

Life



Protection Builder IUL[®]

Indexed universal life insurance

Consumer brochure

Products are issued by North American Company for Life and Health Insurance[®]



Expect more from **life.**

Indexed universal life insurance is more than most people might expect.

It can help...

- Provide financial help to your family in a time of need
- Supplement your retirement income, generally tax free
- Pay medical bills during an illness
- Pay off debts like credit cards and student loans
- Pay down – or pay off – a mortgage
- Pay college tuition

It can help you get the **most** from your life insurance.

Indexed universal life insurance...

can provide **protection** and **growth** for when you may need it most.

It combines the traditional death benefit protection provided by life insurance, plus the potential for cash value growth linked to the performance of a stock market index with a minimum interest rate guarantee.

Death benefit protection can be more powerful than you might expect.

Indexed universal life insurance pays a benefit to the named beneficiary in the event of the death of the insured. The proceeds from a death benefit can be used to replace an income stream, help pay off a mortgage, minimize student loans, transfer a business, and more. Better yet, the money can pass to the beneficiaries **generally free from income taxes¹ and without being subject to probate**. Indexed universal life insurance is a permanent policy, so it won't expire after a set time frame like term life insurance, as long as the minimum premium payment requirements are met in order to keep the policy in effect.

Expect the opportunity for cash value **growth** without the risk of directly investing in the stock market.

Indexed universal life insurance provides the opportunity to earn interest based on the upward movement of a stock market index. Although growth is based on a stock market index, your money is not actually invested in the market.

Protection Builder

Protection

Like many life insurance products, Protection Builder includes a No-Lapse Guarantee², which guarantees your policy won't lapse for 15 years, or until you turn age 65, whichever comes first, for issue ages 0-54, and for issue ages 55-85, the guarantee lasts 10 years, as long as you pay the premium requirement specified in your policy.

Guaranteed death benefit

Protection Builder also offers the Premium Guarantee Rider, which enables you to extend the death benefit guarantee to any age up to 120 as long as you pay the required premium. This rider can only be added at issue of your policy. It can help insureds at younger ages lock in coverage at a time when life insurance is the most affordable, or it can help those in higher issue ages gain affordable protection that is often not available. There is a charge associated with this rider that is taken from the policy's account value. This rider does not prevent the policy from entering the grace period during the No-Lapse Guarantee Period.

Potential growth

Some of your premium payment is used to pay for the costs of insurance. You can allocate the rest to either a fixed account that offers a guaranteed minimum interest rate of 1.5%, an index account linked to the growth of a stock market index, or a combination of both. Growth in both the fixed account and the index account is tax-deferred and credited on the beginning account value prior to taking out the cost of insurance.³

How an index account works

At the end of the designated period, the change in index value is calculated using the appropriate index crediting method. If the calculation results in growth, the interest is credited to your policy's beginning account value. If the calculation results in negative growth, or no growth, the value in the index account will remain the same.

And much more

Never less than zero percent

The index account has a zero percent floor and its starting value resets every year. If the index experiences negative growth or no growth, negative credits will not be applied to the index account. The index credited will not be less than

zero percent. Bottom line – negative index performance from previous years won't hinder your earning potential in the current year. The index account may also be subject to a cap rate (or a maximum interest rate), spread rate, and participation rate (the portion of index growth) that are used in the calculation of the index credit. The index cap rate, spread rate, and participation rate will be declared for each index segment in advance of each index period.

Minimum account value

This feature guarantees a 2.5% average annual return, calculated from policy issue, regardless of whether premiums were allocated to the fixed account or the index account. Every 10 years or upon death, lapse, surrender, or policy maturity, we'll compare the account value to the minimum account value. If the account value is less than the minimum account value, the account value will be increased so that it is at least as large as the minimum account value. The increase will be added to the fixed account. If the account value is greater than the minimum account value, no change is made to the account value or the minimum account value.

Premium recovery if your needs change

Protection Builder offers a Premium Recovery Endorsement,⁴ a feature that allows you to fully surrender the policy during a 60-day window following policy anniversaries 15, 20, or 25, and recover all or a portion of the total premiums paid less any policy debt or withdrawals, including withdrawal charges and processing fees. If you have previously elected to accelerate the death benefit, the total premiums will also be reduced by the same portion that the death benefit was reduced at the time of that election. This endorsement is only available when the Premium Guarantee Rider is selected.

Interest bonus

In addition to the index and crediting options, Protection Builder also offers an interest bonus on the fixed account and the index account. Both the fixed account's and the index account's current interest rate is increased by a 0.75% bonus in policy years 11+.

The interest bonus is conditionally guaranteed on the fixed account and will be paid if we are crediting interest rates above the minimum guaranteed rate of 1.5% and your policy is in years 11+. The interest bonus percentages are not guaranteed on the fixed account and are subject to change; however, once a policy is issued, the percentage will not change. No fixed account interest bonus is credited on values backing standard or net-zero-cost loans.

More than you might **expect.**

Loans and withdrawals⁵

Protection Builder offers standard, variable interest rate and net-zero cost loans.⁶ For more information and to determine which policy loan type may be right for you, please consult your financial professional.

Living benefits

The main benefit of life insurance is the invaluable death benefit protection it provides. North American also offers Accelerated Death Benefits, which means you may be able to access a portion of the death benefit while you're living. With Accelerated Death Benefits, the owner can accelerate a portion of the death benefit should the insured meet the criteria of a qualifying event. The funds can be used for any purpose you choose, such as covering illness expenses. Please consult with a qualified legal or tax advisor to review your specific situation. These benefits are included for no additional premium charge at issue on eligible policies.⁷

For more information please ask your financial professional for the Accelerated Death Benefits consumer brochure.

Set your own **expectations.**

With permanent indexed universal life insurance from North American, you can:

- **Choose the amount of death benefit protection that is right for you and your family**
- **Set the amount of premium(s) and the number of years to pay**
- **Decide the frequency of planned premiums (monthly, quarterly, semi-annually, or annually)**
- **Determine a level death benefit or allow it to increase over time**

Make sure you have the right combination of protection and growth in your life insurance policy. Protection Builder can be an effective way for you to address your needs and goals, and an opportunity to meet and exceed your expectations.

Choose **North American** for your life insurance protection.

Strength and stability since 1886

With over 130 years of business under our belt, North American's continued and consistent financial strength is a result of our conservative and disciplined investment strategy, our private ownership structure, and doing what is right for our policyowners.

Privately owned and customer focused

As a privately owned company, North American is not subject to the short-term earnings pressures that publicly held companies often face. We are a company with plans to perpetuate itself for hundreds of years, not the next quarter or the next fiscal year. We focus on the long term. We focus on you.

High ratings for financial strength

Independent agency ratings provide a vital picture of an insurer's ability to keep its commitments to you, the customer. As a company, we've received A+ marks from A.M. Best, Fitch Ratings, and S&P Global Ratings.⁸ These ratings are based on financial strength, operating performance, and the ability to meet our obligations to our policyowners and contract holders. Our consistently high ratings have shown that with North American, you aren't just buying a product. You're buying a commitment to you and your family.



Contact your North American financial professional **today** to help you develop a plan that is tailored to your specific needs.

The term financial professional is intended to imply engagement in an advisory business in which compensation is not related to sales. Financial professionals that are insurance licensed will be paid a commission on the sale of an insurance product.

Indexed Universal Life insurance products are not an investment in the “market” or in the applicable index and are subject to all policy fees and charges normally associated with most universal life insurance.

1. Neither North American nor its agents give legal or tax advice. Please consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

2. Coverage is guaranteed provided no-lapse guarantee premium is met. If you do not meet this requirement, significantly higher premiums may be necessary to keep the policy in effect. Paying a premium that is equal to, but not greater than the no-lapse guarantee premium will keep the policy in effect but may result in a negative or zero account value. By paying only the no-lapse guarantee premium, you may be forgoing the opportunity to build more cash value. Failure to meet premium requirements may result in a lapse in the policy and participation in the index accounts.

3. The tax-deferred feature of the indexed universal life policy is not necessary for a tax-qualified plan. In such instances, you should consider whether other features, such as the death benefit and optional riders make the policy appropriate for your needs. Before purchasing this policy, you should obtain competent tax advice both as to the tax treatment of the policy and the suitability of the product.

4. The Premium Recovery Endorsement will remain in effect to the 25-year policy anniversary as long as the qualification test is satisfied at each policy anniversary. Generally, the qualification test is met if the gross premiums paid guarantee the policy to at least the insured's attained age of 95, assuming no policy loans are taken. In some instances, additional premium may be required based on underwriting class, table ratings, or flat extras. If the Premium Recovery Endorsement terminates, it cannot be reinstated. The Premium Recovery Endorsement is only available if the Premium Guarantee Rider is selected.

5. Policy loans from life insurance policies generally are not subject to income tax, provided the contract is not a Modified Endowment Contract (MEC), as defined by section 7702A of the Internal Revenue Code. A policy loan or withdrawal from a life insurance policy that is a MEC is taxable upon receipt to the extent cash value of the contract exceeds premium paid. Distributions from MECs are subject to federal income tax to the extent of the gain in the policy and taxable distributions are subject to a 10% additional tax prior to age 59 1/2, with certain exceptions. Policy loans and withdrawals will reduce cash value and death benefit. Policy loans are subject to interest charges. Consult with and rely on your tax advisor or attorney on your specific situation. Income and growth on accumulated cash values is generally taxable only upon withdrawal. Adverse tax consequences may result if withdrawals exceed premiums paid into the policy. Withdrawals or surrenders made during a surrender charge period will be subject to surrender charges and may reduce the ultimate death benefit and cash value. Surrender charges vary by product, issue age, sex, underwriting class, and policy year.

6. Net-zero cost loans are loans charged and credited at the same interest rate percentage for a net-zero cost. The policy year and amount available vary by product. Please refer to your policy for details. The net cost of a variable interest rate policy loan could be negative if the credits earned are less than the interest charged. The net cost of the loan could also be larger than under standard policy loans if the amount credited is less than the interest charged. In the extreme example, the amount credited could be zero and the net cost of the loan would equal the maximum interest rate charged on variable interest rate policy loans. In brief, Variable Interest Rate Policy Loans have more uncertainty than Standard Policy Loans in both the interest rate charged and the interest rate credited.

7. An administrative fee is required at time of election. The death benefit will be reduced by the amount of the death benefit accelerated. Since benefits are paid prior to death, a discount will be applied to the death benefit accelerated. As a result, the actual amount received will be less than the amount of the death benefit accelerated.

8. 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. A+ (Superior) is the second highest rating out of 15 categories, and was affirmed for North American as part of Sammons Financial Group on July 29, 2022.

S&P Global Ratings awarded its “A+” (Strong) rating for insurer financial strength on February 26, 2009 and affirmed on May 25, 2022 to North American as part of Sammons Financial Group. The A+ (Strong) rating, which is the fifth highest out of twenty-two, reflects the financial strength of North American, member of Sammons Financial Group.

A+ Stable Rated by Fitch Ratings. Fitch Ratings, a global leader in financial information services and credit ratings, on December 14, 2021, assigned an Insurer Financial Strength rating of A+ Stable for North American. This rating is the fifth highest of 19 possible rating categories. The rating reflects the organization's strong business profile, low financial leverage, very strong statutory capitalization and strong operating profitability supported by strong investment performance. For more information, read the Fitch Ratings Report at www.fitchratings.com/research/insurance/fitch-affirms-sammons-financial-group-ratings-outlook-stable-14-12-2021.

Texas Residents: Receipt of acceleration-of-life-insurance benefits may affect you, your spouse's or your family's eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary social security income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such a payment will affect you, your spouse's and your family's eligibility for public assistance.

Life insurance policies have terms under which the policy may be continued in force or discontinued. Current cost of insurance rates and interest rates are not guaranteed. Therefore, the planned periodic premium may not be sufficient to carry the contract to maturity. Failure to meet premium requirements may result in a lapse in the policy and participation in the index accounts. The index accounts are subject to caps and participation rates. In no case will the interest credited be less than 0 percent. Please refer to the customized illustration provided by your agent for additional detail. The policy's death benefit is paid upon the death of the insured. The policy does not continue to accumulate cash value and excess interest after the insured's death. For costs and complete details, call or write North American Company for Life and Health Insurance, Administrative Office, One Sammons Plaza, Sioux Falls, SD 57193. Telephone (877) 872-0757.

Protection Builder (policy form series LS186), Premium Guarantee Rider (form series LR510), Premium Recovery Endorsement (form series LR511), Accelerated Death Benefit Endorsement for Critical, Chronic and Terminal Illness, (form series LR508), Accelerated Death Benefit Endorsement for Chronic and Terminal Illness (form series LR507), Accelerated Death Benefit Endorsement for Terminal Illness (form series LR506), and Accelerated Death Benefit Endorsement for Critical Illness (form LR498, CA only), are issued by North American Company for Life and Health Insurance, West Des Moines, IA. Products, features, endorsements, riders or issue ages may not be available in all jurisdictions. Limitations or restrictions may apply.

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North American is a Sammons Financial Group company.

We are committed to our customers, distribution partners, employees and communities – and the deeply rooted belief that we grow stronger together.

With so much change happening in the world, people are looking for companies that can stand the test of time. They need a partner that can weather life's storms. That's us. For over a century, we have been here for our customers and honoring our commitments. And because we're privately owned, we don't measure our impact by the number of years we've been in business, investor goals or size of the company. We are proud of our impact of the financial futures we help secure, and the legacies we help establish.

We believe that we aren't here to serve just today's customers, but customers for generations to come. As we look ahead to our next hundred years, that fundamental principle remains rich in its vision. No matter how much change happens in the world around us, we strive to find new ways to create value for our customers.

Just like always.

North American has continued to earn high ratings, based on our financial strength, operating performance, and ability to meet obligations to our policyholders and contract holders. North American currently holds the following ratings:

“A+”

A.M. Best⁸ (Superior) (Second category of 15)

S&P Global Ratings⁸ (Strong) (Fifth category of 22)

Fitch Ratings⁸ (Stable) (Fifth category of 19)