

Builder IUL[®], Rapid Builder IUL[®], Guarantee Builder IUL[®], Survivorship GIUL

North American Company's Indexed Universal
Life Insurance Portfolio - *Marketing Brochure*



North American Company
for Life and Health Insurance
Since 1886

| *Life*

FOR AGENT USE ONLY. NOT TO BE USED FOR CONSUMER SOLICITATION PURPOSES.
241NM 3/17

Table of Contents

Overview	3	Access to Cash Value	21
Indexed UL Markets	4	Partial Withdrawals	21
How North American's IUL Products Work	5	Surrender	21
Premium Buckets	6	Variable Interest Rate Loans	21
Index Period Start and End Dates	7	Standard Loans	22
Index Credit	7	Switching Between Loan Types	22
Annual Reset	7	Overloan Protection Benefit	23
Index Options	7	Protected Death Benefit	24
Index Crediting Methods	8	Rapid Builder Waiver of Surrender Charge Option 25	
Credited Interest Rate	8	Benefits, Riders and Other Options	25
Credited Interest Rate Examples	9	No Additional Premium Cost Benefits	25
Index Selections	10	Accelerated Death Benefits	26
Transfers Out of an Index Segment	11	Premium Guarantee Rider	27
Fixed Account	11	Optional Benefits	27
Premium At Application	11	Accidental Death Benefit Rider	27
Index Crediting Method Examples	12	Children's Term Insurance Rider	27
Product Specifications	17	Guarantee Insurability Rider	27
Issue Ages	17	Waiver of Monthly Deduction Rider	28
Minimum Specified Account	17	Other Options	28
Maturity Date	17	Automatic Distribution Option	28
Minimum Premium	17	Systematic Premium Allocation	28
No Lapse Guarantee	18	Underwriting	29
Rolling Target	18	Substandard	29
Commission Option(s)	18	Note: <i>Please refer to the Underwriting Guidelines brochure, for full details.</i>	
Fixed Account Guaranteed Interest Rate	18	How to Apply	30
Interest Bonus on Fixed Account	18	Required Agent Training	30
Interest Bonus on Index Account	19	Glossary	31
Minimum Account Value	19		
Policy Costs	19		
Guideline Premium and Cash Value Accumulation Tests	20		
Death Benefit Options	20		
Specified Amount Changes	20		
Conversion	20		

Note: Please refer to the Survivorship GIUL marketing guide for product specifications.

The key component to all life insurance is to provide financial protection for those loved ones left behind should the unexpected happen. Indexed universal life insurance is no different—it helps families continue so they can send children to school, pay the mortgage, and cover life's daily expenses. It may also help businesses continue, should a key person die, so the remaining employees may keep working and provide for their families.

What makes indexed universal life different is that it offers your clients the opportunity to earn tax-deferred interest on the interest credits linked to the performance of one or more stock market indices.¹ This feature gives your clients the potential for strong cash value accumulation. Plus, it offers downside protection in a poorly performing market because your clients don't participate directly in the stock market and the credited interest rate is never less than zero percent—*Guaranteed*.

WITH NORTH AMERICAN'S IULS:

- The interest rate credited to the policy's index account value is linked to the performance of the index or indices chosen and will never be less than zero percent.
- The premiums are not invested in any stocks, bonds, or equity investments.
- The index performance does not include dividends on the stocks that make up each index.
- The premium allocation to an Index Selection does not represent an investment in any index or market.

North American's IUL portfolio includes competitive products that can help meet the needs of your next client.

Products Built to Fit Your Clients' Needs

Whether your clients are considering life insurance for personal or business needs, North American has an IUL product to help fit their coverage requirements and achieve their financial goals.

Product	Description	Uses	Key Features	
Builder IUL®	Designed to provide long-term cash value accumulation.	Individuals: Retirement Planning 1035 Exchanges College Funding Mortgage Protection	Businesses: Buy-Sell Agreements Executive Bonus	<ul style="list-style-type: none"> • Interest Bonus on Fixed & Index Account • Capped Variable Interest Rate Loans • Accelerated Death Benefits
Rapid Builder IUL®	Designed to build early cash value and to provide early access to cash value.	Individuals: Annuity Maximization Smart Money Sale 1035 Exchanges	Businesses: Buy-Sell Agreements Key-Person Executive Bonus	<ul style="list-style-type: none"> • Waiver of Surrender Charge Option with Table Shave • 0% Premium Load • Interest Bonus on Fixed & Index Account • Accelerated Death Benefits
Guarantee Builder IUL®	Designed to provide a guaranteed death benefit for the desired length of time, even up to age 120. ²	Individuals: Retirement Planning Annuity Maximization Legacy Building Estate Planning 1035 Exchanges	Businesses: Buy-Sell Agreements Executive Bonus	<ul style="list-style-type: none"> • Premium Guarantee Rider • Interest Bonus on Fixed & Index Account • Capped Variable Interest Rate Loans • Accelerated Death Benefits
Survivorship GIUL	Issued on two individuals and is designed to provide a death benefit payable upon death of the second insured.	Individuals: Estate Planning Legacy Building Retirement Planning	Businesses: Continuity Planning	<ul style="list-style-type: none"> • For details, please see the Survivorship GIUL marketing guide.

¹ The tax-deferred feature of indexed universal life policy is not necessary for a tax-qualified plan. In such instances, your client should consider whether other features, such as the death benefit and optional riders make the policy appropriate for your client's needs. Before purchasing this policy, your client should obtain competent tax advice both as to the tax treatment of the policy and the suitability of the product.

² Subject to premium payment requirements. In illustration software, there may be restrictions in the length of the guaranteed death benefit. See illustration software for details.

Be sure to complete the mandatory IUL certification exam before your first IUL sale!



Indexed UL Markets (continued)

- **Key Person:** IUL offers death benefit protection that can help business owners shoulder the financial burden related to the loss of a key employee.
- **1035 Exchanges:** A North American IUL may dramatically improve a client's projected performance in building cash values or death benefit.
- **Executive Bonus:** Businesses will value the non-cash bonus provided for executives through IUL's death benefit protection.
- **Mortgage Protection with Early Payoff:** Like traditional universal life insurance, the death benefit may be used to pay off a mortgage. However, with a North American IUL, the policy could generate enough cash value accumulation to pay off the mortgage early.
- **College Funding:** Like traditional universal life insurance, the IUL death benefit may be used to pay college tuition in the event of a parent's death. Additionally, the policy could accumulate enough cash value to supplement college tuition through the use of policy loans. Rapid Builder IUL policies and policies that include the Waiver of Surrender Charge Option are not eligible for College Funding Cases.

NOTE: North American offers comprehensive sales concept kits for many of the marketing concepts listed above. Go to www.nalife.NorthAmericanCompany.com/NA-SalesConcepts for more information.

How North American's IUL Products Work *(Applies to all IUL products listed on pg. 3.)*

- Policyowners can direct premiums to an account that offers a fixed rate of return (the **Fixed Account**), to one or more **Index Selections** or to a combination of both, depending on what they think is right for them. Note: If the policyowner chooses, 100% of net premiums can be allocated to the Index Selections.
- The Fixed Account earns interest at the company's declared rate. The interest rate for the Fixed Account is guaranteed never to be less than 1.5% for Builder IUL, Guarantee Builder IUL, and Rapid Builder IUL, and 3% for Survivorship GIUL.
- When premium is allocated to a particular Index Selection, an **Index Segment** (or "bucket") is created and an **Index Period** begins. The Index Period is the length of time over which the index change is measured. Each premium has its own bucket.
- Each Index Segment receives its own **Index Credit** (if any) on the **Index Crediting Date** (the first business day on or after the end of the Index Period).
- The Index Credit is affected by partial withdrawals, and it is subject to the **Index Participation Rate**, the **Index Cap Rate**, the **Index Floor Rate**, and the **Index Spread Rate**. The Index Credit will never be less than zero.
- Index Segments automatically renew for another year unless a transfer occurs. If premiums are received on the same day as the beginning of an Index Period, they will be rolled into the same Index Segment.
- Transfers out of an Index Selection can only occur at the end of an Index Period.

Terms appearing in bold print are defined in the Glossary on page 30.

COLLEGE FUNDING: The primary purpose of life insurance is to provide a death benefit to beneficiaries. Because of the uncertainty surrounding all funding options except savings, it is critical to encourage your clients to make personal savings the cornerstone of your clients' college funding program. However, even a well-conceived savings plan can be vulnerable. Should your clients die prematurely, their savings plan could come to an abrupt end. To protect against this unexpected event, life insurance may be the only vehicle that can help assure the completion of a funding plan. In addition to the financial protection aspect of insurance, the tax-deferred buildup of cash values can be part of your clients' savings plan. Generally, if the policy is not a Modified Endowment Contract then tax-free withdrawals can be made up to the contract's cost basis. Moreover, if the policy is not a Modified Endowment Contract, then loans in excess of the cost basis are also tax free as long as the policy remains in force.

Indexed UL Markets

Those interested in indexed universal life want the basics provided by traditional universal life insurance—permanent life insurance protection, flexibility of specified amount, and premium payment frequency. On top of this, they want a good return that can capture the gains in a stock market index without investing their money directly into the stock market.

People seek indexed universal life for a variety of reasons, including:

- **Retirement Planning:** Clients get coverage during their working years while generating cash surrender value to help supplement retirement income.
- **Buy-Sell Agreement:** IUL can help generate the cash value needed to supplement the buy-out of a business.
- **Legacy Building:** Your client's estate can be significantly increased with the purchase of a life insurance plan that offers a guaranteed death benefit option and access to cash value accumulation.
- **Annuity Maximization:** Purchasing an IUL with annuity funds³ can provide your clients the most value for their loved ones without the limitations of income or estate taxes.*
- **Estate Planning:** IUL offers death benefit protection along with the potential for cash value accumulation, which may make it a suitable estate planning solution to help offset estate taxes, build an estate, and equalize inheritances.*
- **Smart Money:** Clients with "smart money", funds set aside side where access is easy and loss is limited, can benefit from IUL. With a North American IUL, clients gain death benefit protection, fund access in case of an emergency, and the potential for cash value growth.
- **Limited-Pay Plans:** Not all life insurance requires out-of-pocket premium payments in all years. Sometimes, a limited-pay premium payment structure works best. These limited-pay scenarios are even more reliant on interest rates to maintain sufficient policy values than annual pay plans, since policy costs and expenses are deducted from the policy's account value each month regardless of whether or not a premium payment is received.

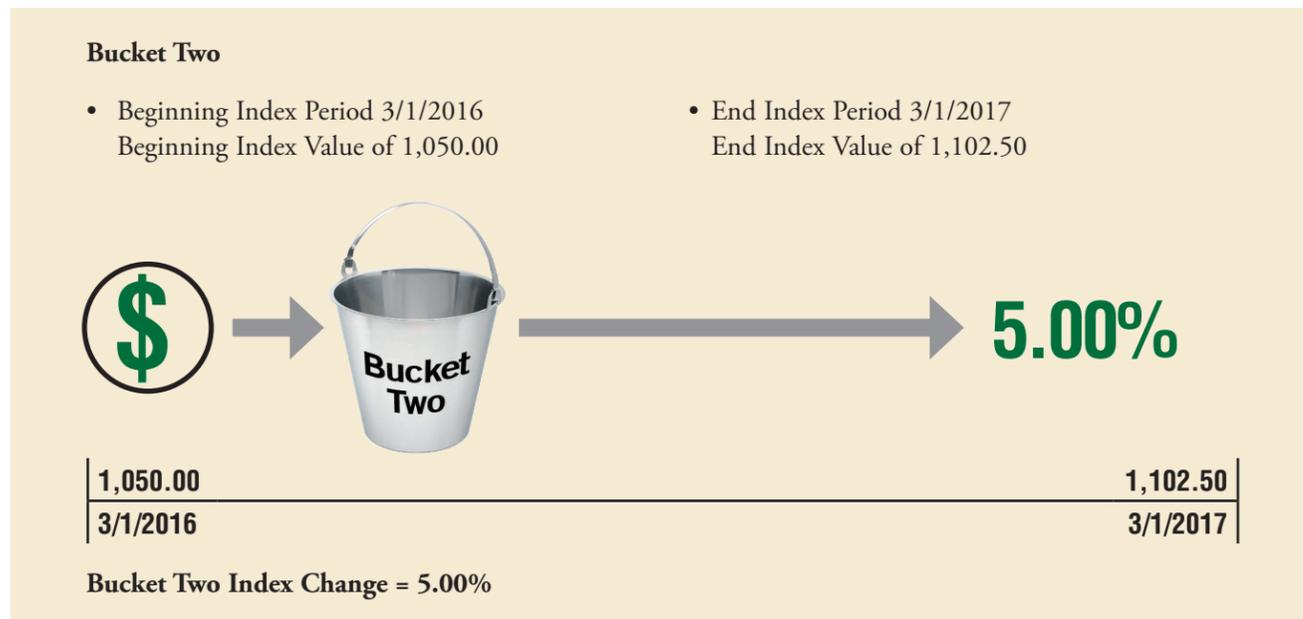
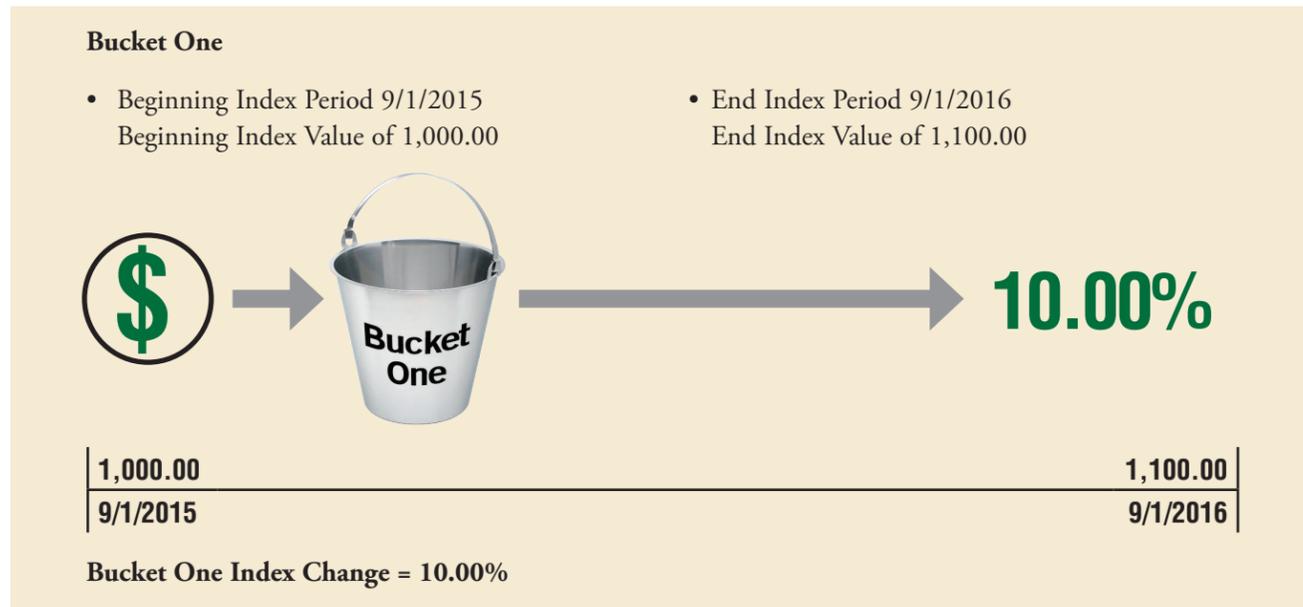
³ Removing funds from an annuity may result in surrender charges and/or income taxes.

* Neither North American Company for Life and Health Insurance nor its agents give tax advice. Please advise your customers to consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

PREMIUM BUCKETS

Premium may be received at different times, so North American's IUL plans use Index Segments or "buckets." Each premium payment is handled as a separate bucket. A policy with monthly premiums could have a minimum of 12 different buckets—that's 12 different index starting points and 12 different possible credited interest rates and 12 different annual reset points to start the next Index Period.

Example:
Semi-annual premium payment



This is a hypothetical example intended to illustrate how index change applies to Index Segments, and is not intended to predict the performance of any Index Selection.

INDEX PERIOD START AND END DATES

- An Index Segment is created on the date a premium is allocated or a transfer is made to an Index Selection.
- The start date of the first Index Period for an Index Segment is the date the Index Segment is created.
- The end date of an Index Period is 12 consecutive months after its start date, regardless of whether the end date is on a business day. If the start date was February 29, the end date will be March 1.

Example:
Premium received 7/8/08 has a start date of 7/8/08. The start of the next Index Period is the end date of the previous Index Period. In this example, after interest is credited, the next Index Period has a start date of 7/8/09 and an end date of 7/8/10.

INDEX CREDIT

- The Index Credit, if any, is added to the Index Segment(s) on the Index Crediting Date, the business day which falls on or immediately follows the Index Period's end date.
- The Index Credit is calculated using the beginning value of the Index Segment. Monthly deductions for policy charges and expenses during the Index Period will not reduce the Index Segment value on which the Index Credit is based.⁴
- At the end of an Index Period, a new Index Period will begin and any values in an Index Segment will remain in the same Index Segment, unless changed by the client. The index value used for the start date of the new Index Period will be the same as the index value used for the previous Index Period's end date. It is possible to have an Index Period's end date and a new Index Period's start date fall on a weekend or business holiday; however, the index value used in the calculation of the Index Credit will be the index value on the close of the next business day.

ANNUAL RESET

North American's IUL plans contain an annual reset design. With this design, each year's credited interest rate is locked in on the Index Crediting Date and a new starting point is determined.

INDEX OPTIONS

All plans offer index options that allow your clients to customize a plan that's right for them. While your clients don't invest directly in an index, they may choose which index is used to calculate the credited interest rate for their policy. Below are the index options available:

- The Standard & Poor's 500[®] Composite Stock Price Index (S&P 500[®]).
- The Standard & Poor's 400[®] Composite Stock Price Index (S&P MidCap 400[®]).
- The Dow Jones Industrial Average[®] Composite Stock Price Index (DJIA[®]) (Available for Survivorship GIUL only).
- The NASDAQ-100[®] Stock Price Index (NASDAQ-100[®]).
- The EURO STOXX 50[®].
- The Russell 2000[®] Index.
- Multi-Index—An index option based on the performance of the S&P 500[®], Russell 2000[®], and the EURO STOXX 50[®]. The index growth is measured by 50% of the growth of the best performing index, 30% of the growth of the second best performing index, plus 20% of the growth of the third best performing index. The Index Credit, if any, is credited and locked in on an annual basis.

Your clients can choose to allocate premiums to the indices listed above (subject to availability) in any combination. They may also allocate premiums to the Fixed Account.

⁴ Index Credits will only be given if the Index Segment still exists at the end of the Index Period. Withdrawals and transfers made before the end of the Index Period will reduce the Index Credit.

INDEX CREDITING METHODS

The Index Crediting Method refers to the way that the change in the index value is calculated for each Index Period. Crediting Methods vary by product. The Index Crediting Methods are explained in detail starting on page 12.

The index options can be paired with the Index Crediting Methods as shown here:

Index Option	Annual Point-to-Point	Annual Point-to-Point w/ Spread**	Daily Averaging*	Monthly Point-to-Point
S&P 500®	✓	✓	✓	✓
DJIA®*	✓		✓	
NASDAQ-100®	✓			
Uncapped S&P 500®	✓			
Russell 2000®	✓		✓	
S&P MidCap 400®	✓		✓	
EURO STOXX 50®	✓			
High Par S&P 500®**	✓			
Multi-Index (S&P 500®, EURO STOXX 50®, Russell 2000®)	✓			

*Available for Survivorship GIUL only.

**Not available for Survivorship GIUL.

CREDITED INTEREST RATE

Any Index Credit applied to your client's policy equals the Index Segment value at the beginning of each Index Period, less any partial surrenders or transfers, multiplied by a credited interest rate based on any index change. The credited interest rate may differ from the actual index change because of four features: 1) Index Cap Rate; 2) Index Participation Rate; and 3) Index Floor Rate; and 4) Index Spread Rate.

1. An **Index Cap Rate** is the maximum interest rate that is used in the calculation of the Index Credit. The Index Cap Rate will be declared for each Index Segment in advance of each Index Period. It will never be less than the Minimum Index Cap Rate shown in the policy. (Some index selections are available without any cap, which means there is no maximum limit on the interest rate.)

2. An **Index Participation Rate** is the portion of the index change that is used in the calculation of the Index Credit. The Index Participation Rate will be declared for each Index Segment in advance of each Index Period, but it will never be less than the Minimum Index Participation Rate shown in the policy.

3. An **Index Floor Rate** is the minimum interest rate that is used in the calculation of the Index Credit. The Index Floor Rate is declared for each Index Segment in advance of each Index Period, and is guaranteed to never be less than 0%.

4. An **Index Spread Rate** is the rate that is subtracted from the index growth. The Index Spread Rate will be declared for each Index Segment in advance of each Index Period, and it will never be greater than the Maximum Index Spread Rate shown in the policy. The Index Spread Rate only applies to the S&P 500 Annual Point-to-Point with Spread.

Index Change (if any)	X	Index Participation Rate	=	Credited Interest Rate (subject to Index Cap Rate, Index Floor Rate, and Index Spread Rate.)
--------------------------	---	--------------------------	---	--

Credited interest rate examples appear on page 9.

Credited Interest Rate Examples:

A. Index Cap Rate is 12%, Index Participation Rate is 100%, and Index Floor Rate is 0%.

• Beginning Index Value (S&P 500®):	1,000
• Ending Index Value (S&P 500®):	1,150
Step 1. Index Change =	15.00%
Step 2. Apply Index Participation Rate (100%) =	15.00%
Step 3. Apply Index Cap Rate (12%) =	12.00%
Step 4. Apply Index Floor Rate (0%) =	12.00%
Credited Interest Rate =	12.00%

B. Index Cap Rate is 13.5%, Index Participation Rate is 75%, and Index Floor Rate is 0%.

• Beginning Index Value (S&P 500®):	1,000
• Ending Index Value (S&P 500®):	1,100
Step 1. Index Change =	10.00%
Step 2. Apply Index Participation Rate (75%) =	7.50%
Step 3. Apply Index Cap Rate (13.5%) =	7.50%
Step 4. Apply Index Floor Rate (0%) =	7.50%
Credited Interest Rate =	7.50%

C. Index Cap Rate is 10%, Index Participation Rate is 140%, and Index Floor Rate is 0%.

• Beginning Index Value (S&P 500®):	1,000
• Ending Index Value (S&P 500®):	1,070
Step 1. Index Change =	7.00%
Step 2. Apply Index Participation Rate (140%) =	9.80%
Step 3. Apply Index Cap Rate (10%) =	9.80%
Step 4. Apply Index Floor Rate (0%) =	9.80%
Credited Interest Rate =	9.80%

D. Index Spread Rate is 4%, Index Participation Rate is 100%, and Index Floor Rate is 0%.

• Beginning Index Value (S&P 500®):	1,000
• Ending Index Value (S&P 500®):	1,200
Step 1. Index Change =	20.00%
Step 2. Apply Index Participation Rate (100%) =	20.00%
Step 3. Apply Index Spread Rate (4%) =	16.00%
Step 4. Apply Index Floor Rate (0%) =	16.00%
Credited Interest Rate =	16.00%

These are hypothetical examples intended to illustrate how the Index Participation Rate, Index Cap Rate, and Index Floor Rate apply to the calculation of the interest rate credited to Index Segments, and are not intended to predict the performance of any Index Selection.

INDEX SELECTIONS

Current rates can be found on our website, www.NorthAmericanCompany.com, or on the Builder IUL Series Current Rate Sheet (239NM). Current participation, cap, and floor rates are subject to change.

Guaranteed Rates (See 239NM for current rates.)

Index Selection	Index Participation Rate	Index Cap Rate (Builder, Guarantee Builder, Rapid Builder)	Index Cap Rate (Survivorship GIUL)	Index Floor Rate	Index Spread Rate
1) S&P 500® Annual Point-to-Point Guaranteed	100%	2%	4%	0%	None
2) S&P 500® Daily Averaging Guaranteed*	40%	N/A	None	0%	None
3) S&P 500® Monthly Point-to-Point** Guaranteed	100%	0.50%	1.25%	0%	None
4) Uncapped S&P 500® Annual Point-to-Point Guaranteed	10%	None	None	0%	None
5) DJIA® Annual Point-to-Point Guaranteed*	100%	N/A	4%	0%	None
6) DJIA® Daily Averaging Guaranteed*	40%	N/A	None	0%	None
7) NASDAQ-100® Annual Point-to-Point Guaranteed	100%	2%	3%	0%	None
8) S&P MidCap 400® Annual Point-to-Point Guaranteed	100%	2%	3%	0%	None
9) S&P MidCap 400® Daily Averaging Guaranteed*	30%	N/A	None	0%	None
10) Russell 2000® Annual Point-to-Point Guaranteed	100%	3%	3%	0%	None
11) Russell 2000® Annual Daily Averaging Guaranteed*	30%	N/A	None	0%	None
12) EURO STOXX 50® Annual Point-to-Point Guaranteed	100%	2%	3%	0%	None
13) Multi-Index Annual Point-to-Point Guaranteed	100%	2%	3%	0%	None
12) High Par S&P 500® Annual Point-to-Point Guaranteed***	140%	1%	N/A	0%	None
13) S&P 500® Annual Point-to-Point with Spread Guaranteed***	100%	None	N/A	0%	30%

* Available on Survivorship GIUL only.

** The index cap rate for the Monthly Point-to-Point Index Selection is a monthly cap.

*** Not available on Survivorship GIUL

TRANSFERS OUT OF AN INDEX SEGMENT

- Money can be transferred out of an Index Segment only at the end of an Index Period (any Index Credit will be applied before the transfer takes place).
- The request must be received and processed before the end of the Index Period.
- Transfer requests can be future dated to coincide with the Index Period end date.
- The minimum transfer amount is \$100 or the total amount of an Index Segment, whichever is less.

FIXED ACCOUNT

- Interest is credited to the Fixed Account Value monthly. The Fixed Account offers a competitive current interest rate with a guaranteed interest rate of 1.5% for Builder IUL, Guarantee Builder IUL, and Rapid Builder IUL, and 3% for Survivorship GIUL.
- The policyowner may transfer money from the Fixed Account to an Index Selection at any time.

PREMIUM AT APPLICATION

- At application, clients must specify the percentage of their initial premium that will be allocated to each selection. There are several available Index Selections (the number of selections varies by product) and a Fixed Account selection.
- All funds must be allocated to the Fixed Account until the policy's Initial Index Participation Date, at which time the owner can transfer money to the Index Selection(s). (The Initial Index Participation Date is either the policy effective date or the date all policy requirements have been received by North American, whichever



INDEX CREDITING METHOD EXAMPLES

The Index Crediting Method refers to the way that the change in the index value is calculated for each Index Period. The Index Crediting Methods offered (which vary by product) are Annual Point-to-Point, Daily Averaging, Multi-Index Point-to-Point, Monthly Point-to-Point, and Annual Point-to-Point with Spread.

Below are descriptions of the Index Crediting Methods offered through our IUL products. The following examples are hypothetical and are not intended to predict or project future performance of any Index Selection.

1. Annual Point-to-Point: When using the Annual Point-to-Point method, the index change is determined by comparing the index value on the last day of the Index Period (Ending Index Value) to the index value on the first day of the Index Period (Beginning Index Value). Index Credits, if any, are credited and locked in at the end of the Index Period.

The Calculation

Step 1: (Ending Index Value - Beginning Index Value) / Beginning Index Value.

Step 2: Multiply the result of Step 1 by the Index Participation Rate.

Step 3: Apply the Index Cap Rate by taking the lesser of the result of Step 2 and the Index Cap Rate.

Step 4: Apply the Index Floor Rate by taking the greater of the result of Step 3 and the Index Floor Rate.

Step 5: Multiply the Credited Interest Rate (the result of step 4) by the value of the Index Segment at the beginning of the Index Period, less any partial surrenders (Index Segment Value).

Example

Beginning Index Value: 1,000.00

Ending Index Value: 1,150.00

Index Participation Rate: 100%

Index Cap Rate: 13%

Index Floor Rate: 0%

Index Segment Value: \$10,000.00

Step 1: $(1,150.00 - 1,000.00) / 1,000.00 = 15.00\%$

Step 2: $100\% \text{ Index Participation Rate} \times 15.00\% = 15.00\%$

Step 3: Lesser of 13% Index Cap Rate or 15.00% = 13.00%

Step 4: Greater of 0% Index Floor Rate or 13% = 13.00%

Step 5: Index Credit = $13.00\% \times \$10,000.00 = \$1,300.00$

The Index Segment would be credited \$1,300.00.

2. Daily Averaging: When using the Daily Averaging method, the index change is determined by comparing the average of the index values for every business day of the Index Period (Average Index Value) to the index value on the first day of the Index Period (Beginning Index Value). Index Credits, if any, are credited and locked in at the end of the Index Period. Daily Averaging is available for Survivorship GIUL only.

The Daily Averaging Index Credit is derived with the same steps as the Point-to-Point except for the following adjustments: The Ending Index Value is replaced by the Average Index Value during the Index Period—This average is derived by adding up the index value for each business day during the Index Period and dividing this total by the number of business days that occurred in this same time period. Please note the following:

a. The first value used in the Daily Averaging method is the first business day that follows the beginning of the Index Period.

b. The last value used in the Daily Averaging method is the first business day that occurs on or after the end of the Index Period.

For example, if the Index Period begins on July 11, 2008 (Friday), the first value used in the Daily Averaging method is the Index Value on July 14, 2008 (Monday). The last day used in the Daily Averaging method is July 13, 2009 (first business day that is on or after July 11, 2009).

c. The number of business days in this Index Period is the number of business days in the period beginning with July 14, 2008 and ending with July 13, 2009.

The Calculation

Step 1: (Average Index Value - Beginning Index Value) / Beginning Index Value.

Step 2: Multiply the result of Step 1 by the Index Participation Rate.

Step 3: Apply the Index Cap Rate by taking the lesser of the result of Step 2 and the Index Cap Rate.

Step 4: Apply the Index Floor Rate by taking the greater of the result of Step 3 and the Index Floor Rate.

Step 5: Multiply the Credited Interest Rate (the result of step 4) by the value of the Index Segment at the beginning of the Index Period, less any partial surrenders (Index Segment Value).

Example

Beginning Index Value: 1,000.00

Average Index Value: 1,180.00

Index Participation Rate: 75%

Index Cap Rate: None

Index Floor Rate: 0%

Index Segment Value: \$10,000.00

Step 1: $(1,180.00 - 1,000.00) / 1,000.00 = 18.00\%$

Step 2: $75\% \text{ Index Participation Rate} \times 18.00\% = 13.50\%$

Step 3: There is no Index Cap Rate, so 13.50% = 13.50%

Step 4: Greater of 0% Index Floor Rate or 13.50% = 13.50%

Step 5: Index Credit = $13.50\% \times \$10,000.00 = \$1,350.00$

The Index Segment would be credited \$1,350.00

3. Multi-Index Annual Point-to-Point: When using the Multi-Index Point-to-Point method, the movement of three different indices is measured from the beginning to the end of the 12-month index period. The three indices are S&P 500®, Russell 2000® and the EURO STOXX 50®. Index growth is measured by 50% of the growth of the best performing index, plus 30% of the growth of the second best performing index, plus 20% of the growth of the third best performing index. Index Credits, if any, are credited and locked in at the end of the Index Period. This strategy is only available with the three indices noted above.

The Calculation

Step 1: (Ending Index Value – Beginning Index Value)/Beginning Index Value – this is done for each index in the Index Group.

Step 2: Rank the results of Step 1 and multiply by the appropriate Index Weight.

Step 3: Add the results of Step 2 together.

Step 4: Multiply the result of Step 3 by the Participation Rate.

Step 5: Apply the Index Cap Rate by taking the lesser of the result of Step 4 and the Index Cap Rate.

Step 6: Apply the Index Floor Rate by taking the greater of the result of Step 5 and the Index Floor Rate.

Step 7: Multiply the Credited Interest Rate (the result of step 6) by the value of the Index Segment at the beginning of the Index Period, less any partial surrenders (Index Segment Value).

Example

	Step 1:
Beginning Index Value (S&P 500®): 1,000.00	
Ending Index Value (S&P 500®): 1,150.00	$(1,150.00 - 1,000.00) / 1,000.00 = 15.00\%$
Beginning Index Value (Russell 2000®): 800.00	
Ending Index Value (Russell 2000®): 760.00	$(760.00 - 800.00) / 800.00 = -5.00\%$
Beginning Index Value (ES50®): 2,000.00	
Ending Index Value (ES50®): 2,250.00	$(2,250.00 - 2,000.00) / 2,000.00 = 12.50\%$
	Step 2:
Index Weight – Best performing: 50%	S&P 500®: $15.00\% \times 50.00\% = 7.50\%$
Index Weight – 2nd-best performing: 30%	Russell 2000®: $12.50\% \times 30.00\% = 3.75\%$
Index Weight – 3rd-best performing: 20%	EURO STOXX 50®: $-5.00\% \times 20.00\% = -1.00\%$
Total Multi-Index Change	Step 3: $7.50\% + 3.75\% + -1.00\% = 10.25\%$
Index Participation Rate: 100%	Step 4: $100\% \text{ Index Participation Rate} \times 10.25\% = 10.25\%$
Index Cap Rate: 10%	Step 5: Lesser of 10% Index Cap Rate or 10.25% = 10.00%
Index Floor Rate: 0%	Step 6: Greater of 0% Index Floor Rate or 10.00% = 10.00%
	Step 7: Index Credit = $10.00\% \times \$10,000.00 = \underline{\$1,000.00}$
Index Segment Value: \$10,000.00	The Index Segment would be credited \$1,000.00

4. Monthly Point-to-Point: The monthly point-to-point crediting method will apply the index credit after the end of the 12-month index period. The growth in the index for each month within that 12-month index period is measured subject to a monthly cap. These 12 monthly values are added together and then an annual floor rate is applied in order to determine the final index credit value. Earnings, if any, are credited and locked in on an annual basis.

The Calculation

Step 1: Measure the index growth at the appropriate monthly point (based on the date of deposit).

Index growth is (ending index value - beginning index value) / beginning index value.

Step 2: Apply the appropriate cap rate to the monthly growth rate.

Step 3: Sum the 12 monthly index rates to derive the 12-month period index growth rate.

Step 4: Apply the applicable participation rate to the 12-month period growth rate.

Step 5: Apply the applicable floor rate to the 12-month period growth rate to derive the index credit rate.

Step 6: Multiply the credited interest rate (step 5) by the value of the index segment at the beginning of the index period, less any partial surrenders (index segment value).

Example:

Date of Deposit:	10/15/07	Step 1:	11/15/07	$(1,550 - 1,560) / 1,560 = -0.64\%$
Starting Index Value:	1,560		12/15/07	$(1,480 - 1,550) / 1,550 = -4.52\%$
			01/15/08	$(1,470 - 1,480) / 1,480 = -0.68\%$
Monthly Index Value:	11/15/07	1,550	02/15/08	$(1,380 - 1,470) / 1,470 = -6.12\%$
	12/15/07	1,480	03/15/08	$(1,330 - 1,380) / 1,380 = -3.62\%$
	01/15/08	1,470	04/15/08	$(1,330 - 1,330) / 1,330 = 0.00\%$
	02/15/08	1,380	05/15/08	$(1,390 - 1,330) / 1,330 = 4.51\%$
	03/15/08	1,330	06/15/08	$(1,400 - 1,390) / 1,390 = 0.72\%$
	04/15/08	1,330	07/15/08	$(1,280 - 1,400) / 1,400 = -8.57\%$
	05/15/08	1,390	08/15/08	$(1,270 - 1,280) / 1,280 = -0.78\%$
	06/15/08	1,400	09/15/08	$(1,290 - 1,270) / 1,270 = 1.57\%$
	07/15/08	1,280	10/15/08	$(1,160 - 1,290) / 1,290 = -10.08\%$
	08/15/08	1,270	Step 2:	11/15/07(Lesser of Index Cap Rate of 4% or -0.64%)
	09/15/08	1,290		12/15/08(Lesser of Index Cap Rate of 4% or -4.52%)
	10/15/08	1,160		1/15/08(Lesser of Index Cap Rate of 4% or -0.68%)
Monthly Cap Rate:	4%			2/15/08(Lesser of Index Cap Rate of 4% or -6.12%)
Annual Floor Rate:	0%			3/15/08(Lesser of Index Cap Rate of 4% or -3.62%)
Participation Rate:	100%			4/15/08(Lesser of Index Cap Rate of 4% or -0.00%)
				5/15/08(Lesser of Index Cap Rate of 4% or 4.00%)
Index Segment Value:	\$12,000.00			6/15/08(Lesser of Index Cap Rate of 4% or 0.72%)
				7/15/08(Lesser of Index Cap Rate of 4% or -8.57%)
				8/15/08(Lesser of Index Cap Rate of 4% or -0.78%)
				9/15/08(Lesser of Index Cap Rate of 4% or 1.57%)
				10/15/08(Lesser of Index Cap Rate of 4% or 10.08%)
				Step 3: Sum of monthly index rates =
				-28.71%
				Step 4: 100% Index Participation Rate x -28.71% =
				-28.71%
				Step 5: Greater of 0% Index Floor Rate or -28.71% =
				0.00%
				Step 6: Index Credit = $0.00\% \times \$12,000.00$
				\$ 0.00
				The Index Segment would be credited \$0.00.

5. Annual Point-to-Point with Spread: When using the Annual Point-to-Point with Spread method, the index change is determined by comparing the index value on the last day of the Index Period (Ending Index Value) to the index value on the first day of the Index Period (Beginning Index Value). The Index Spread Rate is subtracted, and then the Floor Rate is applied to determine the final Index Credit. Index Credits, if any, are credited and locked in at the end of the Index Period. This method is not available on Survivorship GIUL.

The Calculation

- Step 1:** (Ending Index Value - Beginning Index Value)/ Beginning Index Value.
- Step 2:** Multiply the result of Step 1 by the Index Participation Rate.
- Step 3:** Apply the Index Spread Rate by taking the result of Step 2 and subtracting the Index Spread Rate.
- Step 4:** Apply the Index Floor Rate by taking the greater of the result of Step 3 and the Index Floor Rate.
- Step 5:** Multiply the Credited Interest Rate (the result of step 4) by the value of the Index Segment at the beginning of the Index Period, less any partial surrenders (Index Segment Value).

Example

<i>Beginning Index Value: 1,000.00</i>	Step 1: $(1,200.00 - 1,000.00) / 1,000.00 = 20.00\%$
<i>Ending Index Value: 1,200.00</i>	Step 2: $100\% \text{ Index Participation Rate} \times 20.00\% = 20.00\%$
<i>Index Participation Rate: 100%</i>	Step 3: $20.00\% \text{ less } 4.00\% \text{ Spread Rate} = 16.00\%$
<i>Index Cap Rate: N/A</i>	Step 4: $\text{Greater of } 0\% \text{ Index Floor Rate or } 16\% = 16.00\%$
<i>Index Spread Rate: 4.00%</i>	Step 5: $\text{Index Credit} = 16.00\% \times \$10,000.00 = \$1,600.00$
<i>Index Floor Rate: 0%</i>	The Index Segment would be credited \$1,600.00.
<i>Index Segment Value: \$10,000.00</i>	

Product Specifications

The following product specifications are highlights of our **Builder IUL**, **Guarantee Builder IUL** and **Rapid Builder IUL**. For product specifications on **Survivorship GIUL**, please refer to the Survivorship GIUL marketing guide. Information can also be found at www.NorthAmericanCompany.com.

NOTE: A signed illustration at the time of application is preferred for IUL cases. If the Statement about Life Insurance Illustrations form (L-2766) is submitted at the time of the application in lieu of an illustration for an IUL case, the signed illustration must be submitted for the case before the policy can be issued and the illustration must be signed at that point or at policy delivery.

	Builder IUL	Guarantee Builder IUL	Rapid Builder IUL
Issue ages	15 days to 75 years (age last)	15 days to 85 years (age nearest)	15 days to 80 years (age last)
Minimum Specified Amount	\$25,000	\$25,000	\$100,000
Maturity Date	<ul style="list-style-type: none"> • The maturity date is the insured's attained age 120. All charges taken until the insured's attained age 100 (no additional premium payment accepted after age 100 if policy is in force). • No current riders have charges beyond age 100; however, future riders may contain charges that continue past age 100. <p>Extended Maturity</p> <ul style="list-style-type: none"> • If the contract is still in force at age 120 and if the IRS will still treat the policy as life insurance past age 120, then the owner may elect to extend the maturity date. • Must be a level death benefit option. • Current interest rate will be credited on non-loaned values. • Loan interest will continue to accrue. • All policy values will be transferred to the fixed account and variable interest loans will be converted to standard loans. • No increases to specified amount, no death benefit option change, no further premium payments, and no additional monthly deductions will be allowed. 		
Minimum Premium	<ul style="list-style-type: none"> • The No Lapse Guarantee Premium to satisfy the NLG period as described below. • Please consult illustration software for premiums. 		

Note: For Survivorship GIUL specifications, please refer to the Survivorship GIUL marketing guide.

	Builder IUL	Guarantee Builder IUL	Rapid Builder IUL
No Lapse Guarantee	<ul style="list-style-type: none"> The duration of the No Lapse Guarantee periods vary by issue age as follows: the earlier of 20 years or attained age 70 for issue ages up to 54, and 15 years for issue ages 55 and higher, provided the no lapse guarantee minimum premium is paid during the specified period. The policyholder is permitted to “catch up” missed no lapse guarantee minimum premiums without interest charges. 	<ul style="list-style-type: none"> The duration of the No Lapse Guarantee periods vary by issue age as follows: the earlier of 15 years or attained age 65 for issue ages up to 54, and 10 years for issue ages 55 and higher, provided the no lapse guarantee minimum premium is paid during the specified period. The policyholder is permitted to “catch up” missed no lapse guarantee minimum premiums without interest charges. 	<ul style="list-style-type: none"> The duration of the No Lapse Guarantee periods vary by issue age as follows: 15 years through issue age 60, to age 75 for issue ages 61-64, and 10 years for issue ages 65 and higher, provided the no lapse guarantee minimum premium is paid during the specified period. On a current basis, the policyholder is allowed to “catch up” on the no lapse guarantee minimum premium. On a guaranteed basis, “catch-up” is not allowed on the no lapse guarantee minimum premium.
	<p>Paying a premium amount that is equal to, but not greater than, the no lapse guarantee minimum premium will keep the policy in force during the no lapse guarantee period, but it may result in a lower cash surrender value. In addition, by paying only the minimum required premium, the policyholder may be forgoing the advantage of building up a significant cash value. If the total of all premiums paid is less than the no lapse guarantee premium requirement, the policy may enter the grace period. When the no lapse guarantee period expires, payment of premium amounts significantly higher than the no lapse guarantee premium may be required to keep the policy in force.</p>		
Rolling Target	<p>Two-year rolling commissionable target premium:</p> <ul style="list-style-type: none"> We will pay the full first year commission on premium paid during the first 24 policy months up to the commissionable target premium established at the time of issue as long as the premium funding in the first year is at least 80% of the commissionable target premium. We will not apply a rolling target to commissions paid for specified amount increases at later durations. 		
Commission Option(s):	Option A) Heaped	Option A) Heaped	Options: A) Heaped; B) Heaped/Asset Trail; C) Percentage of Premium Based; D) Asset Based Commissions. <i>Options may be restricted based on sales situation. Consult our illustration software for available option(s) for a specific case.</i>
Fixed Account Guaranteed Interest Rate	Guaranteed: 1.5%	Guaranteed: 1.5%	Guaranteed: 1.5%
Interest Bonus on Fixed Account	<ul style="list-style-type: none"> Current interest bonus rate is 0.75% in years 11+ when North American declares a current interest rate that exceeds the guaranteed interest rate (interest bonus not applied to loaned funds backing a standard loan). The current interest bonus rates are subject to change; however, once a policy is issued, the percentage will not change. 	<ul style="list-style-type: none"> Current interest bonus rate is 0.75% in years 11+ when North American declares a current interest rate that exceeds the guaranteed interest rate (interest bonus not applied to loaned funds backing a standard loan). The current interest bonus rates are subject to change; however, once a policy is issued, the percentage will not change. 	<ul style="list-style-type: none"> Current interest bonus rate is 0.75% in years 16+ when North American declares a current interest rate that exceeds the guaranteed interest rate (interest bonus not applied to loaned funds backing a standard loan). The interest bonus percentage is subject to change; however once a policy is issued, the percentage will not change.

	Builder IUL	Guarantee Builder IUL	Rapid Builder IUL
Interest Bonus on Index Account	<ul style="list-style-type: none"> Contractually guaranteed interest bonus is 0.75% in years 11+. The interest bonus is applied after the participation rate, cap, and floor. 	<ul style="list-style-type: none"> Contractually guaranteed interest bonus is 0.75% in years 11+. The interest bonus is applied after the participation rate, cap, and floor. 	<ul style="list-style-type: none"> Contractually guaranteed interest bonus is 0.75% in years 16+. The interest bonus is applied after the participation rate, cap, and floor.
Minimum Account Value	<ul style="list-style-type: none"> A Minimum Account Value will be calculated using a 2.5% annual interest rate guarantee and current policy charges and expenses, as if all premiums had been allocated to the Fixed Account. Every ten years, starting on the tenth policy anniversary, the policy account value will be increased to equal the Minimum Account Value (if higher). If the policy account value already exceeds the Minimum Account Value at the time of the comparison, neither one will be adjusted. If the insured dies, the policy is surrendered, the policy is in danger of lapsing due to insufficient premium or the policy reaches its maturity date, the policy Account Value will be at least as large as the Minimum Account Value. The Minimum Account Value is not available for the calculation of the maximum available for variable interest rate loans or partial withdrawals. 		
Policy Costs	<ul style="list-style-type: none"> Guaranteed COIs based on 2001 CSO, ALB, gender distinct, smoker composite, ending at attained age 100. Current COIs vary by issue age, gender, duration, underwriting class and specified amount banding. Monthly administrative fee is \$8.00 per month (current and guaranteed) until age 100. Monthly unit expense charges are calculated as a dollar amount per unit (\$1,000) of specified amount and vary by issue age, gender, underwriting class and specified amount banding. Current: applied in years 1-10 for Non-Tobacco classes, years 1-20 for Tobacco classes. Guaranteed: applied in years 1-20. Premium load is applied to the total premium paid. <ul style="list-style-type: none"> Current: 5% in years 1 -10, 0% in years 11+. Guaranteed: 5% in all years until age 100. Percent of account value charge - assessed to the unloaned account value each month until attained age 100. 	<ul style="list-style-type: none"> Guaranteed COIs based on 2001 CSO, ANB, gender distinct, smoker distinct tables ending at attained age 100. Current COIs vary by issue age, gender, duration, underwriting class and specified amount banding. Monthly administrative fee is \$10.00 per month (current and guaranteed) until age 100. Monthly unit expense charges are calculated as a dollar amount per unit (\$1,000) of specified amount and vary by issue age, gender, underwriting class and specified amount banding. Current: applied in years 1-10. Guaranteed: charges level and applied in years 1-20 for all issue ages. Premium load is applied to the total premium paid. <ul style="list-style-type: none"> Current: 7% in years 1 -10. Guaranteed: 7% in all years. Percent of account value charge - assessed to the unloaned account value each month until attained age 100. <ul style="list-style-type: none"> Current basis years 1-10: 0.396% per year 	<ul style="list-style-type: none"> Guaranteed COIs based on 2001 CSO ALB gender distinct, smoker composite tables ending at the attained age 100. Current COIs vary by issue age, gender, duration, underwriting class and specified amount banding. Monthly administrative fee is \$10.00 per month (current and guaranteed) until age 100. Monthly unit expense charges are calculated as a dollar amount per unit (\$1,000) of specified amount and vary by issue age, gender, underwriting class and specified amount banding. Current: applied in years 1 -10. Guaranteed: applied in all years up to age 100. Premium load is 0%. Percent of account value charge is applied monthly to unloaned account value each month until age 100. <ul style="list-style-type: none"> Current: 0.033% per month in years 1 -10, 0.016% per month in years 11+ (not beyond age 100). Guaranteed: 0.05% per month in all years to attained age 100.

	Builder IUL	Guarantee Builder IUL	Rapid Builder IUL
Policy Costs (continued)	<ul style="list-style-type: none"> Current basis years 1-10: 0.025% per month (0.300% annually) Current basis years 11+ : 0.009% per month (0.108% annually) Guaranteed basis until attained age 100: 0.025% per month (0.300 % annually) 	<ul style="list-style-type: none"> Current basis years 11+: 0.192% per year Guaranteed basis until attained age 100: 0.396% per year 	
Guideline Premium and Cash Value Accumulation Tests	<p>Two life insurance tests can be used to determine the policy's qualifying status as a life insurance contract, the Guideline Premium Test (GPT) and the Cash Value Accumulation Test (CVAT). The test must be chosen at issue and cannot be changed after issue. The desired test can be specified on the illustration software and should be indicated on the supplemental application.</p> <ul style="list-style-type: none"> Guideline Premium Test (GPT): A policy that uses the Guideline Premium Test will have limitations on the amount of premium that can be paid. The limitations, called Guideline Single Premium and Guideline Level Premium, are required by the Internal Revenue Code for the policy to qualify as a life insurance contract. Cash Value Accumulation Test (CVAT): A policy that uses CVAT does not have Guideline Premium limitations on the amount of premium that can be paid. The death benefit might be increased in order to qualify the policy as a life insurance contract. 		
Death Benefit Options	<ul style="list-style-type: none"> Level Death Benefit: the death benefit generally remains level, at the specified amount. Increasing Death Benefit: the death benefit is generally the specified amount plus the policy account value. Death Benefit Option changes are allowed after the first policy year. 		
		<p>Return of Premium Death Benefit Option:</p> <ul style="list-style-type: none"> Option can only be selected at the time of application. The death benefit is generally the specified amount, plus premiums paid, less total partial withdrawals (including fees). Maximum issue age: 70. Not allowed on policies with a rating greater than Table 4, or flat extra rating. 	
Specified Amount Changes	<ul style="list-style-type: none"> Increases: Available in any policy year with Builder IUL and Rapid Builder IUL—and during the first five policy years for Guarantee Builder IUL with satisfactory evidence of insurability. <ul style="list-style-type: none"> Increases are not allowed for attained ages above 80 (age 75 for Builder IUL and age 85 for Guarantee Builder IUL) except for policies that increase because of death benefit option changes. Minimum increase amount is \$25,000. Decreases: Available after the second policy year. Minimum decrease amount is \$10,000 (specified amount may not be less than \$25,000 for Builder IUL or Guarantee Builder IUL; for Rapid Builder IUL, the specified amount may not be less than \$100,000). If the Specified Amount is decreased while a surrender charge is in effect, then a decrease charge will apply. Future surrender charges will be lowered to reflect the lower Specified Amount. 		
Conversion	Builder IUL, Guarantee Builder IUL and Rapid Builder IUL are available for conversion; however, not all riders and benefits may be available.		

Access to Cash Value⁵

	Builder IUL	Guarantee Builder IUL	Rapid Builder IUL
Partial Withdrawals	<ul style="list-style-type: none"> Partial withdrawals are available starting in the first policy year. Only one withdrawal may be made in the first policy year. The maximum withdrawal in policy year one is equal to 50% of the net cash surrender value. In policy year two and beyond, the maximum cumulative withdrawal is equal to 90% of the net cash surrender value. There is no partial withdrawal processing fee for the first withdrawal in a single policy year; a \$25 processing fee will be applied to each subsequent partial withdrawal in the same policy year. Minimum partial withdrawal amount \$500. Partial withdrawal may reduce the specified amount. 		
		<ul style="list-style-type: none"> Partial withdrawals on policies with the Return of Premium Death Benefit may reduce the Return of Premium Death Benefit amount and/or the specified amount. 	
	<ul style="list-style-type: none"> On a single partial withdrawal request, the policyowner may specify how much of the partial withdrawal is to be taken from the value in the Fixed Account and the Index Selections. If the chosen account(s) is/are not sufficient to fund the partial withdrawal, or if the client does not specify, then partial withdrawals will be taken from the Fixed Account and the Index Selection(s) in proportion (pro rata basis) to their values, then Last In First Out (LIFO) from the Index Segment(s) within each Index Selection. 		
Surrender	<ul style="list-style-type: none"> Surrender charges decrease on an annual basis for policy years 1 through 15. On Guarantee Builder IUL, there is a 10 year surrender charge period for ages 81-85. 	<ul style="list-style-type: none"> Surrender charges decrease on an annual basis for policy years 1 through 14. 	
	<ul style="list-style-type: none"> Full surrenders are allowed, subject to a surrender charge. The surrender value is equal to the Account Value less applicable surrender charges and outstanding loans, if any. Any Index Segment that is in effect at the time of surrender that is not at the end of the Index Period on the effective date of surrender will not earn an Index Credit. Surrender charges vary by issue age, gender, duration, and tobacco status. Consult illustration software for surrender charges for all ages and durations. 		

⁵ In some situations loans and withdrawals may be subject to federal taxes. Neither North American Company nor its agents give tax or legal advice. Customers should be instructed to consult with and rely on their own tax advisor or attorney for advice on their 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.

	Builder IUL	Guarantee Builder IUL	Rapid Builder IUL
Variable Interest Rate Loans*	<p>Description</p> <ul style="list-style-type: none"> • Variable interest rate loans are available starting in policy year six. • The maximum variable interest rate loan amount is equal to the net cash surrender value, less the sum of the estimated monthly deductions for three months, less interest on any existing policy debt and interest on the new policy loan for three months. • In no case will the variable loan interest rate exceed the maximum variable loan interest rate shown in the schedule of policy benefits. The maximum variable loan interest rate is defined as the lesser of: <ul style="list-style-type: none"> - 6%; or - The greater of the Moody's Corporate Bond Yield, as published by Moody's Investors Services, Inc., or 3.5% • Loan interest is charged in arrears. • Loaned account values continue to earn interest as if no loan has been taken, so that the net cost of the variable interest rate loan can be negative. • Variable loans may not be taken in conjunction with standard loans. <p>Changes to the Variable Loan Interest Rate</p> <ul style="list-style-type: none"> • The variable loan interest rate will be determined quarterly March 31st, June 30th, September 30th, and December 31st. • The variable loan interest rate will be adjusted on the policy anniversary dates if such an adjustment would decrease the rate by 0.5% or more per year. • The variable loan interest rate may be adjusted on the policy anniversary if such an adjustment would increase the rate by 0.5% or more per year. • A notice will be sent each time the variable loan interest rate increases while any policy debt exists on the policy with a variable loan interest rate. This notice will be sent at least 30 days (60 days in Nevada for Builder IUL) prior to the effective date of the increase. 		
Standard Loans	<ul style="list-style-type: none"> • Standard policy loans are available starting in the first policy year. • Please refer to the illustration software for the current standard loan interest rate. The standard loan interest rate is guaranteed not to exceed 6%. • Starting in policy year six, net zero cost loans will be available on 100% of the loan value. Zero cost loans are charged and credited at 1.5% for a net zero cost. This feature does not apply to variable interest rate loans. <p>• On the date that the loan is processed, if the amount in the Fixed Account is less than the requested Standard Loan amount plus any outstanding policy debt, funds will automatically be transferred from the Index Selections to the Fixed Account before the loan is processed.</p> <p>• The policyowner may specify the amount to be transferred from each Index Selection to the Fixed Account. If not specified, the transfer will be made using a pro rata method based on the account value, starting with the most recently dated Index Segments in each Index Selection.</p> <p>• If any transfer from the Index Selections due to a Standard Loan request occurs before the end of the Index Period, the transferred amount will not receive any Index Credit.</p> <p>• Standard policy loans may not be available in all states.</p> <p>• Standard policy loans may not be taken in conjunction with variable interest rate loans.</p>		
Switching Loan Types	<ul style="list-style-type: none"> • Loan types can be switched. For example, a variable interest rate loan may be changed to a standard policy loan. Any remaining loan balance will be transferred to the new loan. • Only one loan type is available at any time. • Changes must be made on the monthly policy anniversary. • There is no cost for switching between loan types. 		

* The net cost of a variable interest loan could be negative if the credits earned are greater 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 loans. In brief, variable Interest Rate Loans have more uncertainty than Standard Policy Loans in both the interest rate charged and the interest rate credited.

	Builder IUL	Guarantee Builder IUL	Rapid Builder IUL
Overloan Protection Benefit	<p>An ideal benefit for those clients that will use their policy as an income supplement vehicle, the Overloan Protection Benefit will keep the policy from lapsing due to excessive loans and continue to provide death benefit coverage. If elected, the guarantee provided by this benefit may help a client avoid the adverse tax consequences that can result from a policy lapsing due to excessive loans or withdrawals.⁶</p> <p>Benefit guidelines include:</p> <ul style="list-style-type: none"> • Guaranteed during the Overloan Protection Period, the policy will remain in effect until the insured's death provided (a) the policy is not terminated due to surrender; and (b) the policyowner does not take policy loans or withdrawals during the Overloan Protection Period. • Election of this benefit may reduce the specified amount. • Available provided the following conditions are met: <ul style="list-style-type: none"> • The policy has been in effect for at least 15 policy years; and • The insured's policy age is at least age 65; and • Withdrawal of all premium has been made (If withdrawals to cost basis have not been made, loans will be converted to withdrawals to the extent of the cost basis.); and • Policy debt does not exceed the Overloan Election Amount. • If the Overloan Protection Benefit is in effect, all endorsements and riders will terminate. • May not be elected if the Protected Death Benefit is in effect. If Overloan Protection benefit is in effect, Accelerated Benefits cannot be elected. • The policy is not a Modified Endowment Contract.⁷ • The Overloan Election Amount is: <ul style="list-style-type: none"> • 89% of the account value for policy ages that are greater than or equal to age 65, but less than or equal to age 74. • 93% of the account value for policy ages that are greater than or equal to age 75. • The benefit becomes effective on the monthly anniversary date that follows the date we receive a written notice from the policyholder electing the benefit. • Loan repayment can be made at anytime during the Overloan Protection Period. Interest charged on Policy Debt will continue to accrue during the Overloan Protection Period. • During the Overloan Protection Period, the amount of the death benefit will be determined exclusively by the level death benefit option and will be equal to the greater of the following amount for the then current policy year: <ul style="list-style-type: none"> a) 100% of the account value as of the date of the insured's death; and b) The minimum amount of death benefit necessary for the policy to continue its qualification as a life insurance contract for federal tax purposes • The Overloan Protection Benefit is subject to limitations outlined in the policy. 		

⁶ Neither North American Company for Life and Health Insurance nor its agents give tax advice. Please advise your customers to consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements. 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.

⁷ For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a Modified Endowment Contract (MEC), a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premiums).

Builder IUL**Guarantee Builder IUL****Rapid Builder IUL****Protected Death Benefit**

The Protected Death Benefit is an excellent option for clients who will use their policy to supplement their income, but also desire the guarantee of a specific death benefit amount upon their death. In some cases, clients may determine that they do not require the level of death benefit coverage as originally issued on the policy. The guarantee provided allows the client to choose their minimum death benefit amount, while they continue to access their accumulated policy values through loans or withdrawals.

Benefit guidelines include:

- Guarantees that the policy will remain in effect and that the death benefit, less any policy debt at the insured's death, shall at least be equal to the Protected Death Benefit Amount, provided:
 - The Protected Death Benefit period has not ended.
 - Policyowner has elected the Protected Death Benefit.
 - No loans or withdrawals are taken that exceed the Protected Death Benefit Distributable Account.
- Benefit may be elected provided:
 - The policy has been in force for at least 15 policy years; and
 - The insured's policy age is equal to or greater than age 65; and
 - The policy debt is less than the Protected Death Benefit Distributable Fund; and
 - The death benefit option is level.
- Cannot be elected if the Overloan Protection Benefit is in effect, or if the ratio of the policy debt to the account value is greater than the Protected Death Benefit Distributable Account Percentage.
- If Policy has a Premium Guarantee Rider attached to it, such rider will be terminated upon the election of the Protected Death Benefit.
- Maximum benefit: Determined by the net cash surrender value at the time of election. The amount depends on the Protected Death Benefit Distributable Account percentage, policy age, gender, and premium class of the insured. The maximum Protected Death Benefit Amount will be less than or equal to the specified amount of insurance at the time the Protected Death Benefit is exercised.
- Minimum benefit: \$25,000.
- We will notify the policyowner by mail within 60 days after the policyowner becomes eligible to elect the benefit. The benefit becomes effective on the monthly anniversary date that follows the date we receive a written notice from the policyholder electing the benefit.
- The Protected Death Benefit Distributable Account is equal to 97% of the result of (a) less (b), where:
 - a) Is the account value; and
 - b) Is the greater of (1) and (2) where,
 1. Is (100% - the Protected Death Benefit Percentage) times the account value; and
 2. Is the Protected Death Benefit Account.
- The Protected Death Benefit Interest Rate is 4% for all policy years.
- The Protected Death Benefit is subject to limitations outlined in the policy.

Rapid Builder IUL Waiver of Surrender Charge Option

Available on Rapid Builder IUL, the election of this option can help your clients avoid costly surrender charges should the need to surrender the policy arise. When the Waiver of Surrender Charge Option is selected, it can create greater cash value accumulation in the beginning policy years (less the monthly cost). Also, exclusive to Rapid Builder IUL, a table shaving feature is available with this option. Refer to the illustration software for more information. NOTE: The Waiver of Surrender Charge Option is also available on Survivor GIUL. Specific guidelines for those products can be found in the marketing guide for this product.

- Surrender charges will be waived upon a full surrender, partial surrender or a partial withdrawal if the Waiver of Surrender Charge option is elected. Surrender charges will not be waived if the policy is surrendered under an elected 1035 Exchange (except in FL).
- A decrease charge will be assessed if a reduction in the policy face amount is requested during the Waiver of Surrender Charge Period. However, if a partial withdrawal results in a reduction of the face amount, the decrease charge will be waived.
- Option must be selected at the time of application and migration in and out of the option is not allowed.
- Available for an additional charge of \$.03-.08 per \$1,000 of Specified Amount per month for 14 years from issue and from each increase, depending on issue age and underwriting class.
- Target premiums under this option are equal to approximately 62% of the Rapid Builder IUL base plan target premium.
- Table shaving feature is available for Rapid Builder IUL policies that include the Waiver of Surrender Charge Option.
 - Feature allows certain substandard underwriting rates (known as "table ratings") to be improved to a "standard" rating. A standard rating generally indicates average health and involves a lower life insurance premium than substandard ratings. Qualifying rated cases through Table 3 will be classified as Standard.
 - Qualifying rated cases include policies up to \$5 million for ages 0-75 and policies up to \$1 million for ages 76-80. This does not apply beyond Table 3 and cannot be used to move a proposed insured into one of the Preferred classes.
 - Table shaving feature is not allowed on cases where facultative reinsurance underwriting is utilized.
 - An applicant must be Table 3 or better before credits are applied in order to qualify for table shaving. An applicant that has credits applied to bring him/her to Table 3 would not be table shaved to Standard.
 - Only table ratings are allowed to be shaved. Flat extras remain on the case as entered.
- Ideal feature for business situations when placement of multiple cases is needed.

Benefits, Riders and Other Options

North American's IUL products offer a variety of benefits, riders and options to provide additional value and flexibility for your clients. These benefits, riders, and options may vary by specific product or based on state availability.

NO ADDITIONAL PREMIUM COST BENEFITS

The following benefits and riders are automatically included in policies at issue with no additional premium.

ACCELERATED DEATH BENEFITS⁸

Accelerated Death Benefits help your clients access a portion of the death benefit for living needs. There's no additional premium required; however there is an administrative fee at the time the chronic or terminal illness accelerated benefit is elected. The death benefit will be reduced by the amount the client chooses to accelerate. However, the actual amount paid to the client will be less than the amount of death benefit accelerated. This is because a discount is applied to accelerated death benefits. An administrative fee and any applicable policy debt repayment may also reduce the amount accelerated. For chronic and terminal illness, the discount depends on the specifics of the policy (including the insured's age and premium class, among other factors), as well as interest rates at the time the acceleration is requested. For critical illness, all approved claims will receive a payment guaranteed to be 40% of the death benefit amount accelerated, less any amounts needed for debt repayments (for example, 40% of \$50,000 = \$20,000) – regardless of the type of critical illness event, policy age, gender or underwriting class. Up to \$1,000,000 may be accelerated per policy. If the Overloan Protection is in effect, Accelerated Death Benefits cannot be elected and all riders and endorsements will terminate. Accelerated Death Benefit payments may impact policy provisions and other riders or endorsements. Please refer to the product brochure for complete details.

Critical Illness

Specific medical conditions that may qualify for the critical illness benefit include heart attack, different types of cancer, stroke, major organ transplant, and kidney failure. For complete definitions, please refer to the Accelerated Death Benefit Endorsement marketing guide at www.NorthAmericanCompany.com. Please keep in mind that the policyowner must file the claim within 12 months of a qualifying event. The maximum amount of the death benefit that may be accelerated is the lesser of 25% of the death benefit at the time of each election, or \$50,000. The minimum amount that may be accelerated is \$2500 (which would result in a payment of \$1000 after the discount is applied). The maximum issue age is 75, and the insured must be rated at a Table 2 or better and not have a medical flat extra. In California, the insured must also have health insurance in order to qualify for the Critical Illness benefit.

Chronic Illness

NOTE: Chronic Illness benefit described below is not available in California. Refer to Accelerated Death Benefit Endorsement - Chronic Illness form LR492 or the ADBE Consumer Brochure for California (502NM) for information on benefits available in California.

This endorsement allows the policyowner to accelerate a portion of the death benefit amount after being diagnosed as chronically ill. To qualify for the Accelerated Death Benefit Endorsement that includes chronic illness, the following criteria must be met: 1) Maximum issue age is 80 or less, 2) Insured is rated at table 4 or less, 3) Does not have a medical flat extra.

The insured is considered chronically ill if a physician has certified that within the past 12 months the insured:

1. Is permanently unable to perform, for at least 90 consecutive days, without substantial assistance from another person, at least two Activities of Daily Living (bathing, continence, dressing, eating, toileting and transferring).

Or

2. Requires substantial supervision by another person to protect oneself from threats to health and safety due to Severe Cognitive Impairment. Severe Cognitive Impairment means deterioration or loss of intellectual capacity that is measured by clinical evidence and standardized tests, which reliably measure impairment in: short-term or long-term memory; or orientation to person, place or time; or deductive or abstract reasoning; or judgment as it relates to safety awareness.

One election is available every 12 months. The maximum death benefit amount that may be accelerated per election is the lesser of 24% of the death benefit or \$240,000. The minimum accelerated death benefit amount that may be accelerated is 5% of the death benefit on the initial election date or \$50,000 if smaller. Only one accelerated benefit rider or endorsement can be elected at any given time.

Terminal Illness

This endorsement allows the policyowner to accelerate a portion of the death benefit if he or she is certified as terminally ill with a life span of 24 months or less. Only one election can be made for terminal illness. The maximum death benefit amount that may be accelerated on the benefit election date of terminal illness is the lesser of 75% of the death benefit or \$750,000. The minimum is the lesser of 10% of the death benefit or \$100,000.

- **Premium Guarantee Rider** – Available on Guarantee Builder IUL only

Available only on Guarantee Builder IUL, this feature is automatically included at issue and provides an important no-lapse protection guarantee that can ensure that coverage will continue even if the policy's cash surrender values are insufficient to cover the monthly deductions, provided that the calculated policy protection value is greater than the loan balance. The performance of this feature is sensitive to prompt payment—premiums must be made on time and in a consistent manner to keep the guarantee.

The guarantee references an "alternate" policy value calculated in the same manner as the actual policy value, but uses different charges (cost of insurance, administrative fees, etc.) and interest rates. All charges used in this alternate policy value calculation are guaranteed not to increase.

The alternate policy value is not used in determining the actual policy value, it is simply a reference value used to determine when the policy enters the grace period.

OPTIONAL BENEFITS

The following riders may be elected at an additional cost, in states and on products where available:

- **Accidental Death Benefit Rider**

The Accidental Death Benefit Rider provides additional death benefit for the insured if death was a direct result of accidental bodily injury, independent of disease or bodily or mental illness or any other cause, and occurs within 180 days from the date of the injury and the injury occurs while the policy and this rider were in effect. Only available at issue and on policies without a substandard rating. This rider may not be available with certain health or other conditions.

- **Children's Term Insurance Rider**

This rider provides term coverage on all children of the base insured, either biological or legally adopted, who are at least 15 days old.

- Issue ages: 15 days to 19 years of insured child; 18 years to issue age 55 of the base insured.
- Maturity: Age 23.
- Minimum: \$5,000 per child.
- Maximum: \$25,000 per child.

- **Guarantee Insurability Rider**

This rider provides an option to purchase a specified amount of additional insurance on each Option Date as listed below. No evidence of insurability is required for this purchase. (Each Option must be exercised on or within 90 days prior to the Option Date.) The rider is only available upon policy issue. The rider will not be issued when the applicant is a substandard risk, a borderline case or when there is a military or aviation hazard.

- Regular Option Dates (depending on issue age) are: 25, 28, 31, 34, 37, 40

Failure to exercise an option does not affect the right to purchase new insurance on a subsequent option date.

⁷ Critical Illness and Chronic Illness are subject to eligibility requirements.

- Special Option Dates: 1) the insured's marriage; 2) the birth of each child born of the insured's marriage; 3) the legal adoption of each child adopted by the insured

The exercise of an Option on a Special Option Date will automatically nullify the next Regular Option. The nullification of all Regular Options will not affect the company's obligation to issue a new policy as of any subsequent Special Option Date.

• **Waiver of Monthly Deductions Rider**

Not available in California.

Not available in New Jersey on the Rapid Builder IUL.

The Waiver of Monthly Deductions Rider waives monthly COIs, monthly loads, administrative fees, percent of account charges, and any other rider charges, after the insured has been totally disabled for six months. Waiver is not available on policies with substandard ratings.

- Issue ages: 18-59 (age nearest).
- Maturity: Age 65.
- Minimum: Not applicable.
- Maximum: Maximum policy size eligible for this benefit is the lesser of \$2 million or \$40,000 of target premium. The \$40,000 of target premium does not include the Waiver of Monthly Deductions Rider premium.

OTHER OPTIONS

North American makes it easier for your clients to manage their insurance policy with by offering the options listed below

• **Automatic Distribution Option**

- The policyowner can request monthly, quarterly, semi-annual or annual distribution of the account value. This is ideal when the policy is being used for retirement supplement.
- The policyowner must complete the Automatic Distribution Option (ADO) form to begin receiving the distributions.
- Distributions up to the premium basis of the policy will be processed as partial withdrawals, and distributions in excess of the premium basis of the policy will be processed as policy loans.

• **Systematic Premium Allocation (SPA)**

- The SPA option enables policyowners to have a designated amount of premium initially placed into the Fixed Account and then automatically allocated toward index selections in equal amounts until the balance is zero. This feature is useful for a variety of situations, including lump sums paid at issue and annual premium payments.
 - Minimum transfer amount is \$200/month.
 - Designated SPA premium earns the current fixed account interest rate until it is transferred to the designated index selections.
 - SPA transfer amounts may be allocation percentages can be changed up to twice each policy year.
- The policyowner must complete the Indexed Life Systematic Premium Allocation Request form to utilize the option.

Underwriting

Listed below is underwriting information for Builder IUL, Guarantee Builder IUL, and Rapid Builder IUL. Survivorship GIUL can be found in the Survivorship GIUL marketing guide. Detailed underwriting requirements for all products can be found in the Underwriting Guidelines brochure.

Builder IUL (Age Last Birthday)

Issue Ages	Specified Amount: \$25,000 to Maximum*
15 days – 17 years	Standard NT
18 years – 75 years	Super Preferred NT, Preferred NT, Standard NT, and Preferred Tobacco
15 years – 75 years	Standard Tobacco

Guarantee Builder IUL (Age Nearest Birthday)

Issue Ages	Specified Amount: Minimum to Maximum*
15 days – 17 years	Standard NT
18 years – 85 years	Super Preferred NT, Preferred NT, Standard NT, and Preferred Tobacco
15 years – 85 years	Standard Tobacco

Rapid Builder IUL (Age Last Birthday)

Issue Ages**	Specified Amount: \$100,000 to Maximum*
15 days – 17 years	Standard NT
18 years – 80 years	Super Preferred NT, Preferred NT, Preferred Tobacco, and Standard NT
15 years – 80 years	Standard Tobacco

* Specified amounts for applicants under age 18 are limited by underwriting guidelines. Please contact your underwriter for details.

**Rapid Builder IUL policies with the Return of Premium Death Benefit Option have a maximum issue age of 70.

SUBSTANDARD

Table ratings are available for both medical and non-medical reasons based on issue ages (ages vary by product) and are applied under the following guidelines:

- Table ratings are 25%.
- Table ratings are available to Standard Non-Tobacco and Standard Tobacco classes.

Flat extras may be applicable based on issue ages (ages vary by product) and are applied under the following guidelines:

- Non-medical flat extras may be applied to all rate classes except Super Preferred Non-Tobacco, Preferred NT ages 71+, and Preferred TB ages 71+.
- Medical flat extras may be applied to the Standard Non-Tobacco and Standard Tobacco rates.

How to Apply

Refer to Forms Factory, on our website at www.NorthAmericanCompany.com, for life application and supplemental form requirements. NOTE: A signed illustration at the time of application is preferred for IUL cases. If the Statement about Life Insurance Illustrations form (L-2766) is submitted at the time of the application in lieu of an illustration for an IUL case, the signed illustration must be submitted for the case before the policy can be issued and the illustration must be signed at that point or at policy delivery.

Applications for Builder IUL, Guarantee Builder IUL and Rapid Builder IUL may be submitted through North American's SimpleSubmit® e-app process. Access SimpleSubmit through your managing general agent's web site or, if your managing general agent doesn't offer SimpleSubmit, go to www.NorthAmericanCompany.com and click on the "Submit an e-app" button.

Required Agent Training

North American Company believes that agent training is the critical first step in making sure the agent has the knowledge to make appropriate life insurance recommendations to his/her customers. This is especially important when it comes to indexed universal life insurance products.

As more complex life insurance products enter the marketplace, it becomes even more important that agents have the knowledge and training they need to help their customers build a solid financial plan for the future.

In light of the changing product environment, North American has developed an "Agent Certification" program on indexed universal life that includes a presentation or an online training session followed by an exam. North American requires agents selling the Builder IUL Series plans to complete this training and take the exam. The Agent Certification program will:

- Help you understand the mechanics of indexed universal life
- Give you valuable tips and information on how to present the product
- Provide the background you need to assess your clients' needs
- Give you confidence to sell our Builder IUL Series products successfully

North American will document when you've completed the training. More information about training opportunities at North American and our Agent Certification program can be found at www.NorthAmericanCompany.com.

North American realizes and appreciates the extensive knowledge and training that many of our agents possess. In the independent insurance market in which we operate, however, it can't be assumed that all agents have received appropriate training, and it becomes prudent for companies to err on the side of caution. Additionally, as product designs become more varied, company and product-specific training become a more important responsibility for companies.



Glossary

Account Value

The Account Value is the sum of the Fixed Account Value plus the Index Account Value.

Fixed Account

An account that offers a fixed rate of interest.

Fixed Account Value

The Fixed Account Value is equal to the total premiums and/or transfers allocated to the Fixed Account, minus policy charges and expenses, minus the cost of any additional insurance or benefits, minus any partial surrenders, minus transfers out of the Fixed Account. The Fixed Account Value is credited with the company's currently declared, non-guaranteed interest rate.

Index Account Value

The Index Account Value is the total value of all individual Index Segments for all Index Selections. It is equal to the total premiums and/or transfers allocated to the Index Selections, minus policy charges and expenses, minus the cost of any additional insurance or benefits, minus any partial surrenders, plus any Index Credits minus transfers out of the Index Account. The Index Credit is based on the performance of the index or indices selected.

Index Cap Rate

The Index Cap Rate is the maximum interest rate that is used in the calculation of the Index Credit. The Index Cap Rate will be declared for each Index Segment in advance of each Index Period. It will never be less than the Minimum Index Cap Rate shown in the policy.

Index Credit

The amount credited to an Index Segment. The Index Credit is calculated and added to an Index Segment at the end of an Index Period. No Index Credit will be given if an Index Segment ends before the end of the Index Period.

Index Crediting Date

The Index Crediting Date is the first business day that falls on or after the end of the Index Period, when we apply the Index Credit to the Index Segment.

Index Crediting Method

The method used to calculate the index change. Index Crediting Methods: 1) Annual Point-to-Point, 2) Daily Averaging, 3) Multi-Index Point-to-Point, 4) Monthly Point-to-Point Averaging, and 5) Annual Point-to-Point with Spread. For each method, the

change in index value, if any, is subject to the Index Participation Rate, Index Cap Rate, Index Floor Rate, and Index Spread Rate. Crediting Methods vary by product.

Index Floor Rate

The Index Floor Rate is the minimum interest rate that is used in the calculation of the Index Credit. The Index Floor Rate is declared for each Index Segment in advance of each Index Period, and is guaranteed to never be less than 0%.

Index Participation Rate

The portion of the index change that is used in the calculation of the Index Credit. The Index Participation Rate will be declared for each Index Segment in advance of each Index Period, but it will never be less than the Minimum Index Participation Rate shown in the policy.

Index Period

The period of time during which an Index Credit is calculated. An Index Period begins on the date an Index Segment is created. This policy uses a 12 consecutive month period. At the end of an Index Period, a new Index Period will begin, and any values in the Index Segment will remain in the same Index Segment, unless changed by the client.

Index Segment

An account that earns an Index Credit based on an Index Selection. An Index Segment is created on each date when a premium payment or transfer is allocated to an Index Selection. An Index Segment will end when its value cannot cover the policy costs. The policy may contain multiple Index Segments at one time. (Also referred to as a "Bucket.")

Index Selection

A combination of an index and an Index Crediting Method (Example: NASDAQ-100® Annual Point-to-Point).

Index Spread Rate

The Index Spread Rate is the rate that is subtracted from the index growth. The Index Spread Rate will be declared for each Index Segment in advance of each Index Period, and it will never be greater than the Maximum Index Spread Rate shown in the policy. The Index Spread Rate only applies to the S&P 500 Annual Point-to-Point with Spread.

CALIFORNIA NOTE: Agents offering, marketing or selling accelerated benefits for chronic illness must be able to describe the differences between benefits provided under an accelerated death benefit for chronic illness and benefits provided under long-term care insurance to clients. You must provide clients with the ADBE Consumer Brochure for California that includes this comparison.

Indexed Universal Life products are not a 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.

THE S&P 500® COMPOSITE STOCK PRICE INDEX
THE S&P 400® COMPOSITE STOCK PRICE INDEX
THE DOW JONES INDUSTRIAL AVERAGE® (DJIA®) COMPOSITE STOCK PRICE INDEX

These Indices do not include dividends paid by the underlying companies.

The S&P MidCap 400®, DJIA® and the S&P 500® Indices are products of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by North American Company for Life and Health Insurance (the Company). Standard & Poor's®, S&P®, S&P MidCap 400® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® and DJIA® are registered trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the Company. The Company's Product(s) are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the Company's Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Company's Product(s) particularly or the ability of the S&P MidCap 400® and the S&P 500® Indices to track general market performance. S&P Dow Jones Indices' only relationship to the Company with respect to the S&P MidCap 400® and the S&P 500® Indices is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices or its licensors. The S&P MidCap 400® and the S&P 500® Indices are determined, composed and calculated by S&P Dow Jones Indices without regard to the Company or the Company's Product(s). S&P Dow Jones Indices have no obligation to take the needs of the Company or the owners of the Company's Product(s) into consideration in determining, composing or calculating the S&P MidCap 400® and the S&P 500® Indices. S&P Dow Jones Indices is not responsible for and has not participated in the determination of the prices, and amount of the Company's Product(s) or the timing of the issuance or sale of the Company's Product(s) or in the determination or calculation of the equation by which the Company's Product(s) are to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of the Company's Product(s). There is no assurance that investment products based on the S&P MidCap 400® and the S&P 500® Indices will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice. Notwithstanding the foregoing, CME Group Inc. and its affiliates may independently issue and/or sponsor financial products unrelated to the Product(s) currently being issued by the Company, but which may be similar to and competitive with the Company's Product(s). In addition, CME Group Inc. and its affiliates may trade financial products which are linked to the performance of the S&P MidCap 400® and the S&P 500® Indices.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THESE INDICES OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY NORTH AMERICAN COMPANY FOR LIFE AND HEALTH INSURANCE, OWNERS OF THE PRODUCT, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDICES OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR AGREEMENTS BETWEEN S&P DOW JONES INDICES AND THE COMPANY, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

The EURO STOXX 50® is the intellectual property of (including registered trademarks) STOXX Limited, Zurich, Switzerland and/or its licensors ("Licensors"), which is used under license. The Index Accounts for this Product based on the Index are in no way sponsored, endorsed, sold or promoted by STOXX and its Licensors and neither of the Licensors shall have any liability with respect thereto.

The NASDAQ-100®, NASDAQ-100 INDEX® and NASDAQ® are registered marks of the NASDAQ Stock Market Inc. (which with its affiliates are the "Corporations") and are licensed for use by North American Company for Life and Health Insurance. These products have not been passed on by the Corporations as to their legality or suitability. These products are not issued, endorsed, sold or promoted by the Corporations. THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THIS PRODUCT. THIS INDEX DOES NOT INCLUDE DIVIDENDS PAID BY THE UNDERLYING COMPANIES.

Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell rating and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

North American Company's indexed universal life products are not sponsored, endorsed, sold or promoted by the S&P 500®, S&P MidCap 400®, DJIA®, EURO STOXX 50®, NASDAQ-100® and Russell 2000®, and they make no representation regarding the advisability of purchasing this contract or investing in these products.

Builder IUL policy form series LS172, Guarantee Builder IUL policy form series LS175, Rapid Builder IUL policy form series LS176/LS176W (with Waiver of Surrender Charge option), Survivorship GIUL policy form series LS171/LS171W (with Waiver of Surrender Charge option), Accelerated Death Benefit Endorsement for Critical, Chronic and Terminal Illness form series LR477; Accelerated Death Benefit Endorsement for Chronic and Terminal Illness form series LR465; and Accelerated Death Benefit Endorsement for Terminal Illness form series LR466, Accelerated Death Benefit Endorsement - Chronic Illness form LR492, CA only; Accelerated Death Benefit Endorsement - Critical Illness form LR498, CA only; Accidental Death Benefit Rider form series LR493, Children's Term Insurance Rider form series LR456, Waiver of Monthly Deductions Rider form series LR416B, Premium Guarantee Rider form series LR483, Guarantee Insurability Rider form series LR495 by North American Company for Life and Health Insurance, Administrative Office, Sioux Falls, SD 57193. Products, features, riders, endorsement or issue ages may not be available in all jurisdictions. Restrictions or limitations may apply.

We're Here For Life®

525 W Van Buren | Chicago IL 60607

FOR AGENT USE ONLY. NOT TO BE USED FOR CONSUMER SOLICITATION PURPOSES.

www.NorthAmericanCompany.com

241NM 3/17