waiver

- Nursing Home Confinement Waiver

Note: Rider may not be available in all states and is issued to ages 75 and younger. Rider is automatically added to contract at no cost.

## Return of Premium

Receive back no less than the Net Premium upon surrender of the Contract. Net Premium is equal to the initial premium, plus subsequent premiums (excludes any Premium Bonus if applicable), minus partial surrenders (after any surrender charges or Interest Adjustment).

\*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected. North American products and appropriate state variations are issued by North American Company for Life and Health Insurance®, West Des Moines, IA.

\*\*See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

\*\*\*Please see page 8 for further details on the Interest Adjustment

# North American Company for Life and Health Insurance®

## Annuity Service Center Information

### General Information

#### Main Address

4350 Westown Parkway  
West Des Moines, Iowa 50266

#### P.O. Box

P.O. Box 79905  
Des Moines, Iowa 50325-0905

#### Website

[www.NorthAmericanCompany.com](http://www.NorthAmericanCompany.com)

#### Email

[nannuities@sfgmembers.com](mailto:nannuities@sfgmembers.com)

### Departments

#### Sales Support

Phone: 866-322-7066  
Fax: 866-322-5933

#### Licensing and Contracting/ Commission Accounting

Phone: 866-322-7068  
Fax: 866-322-7072

#### New Business

Phone: 866-322-7067  
Fax: 866-322-7073

#### Customer Service

Phone: 866-322-7069  
Fax: 866-322-7071

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The Gold Price Index Option credits interest based on the change in the price of gold per troy ounce in US Dollars as established by the Afternoon (PM) London Gold Market Fixing Price. The Afternoon (PM) London Gold Market Fixing Price is available at the website [www.goldfixing.com](http://www.goldfixing.com), and also can be found at [Bloomberg.com](http://Bloomberg.com) under the symbol GOLDLNP: IND. We reserve the right to add, remove or revise availability of the Gold Price Index Option, or to substitute a different widely published benchmark for the price of gold for the use in the Gold Price Index Option should the Company in its discretion determine that the use of the Afternoon (PM) London Gold Market Fixing Price no longer is commercially reasonable. The Gold Price Index Option does not constitute a purchase of or direct investment in gold. All references to The London Gold Market Fixing prices are used with the permission of The London Gold Market Fixing Limited and have been provided for informational purposes only. The London Gold Market Fixing Limited accepts no liability or responsibility for the accuracy of the prices or the underlying product to which the prices may be referenced.

The Hindsight Index Strategy® is issued on Endorsement forms LR444A, LR445A or LR447A and is available on annuity forms LC/LS155A, LC/LS156A and LC/LS160A or appropriate state variations by North American Company for Life and Health Insurance®, West Des Moines, Iowa and may not be available in all states. Annual Index credits are based on the individual index gains for three separate indices that comprise the Hindsight Index Strategy and multiplied by an index weight (50% for best performing, 30% for next best performing and 20% for lowest performing). Please see the product specific brochure for additional details.





## COMPANY FINANCIAL STRENGTH

All North American tax-deferred annuities are backed by the financial strength of the Company's investment portfolio, which emphasizes high-quality bonds that provide safety, liquidity and competitive interest rates. In states where this product is approved, North American maintains reserves equal to those required by state regulation. Product guarantees are backed by North American and their claims paying ability and financial capacity to meet all insurance products.

## PORTRAIT OF FINANCIAL STABILITY

A.M. Best	A+ (Superior) <sup>*</sup> , °	2nd highest out of 15 categories	A.M. Best is a large third-party independent reporting and rating company that rates an insurance company on the basis of the company's financial strength, operating performance, and ability to meet its obligations to contract holders.
Standard & Poor's Corporation	A+ (Strong) <sup>°</sup> , §	5th highest out of 22 categories	Standard & Poor's Corporation is an independent third-party rating firm that rates on the basis of financial strength.

\* A.M. Best rating affirmed on May 29, 2013. For the latest rating, access [www.ambest.com](http://www.ambest.com).

° Awarded to North American as part of Sammons Financial Group, which consists of Midland National<sup>®</sup> Life Insurance Company and North American Company for Life and Health Insurance<sup>®</sup>.

§ Standard and Poor's rating assigned February 26, 2009 and affirmed on July 11, 2013.

Ratings shown reflect the opinions of the rating agencies and are not implied warranties of the company's ability to meet its financial obligations. Ratings are current as of the date of this brochure.



*Annuity*

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West Des Moines, IA 50266  
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