Sales Concept PLAYBOOK

North American Company for Life and Health Insurance Since 1886

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Introduction: How to Use This Playbook

The North American Company Playbook was designed exclusively for our Partner MGAs and their staff. The purpose of the playbook is to help you build deeper relationships with your financial professionals by providing you with a resource to help financial professionals succeed. It goes beyond the standard training material to actually give you:

- Financial Professional and client profiles for each concept
- Key selling points and illustration tips
- The “right words” and “right questions” for Financial Professionals to use with clients
- Suggested follow-up emails to use with Financial Professionals

When you're on the phone with a financial professional trying to help them place business, grab this playbook, flip to the right sales concept, and position yourself as the resource for financial professionals to turn to.

Happy selling!

If you have any questions about how to use this playbook, please call Sales Development at 800-800-3656 ext. 1041.

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Any concept can be appropriate for any client if it meets their need. That said, if your primary business fits in one of the headings above then the concepts listed beneath it can be a good fit to supplement your current business.

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FOR AGENT USE ONLY. NOT TO BE USED FOR CONSUMER SOLICITATION PURPOSES.
Annuity Maximization
Maximizing Annuity Funds Using Life Insurance

Concept
Using life insurance to maximize annuity funds can provide your clients’ beneficiaries with the most value, without worry of income or estate taxes.

Financial Professional Profile
Financial professional who specializes in both life insurance and annuity sales, or who works in an insurance adviser role.

Client Profile
Typically age 45 to 85 and has an annuity that isn’t needed for current income. Wants to leave money to heirs and/or access cash value down the road.

Key Selling Points
- The premium paid is immediately leveraged into a larger, potentially tax-free death benefit for beneficiaries.
- Cash value grows tax-deferred with an IUL policy.
- Accelerated death benefits can offer your clients access to cash value in the event of a qualifying illness, subject to eligibility requirements.

Illustration Design Tips
- Maximize the death benefit with a product like Custom Guarantee for the client who is sure they don’t need the money for anything other than to pass along to beneficiaries.
- Consider a product with cash value accumulation for the client who still wants to know they can access funds if needed.
- Single premium is convenient but will cause the policy to be a MEC. Although that is still a generally tax-free death benefit, policy gains, if distributed, may be taken.
- Use an internal rate of return report or Insmark to present the value of the concept.

Product Options
- Custom Guarantee UL – low-cost guaranteed death benefit
- Guarantee Builder IUL® – low-cost guaranteed death benefit with cash value growth potential
- Rapid Builder IUL® – access to early cash value growth potential

Right Words
“An annuity can serve two purposes: it can accumulate cash value tax-deferred, and it can tackle the risk of living longer than expected by creating a stream of payments for life. If you own an annuity, it is important to ask which (or both) of these uses you intend for it to serve. If, for instance, you only want to use your annuity to build value tax-deferred and eventually just pass that on to your heirs, you may want to consider life insurance. Life insurance provides an opportunity to use leverage to pass on greater assets to your heirs. Think of it as buying dollars for pennies, and therefore leaving behind a greater financial legacy.”

Right Questions
- “Do you have an annuity that in your mind is already set aside for passing on to your heirs at your death?”
- “Are you sure you won’t need your annuity funds in your lifetime?”
- “Would you like to explore how, by using the money in the annuity, you could multiply the amount of financial legacy you leave for your loved ones?”

Follow-Up Email to Financial Professional
Hello _______________________

It was nice talking with you today about using life insurance to help clients maximize their annuities. It sounds like this is a planning idea you’re interested in for your clients, so I thought I’d send you some tips to help you get started.

Think about your current book of clients. The ones who could benefit from this concept will ideally be 45-85 years old, need death benefit protection, and have an annuity income stream that they don’t plan to use. If they want to leave the funds to heirs, or if they think they might need the money down the road, then leveraging the annuity with life insurance could be very useful.

With life insurance, the premium paid is immediately leveraged into a larger, generally tax-free death benefit for beneficiaries. Cash value can also be accessed in a tax-efficient way with an indexed universal life insurance policy.

Once you think of a client or two, send me their information and I can help you design a case for them.

Feel free to call me in the meantime with any questions!

Thanks,

Go to http://nalife.northamericancompany.com/NA-AnnuityMax to download the complete sales concept kit!
Buy-Sell Agreements

Ensure Proper Transition of a Business

Concept
Buy-sell plans have actually two parts—the legal plan (written by an attorney) and the funding. One popular funding source is to use a life insurance policy to fund the buyout.

Financial Professional Profile
Financial professional who works with business owners or may have a relationship with Certified Public Accountants (CPAs) or attorneys who work with business owners.

Client Profile
Business owner or partner.

Key Selling Points
- All owners know what can happen to business interests if a triggering event happens.
- There are two kinds of agreements - Entity Purchase or Cross-Purchase. Ownership of the policy varies depending on the type of agreement. (See the Buy-Sell Marketing guide at nalife.northamericancompany.com/NA-BuySell-MarketingGuide)
- Cash value can be used to help fund lifetime buyouts through loans or withdrawals.2
- Accelerated death benefits can also help with lifetime buyouts if the insured is diagnosed with a qualifying illness, subject to eligibility requirements.
- NOTE: An attorney needs to draft the buy-sell agreement.

Product Options
- ADDvantage® Term - low-cost solutions for defined or short-term needs
- Custom Guarantee IUL - low-cost guaranteed coverage
- Rapid Builder IUL - Waiver of Surrender Charge Option1 with table shave

Illustration Design Tips
- Make sure the policy ownership is structured correctly to match the type of buy-sell agreement being used. (Cross-Purchase is preferred if there are few owners.)
- Insmark software can be used to illustrate costs and benefits.
- If cash flow is an issue, look to the Custom Guarantee and remember that it has a Guaranteed Exchange Provision1 that allows for exchange to any current cash accumulation product then available from us, without evidence of insurability.

Right Words
"Effective transition of business ownership needs to be planned and funded. A legal buy-sell agreement can not only establish a plan for transfer of ownership but also provide an agreed valuation formula. Present and future owners can both benefit from a properly structured and funded buy/sell agreement."

Right Questions
- "Do you have a buy-sell agreement in place?"
  If yes: "How is it funded?" If no: "How would you like to be partners with your business partner’s spouse?"
- "Wouldn’t you like to know today what will happen to the business if something happens to one of the owners?"
- If the business is family operated: "Are all the children going to be involved with the operation of the business if something happens to you? Does it make sense to transfer business ownership to children with no interest in the business? Do you want to treat your children equally or equitably?"

Hello __________________,

It was great talking to you [today/recently]. Since you’re interested in helping business clients, I wanted to send you some tips to get you started with the Buy-Sell strategy.

First, think of the businesses you visit frequently—gas stations, restaurants, local shops (either retail or services). Most, if not all, businesses may have a need for a properly funded buy-sell agreement.

Think about your current book of clients and other people you know (friends, family, neighbors) that might fit this description:

• Business owners without a buy-sell agreement
• Business owners with an unfunded buy-sell agreement
• Business owners who have a funded buy-sell but haven’t reviewed their policies in several years
• Accountants who work with business owners
• Attorneys who work with business owners

Once you have a couple of people in mind, send me their information and I can help you design a case for them.

Feel free to call me with any questions in the meantime!

Thank you,

Go to http://nalife.northamericancompany.com/NA-BuySell to download the complete sales concept kit!
Executive Bonus
Reward and Retain Great Employees

Concept
An executive bonus funded with life insurance is a simple agreement that allows the employer to pay for the employee's policy with generally no out-of-pocket cost to the employee. Unlike other employer incentives, the employer can easily offer this benefit to any employee they choose.

Financial Professional Profile
Financial professional who works with business owners or high-level executives of any industry.

Client Profile
Business owner, executive, manager, director, or top salesperson with specialized knowledge or relationships and high compensation.

Key Selling Points
- The life insurance policy is owned by the employee, and the employee names their own beneficiary.
- Cash value can be used to help supplement the employee's retirement income through loans or withdrawals.
- An executive bonus structure is easy to set up and administer.
- Accelerated death benefits may be able to provide an emergency source of funds for terminal, chronic, or critical illness, if the insured qualifies.

Product Options
- Builder IUL® - strong cash value accumulation potential

Illustration Design Tips
- The bonus is taxable to the employee, and usually deductible to the employer.
- A double bonus structure is typically used to eliminate out-of-pocket cost to the employee.
- Insmark software can be used to illustrate costs and benefits.

Follow-Up Email to Financial Professional

Hello [Name],

It was great talking to you [today/recently] about the business uses of life insurance. Since you're interested in that market, I wanted to send you some tips to help you get started.

First, think of the businesses you visit frequently—gas stations, restaurants, local shops (either retail or services). Most, if not all, businesses may have an employee they would like to reward and retain by offering an executive bonus plan.

Identify who in the business is valuable enough that it would be difficult or expensive to replace. An executive bonus case design can show the employer how they can reward and retain that top employee, which helps stabilize the company. Plus, employers can offer this kind of plan to only employees they choose.

Think about your current book of clients and other people you know (friends, family, neighbors) that might fit this description:
- Anyone who owns a business
- Accountants who work with business owners
- Attorneys who work with business owners

Once you have a couple of people in mind, send me their information and I can help you design a case for them.

Feel free to call me with any questions in the meantime!

Thanks,

Go to [http://nalife.northamericancompany.com/NA-ExecutiveBonus](http://nalife.northamericancompany.com/NA-ExecutiveBonus) to download the complete sales concept kit!
Key Person
Protect a Business from Financial Loss

Concept
A life insurance policy can help keep the business financially strong while the business recovers from the loss of a key employee.

Financial Professional Profile
Financial professional who works with business owners or may have a relationship with Certified Public Accountants (CPAs) or attorneys who work with business owners.

Client Profile
Business owner, executive, manager, director, or top salesperson with specialized knowledge or relationships and high compensation.

Key Selling Points
- Protect the business from financial loss at the loss of a key employee.
- Term or GUL products provide a death benefit-only solution.
- IULs can provide for additional lifetime benefits: an exit strategy or a source of liquid funds in the form of policy loans/withdrawals.

Product Options
- ADDvantage Term or Custom Guarantee UL - low-cost death benefit protection
- Rapid Builder IUL - death benefit protection plus early cash value potential
- Builder IUL - death benefit protection with long-term cash value accumulation potential

Illustration Design Tips
- Remember this concept is designed to benefit the business, not the key person. The company is the owner and beneficiary of the policy.
- Focus on the financial loss to the business: loss of managerial skill and experience, decrease in sales, adverse impact on production, restrictions on company credit, expense of recruiting and training a replacement.
- An employer-owned life insurance policy form will be required.

Right Words
"All too often a business fails to recognize and quantify what the loss of a key employee would mean to the future profitability and viability of a business. Recognizing and addressing this need is an important part in sound business risk planning."

Right Questions
- "Would your business suffer financially if you lost a key employee?"
- "Which employees would be difficult or even impossible to replace?"
- "If you lost your top salesperson tomorrow, how would that impact your business for the remainder of the year?"
- "Did you know that you can insure that risk for pennies on the dollar?"

Go to http://nalife.northamericancompany.com/NA-KeyPerson to download the complete sales concept kit!

Follow-Up Email to Financial Professional
Hello ____________________.

It was great talking with you [today/recently]. I was thinking about how to help you identify some new opportunities with the Key Person strategy, and wanted to send you some tips to get you started.

First, think of the businesses you visit frequently—gas stations, restaurants, local shops (either retail or services). Most, if not all, have a “key person” or multiple key people. This is the person in the business who’s valuable enough that it would be difficult or expensive to replace. Getting life insurance on that individual can help stabilize the company in the event that a key person leaves the company—whether that’s due to death, disability, retirement or any other reason for leaving.

Do you have any business owners in your current book of clients? If not, you can also look for:
- Accountants who work with business owners
- Attorneys who work with business owners

Once you have a couple of people in mind, send me their information and I can help you design a case for them.

Feel free to call me with any questions in the meantime!

Regards,

Follow-Up Email to Financial Professional
Hello ____________________.

It was great talking with you [today/recently]. I was thinking about how to help you identify some new opportunities with the Key Person strategy, and wanted to send you some tips to get you started.

First, think of the businesses you visit frequently—gas stations, restaurants, local shops (either retail or services). Most, if not all, have a “key person” or multiple key people. This is the person in the business who’s valuable enough that it would be difficult or expensive to replace. Getting life insurance on that individual can help stabilize the company in the event that a key person leaves the company—whether that’s due to death, disability, retirement or any other reason for leaving.

Do you have any business owners in your current book of clients? If not, you can also look for:
- Accountants who work with business owners
- Attorneys who work with business owners

Once you have a couple of people in mind, send me their information and I can help you design a case for them.

Feel free to call me with any questions in the meantime!

Regards,
**Business-to-Family**

**Meeting Employer and Family Needs**

**Concept**
A key person isn’t just a value to their employer. They can also be a critical financial component to their family at home. Business-to-family protection is a life insurance policy owned by the business, which seeks to not only protect the company from financial loss, but also provide a valued benefit for the key person’s family.

**Financial Professional Profile**
Financial professional looking for sales opportunities in the business market or has clients who are decision makers or key people at work.

**Client Profile**
Business owner or decision maker seeking ways to reward and retain key employees, or a key person with a family who values additional financial stability.

**Product Options**
- ADDvantage Term – low-cost solution for a defined period
- Custom Guarantee IUL – affordable and permanent solution
- Guarantee Builder IUL – permanent protection with cash value accumulation potential
- Rapid Builder IUL – high cash value potential to cover other needs or provide an exit strategy if coverage is no longer needed

**Illustration Design Tips**
- The coverage amount is determined to be the funds needed to cover the business needs for key person, plus sufficient protection to meet their death benefit or continued income stream obligation to employee’s heirs.
- The coverage amount may be up to 10 times the annual income derived from the business and is dependent upon the type of business and the applicant’s duties.
- A compensation agreement is made between the company and employee to provide a benefit at employee’s death to their family through either a lump sum or stream of income.
- An employer-owned life insurance policy form will be required.
- Consider desired duration and/or exit strategy in determining product.

**Right Words**
"A key employee is not only essential to you, the employer, but also to their family at home. Help protect yourself from the loss of a key employee and extend monetary benefits to the employee’s family."

**Right Questions**
- "Do you think your compensation package is attractive enough to keep a key employee from changing jobs?"
- "What if you could protect your company from the loss of a key employee and also create an incentive for the key employee to stay?"
- "Would the key employee appreciate you having in mind not only the continuation of your business if the key employee died unexpectedly, but also the financial stability of the key employee’s family?"

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Hello, 

It was nice chatting with you [today/recently] about your Key Person business. I was thinking that a fresh approach to this strategy that you might want to consider is the Business-to-Family concept. A key person isn’t just a value to their employer, but also can be a critical financial component to their family at home. Business to family protection is a life insurance policy owned by the business, which seeks to not only protect the company from financial loss, but also provide a valued benefit for the key person’s family as well.

This combination expands on key person by providing a valuable benefit to the employee, who in turn might be more likely to respond with allegiance to the employer. Additional coverage also means more compensation potential for you, the financial professional.

Think about your business clients, and pick one who might be ideal for this concept. Send me their information and I’ll help you design a case for them, and I can even help you prepare to present it to them.

Give me a call with any questions in the meantime!

Thanks,

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Go to [www.nalife.northamericancompany.com/NA-KeyPerson](http://www.nalife.northamericancompany.com/NA-KeyPerson) to download the complete sales concept kit!
Client Review
Identify Underperforming Policies

Concept
Help an existing or potential client review the overall performance of their in-force life insurance policy and address any changing needs.

Financial Professional Profile
Financial professional who specializes in both life insurance and annuity sales, or who works in an insurance adviser role. This concept is also great for property and casualty financial professionals.

Client Profile
Can be of any age. Purchased a life insurance policy 3+ years ago, has an underfunded or underperforming policy, has had a change in health (positively or negatively), or has experienced another significant life event (e.g. marriage, children, career change, home).

Key Selling Points
- This is a great opportunity to approach existing clients for new sales or help prospective clients with their underperforming policies.
- Help clients solve for new needs in response to life events.

Product Options
- All universal life insurance products
- Custom Guarantee UL - great for single-premium plans or 1035 exchanges
- Rapid Builder UL - Waiver of Surrender Charge Option can offset concerns about starting a new surrender charge period

Illustration Design Tips
- For 1035 exchanges where cash value is a concern, the Waiver of Surrender Charge Option can help ensure liquidity.
- Match the new proposed policy with the client's needs/goals/concerns. Can you get more coverage for the same premium? Can you get the same coverage for less premium (or shorter premium duration)? Can you get new or longer death benefit guarantees?

Right Words
- “Everything in our lives changes constantly. In three to five years, most people experience significant change—like job changes, domestic partner changes, more children or less, other dependents moving in, new homes, and higher education costs. These require a thorough review of your financial plan, including life insurance.”

Right Questions
- “Are your existing policies adequate in amounts and type of coverage?”
- “Do you have life insurance policies older than five years? Would you be interested in learning what innovations have developed in recent years that make even more financial benefits available to you?”
- “Are the beneficiary designations in your life insurance policies consistent with your current will, family structure, and wishes?”
- “Why did you buy your current policy?”
- “If I could show you how to get more death benefit coverage without paying a higher premium, would you be interested?”
- “Would you like to see if you can get the same coverage you have today for less premium?”

Follow-Up Email to Financial Professional

Hello ______________.
I enjoyed talking with you [today/recently]. I was thinking of ways you can get started on a client review process, and wanted to send you some key characteristics of clients that could benefit from a review.

Look through your current client list for someone who:
- Purchased a policy three or more years ago
- Has an underfunded or underperforming policy
- Has had a change in health, whether positive or negative
- Has had major life event: got married or divorced, purchased a new home, had a baby, took on debt, or had a change in career or business plans
- Plans to send a child to college
- Is planning for retirement

The client review process is a great way to meet the needs of your existing clients and uncover new sales without having to get new clients. Some of our best financial professionals have great success with this approach.

I hope this list helps you identify some new sales opportunities. Feel free to call me with any questions!

Regards,

Go to http://nalife.northamericancompany.com/NA-ClientReview to download the complete sales concept kit!
Concept

Death benefit protection can make life insurance an attractive choice for establishing a self-completing plan to help fund a college education. Permanent life insurance that can accumulate cash value may be used to help pay for college costs.

Financial Professional Profile

Financial professional whose clients have young children and will need help paying for college down the road.

Client Profile

Typically has a child or children up to age 13, is thinking about college tuition costs, and might want help supplementing income in retirement years.

Key Selling Points

- The policyowner has control of the policy’s potential cash value. Should plans change, the cash value may be used for purposes other than college funding generally without tax consequences.
- When the insured passes away, the death benefit passes generally income tax-free to beneficiaries. Any cash value grows on a tax-deferred basis.
- Parents may access cash value to pay for college expenses on a tax-free basis through loans or withdrawals, as long as the policy is not a MEC.

Illustration Design Tips

- The life insurance coverage should be on the primary income earner. Aim for the lowest death benefit possible that meets the client’s needs and still provides ample funding for college should death occur before the first child enters college. Term death benefit life insurance may be considered to ensure a sufficient death benefit amount.
- Since the policy can also help to supplement retirement income, the client may want to keep the death benefit low for the longest period of time possible. Use the guideline premium test (GPT), which generally provides the best long-term illustrated performance.
- Illustrate both variable interest rate loans and zero cost loans. Planning for both scenarios can increase your credibility and provide reasonable expectations.
- You can set up the illustration as a defined benefit (a specific college cost) or a defined contribution plan (a specific premium payment).
- Determine whether the client will pay for annual college bills or to repay student loans. The older the child, the more beneficial it is to repay student loans, as this provides more time for the cash value to grow. Be mindful of when each child will enter and exit college.
- Determine whether to continue funding the policy after the college period is over. This decision depends upon the client’s retirement goals.

Illustrate both variable interest rate loans and zero cost loans. Planning for both scenarios can increase your credibility and provide reasonable expectations.

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 client to make personal savings the cornerstone of your client’s college funding program. However, even a well-conceived savings plan can be vulnerable. Should your client(s) decide to pursue another path along the way, the potential cash value of the policy can be used for retirement planning or for emergency funds.

Once you have a couple of people in mind that could benefit from this strategy, send me their information and I can help you design a case for them.

Feel free to call me with any questions in the meantime!

Thank you,

Hello

Subject: Follow-Up Email to Financial Professional

It was great talking to you [today/recently] about how to use life insurance to help your clients create a college funding strategy. Since you’re interested in this niche of sales, I wanted to send you some tips to help you get started.

First, remember that life insurance can be a great supplement to your clients’ current college funding plans by providing financial protection for your clients during the working years, or for the “what ifs” that may happen along the way.

Plus, there’s no guarantee that money saved for college will actually be used for college—kids change their minds a lot! If your clients’ children decide to not go to college or to pursue other paths along the way, the potential cash value of the policy can be used for retirement planning or for emergency funds.

Once you have a couple of people in mind that could benefit from this strategy, send me their information and I can help you design a case for them.

Feel free to call me with any questions in the meantime!

Thank you,

Did you know that you can take loans against these cash values and pay yourself back at rate that fits your budget?

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 client to make personal savings the cornerstone of your client’s college funding program. However, even a well-conceived savings plan can be vulnerable. Should your client(s) decide to pursue another path along the way, the potential cash value of the policy can be used for retirement planning or for emergency funds.

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 client’s college saving 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 a Modified Endowment Contract, then loans in excess of the cost basis are also tax free as long as the policy remains in force.

Go to http://nlife.northamericancompany.com/NA-CollegeFunding to download the complete sales concept kit!

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 client to make personal savings the cornerstone of your client’s college funding program. However, even a well-conceived savings plan can be vulnerable. Should your client(s) decide to pursue another path along the way, the potential cash value of the policy can be used for retirement planning or for emergency funds.

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 client’s college saving 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 a Modified Endowment Contract, then loans in excess of the cost basis are also tax free as long as the policy remains in force.
Estate Planning
Build, Preserve, and Maximize an Estate

**Concept**
Life insurance death benefit proceeds can provide the liquidity needed to pay off debt, replace income, supplement retirement income, create an equitable inheritance between heirs, and even provide protection for businesses.

**Financial Professional Profile**
Financial professional who specializes in life insurance or works in an insurance adviser role.

**Client Profile**
Typically age 45 to 70 and has an estate worth $1 million or more. Wants a guaranteed death benefit and has a strong desire to leave the estate to heirs (and equalize the inheritance) without liquidating assets to pay taxes or attorney fees.

**Right Words**
“Do you consider the property you own—the real estate, personal property, savings and investments—to be your responsibility to properly manage? There are lots of ways to continue overseeing these assets even after you are no longer living. This is called estate planning. Professionals in this field frequently use strategies designed to accomplish distribution goals while minimizing erosion of wealth due to taxation and poor planning. One significant element in estate planning is owning the right amount and type of life insurance.”

**Right Questions**
- “How do you plan on leaving a legacy for your children, grandchildren, favorite charities, alma maters and other beneficiaries?”
- “If there was a strategy for maximizing the value of your estate that is passed on, while meeting all your tax and debt obligations, would you be interested?”
- “If you could buy dollars for pennies, use those dollars to meet debts and tax obligations and preserve your remaining assets for your family, would you be interested?”

**Product Options**
- **Survivorship GIUL** - may insure two lives under one policy for lower cost than two single-life policies
- **Custom Guarantee UL** - low-cost guaranteed death benefit
- **Guarantee Builder IUL** - guaranteed death benefit with cash value accumulation potential

**Illustration Design Tips**
- **Plan for not just the size of the estate today, but for the future value.**
- **Consider both federal and state taxes at death. Be aware that state tax exemptions may be quite different, and although a client may not have a federal tax concern, they may still be subject to state taxes at death. Tell your clients to consult a tax advisor.**
- **A guaranteed death benefit is often valued, and a product with cash value potential may provide an exit strategy if the client’s coverage needs change.**
- **Consider estate needs other than taxes, including estate balancing for clients with non-liquid assets, estate building, and special bequests or goals.**

**Go to** [http://nalife.northamericancompany.com/NA-EstatePlanning](http://nalife.northamericancompany.com/NA-EstatePlanning) **to download the complete sales concept kit!**
Hello [Name],

It was great talking with you [today/recently] about the income protection strategy. I wanted to follow up with you on some tips to help you identify potential clients.

First, this strategy is really meant for any client that needs to provide a death benefit for their dependents. They may be more inclined to be thinking about the protection that life insurance affords if they've recently experienced a major life event. Look through your current client list for someone who:

• Has recently married or divorced
• Purchased a home
• Had a baby
• Took on debt
• Had a career change

You may also want to consider clients who are saving for retirement through an employer sponsored plan and/or their own funds as well as clients who have earmarked savings specifically to provide for college funding. Finally don’t rule out clients who aren’t family breadwinners but are providing valuable services to the household.

The income protection review process is a great way to meet the needs of a variety of clients. I hope this list helps you to identify potential clients.

Feel free to call me with any questions in the meantime!

Thank you,

Follow-Up Email to Financial Professional

Go to: http://nalife.northamericancompany/NA-IncomeProtection to download the complete sales concept kit.
Legacy Building
Help Maximize Assets Passed to Beneficiaries

Concept
Life insurance is ideally suited for transferring assets. Legacy Building involves moving assets that are intended for heirs into a life insurance policy. The life policy then leverages those assets into a larger, generally income tax-free death benefit.

Financial Professional Profile
Annuity producer looking to add life insurance to their sales, or a financial professional in an adviser role.

Client Profile
Typically age 60 to 80 and has assets that are not needed for current or expected future living needs. Wants to leave money for heirs and/or a charitable interest. May also want a guaranteed amount for their legacy or tax-advantaged tools without probate costs. Might own an irrevocable life insurance trust (ILIT).

Key Selling Points
- Assets for legacy building may come from: inheritances, annuities, retirement plan assets or required minimum distributions not needed for retirement, savings accounts, money markets, mutual funds, funds from sale of business, real estate, etc.
- When your clients complete a beneficiary designation on a life insurance policy, they are using a form of a non-probate transfer, which means the death benefit will pass directly to the beneficiary.
- With life insurance, the premium can provide a larger death benefit immediately after issue, and any cash values grow generally tax-deferred.
- Should the client’s needs change, funds in a life insurance policy are accessible through loans, withdrawals, or accelerated death benefits (if the insured is diagnosed with a qualifying illness). They have full control to change their policies.

Product Options
- Custom Guarantee UL – low-cost guaranteed death benefit coverage
- Guarantee Builder IUL – guaranteed death benefit with access to potential cash value
- Survivorship IUL – may provide a larger death benefit for two insureds versus two single life policies

Illustration Design Tips
- Demonstrate value by using Insmark or the Internal Rate of Return on the software. Focus on the death benefit returns and their value as an after-tax return for heirs.
- The client may seek to spread out premiums (perhaps by using a SPIA) to avoid MEC status.
- Although we think of legacy building as an asset transfer, it can also be done on a systematic payment basis—perhaps by using a SPIA to avoid MEC status.
- A policy that is owned by the insured will be included in the size of their estate and must be factored in when calculating potential estate tax issues. An ILIT can help avoid those issues. An alternative can be to have the policy owned by the beneficiaries.

Illustration Right Words
"Leverage is a term that most people have heard but few take advantage of. Life insurance provides an opportunity to use leverage to pass on greater assets to your heirs. Think of it as buying dollars for pennies. If you have funds available to pass onto your heirs, each of those pennies can buy dollars and therefore leave behind a greater financial legacy. The leverage of life insurance makes this possible."

Illustration Right Questions
- "Do you have funds that in your mind are already set aside for passing on to your heirs at your death?"
- "Are you sure you won’t need these funds in your lifetime?"
- "Would you like to explore how, using those funds, you could multiply the amount of financial legacy you leave for your loved ones?"

Product Options
- Custom Guarantee UL – low-cost guaranteed death benefit coverage
- Guarantee Builder IUL – guaranteed death benefit with access to potential cash value
- Survivorship IUL – may provide a larger death benefit for two insureds versus two single life policies

Illustration Right Words
"If you have funds available to pass onto your heirs, each of those pennies can buy dollars and therefore leave behind a greater financial legacy. The leverage of life insurance makes this possible."

Illustration Right Questions
- "Do you have funds that in your mind are already set aside for passing on to your heirs at your death?"
- "Are you sure you won’t need these funds in your lifetime?"
- "Would you like to explore how, using those funds, you could multiply the amount of financial legacy you leave for your loved ones?"

Go to http://nalife.northamericancompany.com/NA-LegacyBuilding to download the complete sales concept kit!
Longevity Planning
Help Clients Prepare for an Extended Retirement

Concept
As life expectancy increases, clients face “longevity risk” or the potential for assets to run out during retirement—especially if the client develops new needs like a desire to travel, a new home, new hobbies, gifting assets, or an unexpected illness. Longevity planning with life insurance provides death benefit protection during working years, and the client can access potential cash value during retirement.

Financial Professional Profile
Financial professional familiar with presenting the advantages of cash value life insurance as well as the cost of insurance and premium requirements associated with such products.

Client Profile
Typically age 25 to 60 and in need of death benefit protection plus potential for income replacement. Values flexibility and control in retirement planning.

Key Selling Points
- Death benefit protection during working years can help support a family in the event of the loss of an income earner.
- Cash value access during retirement years is flexible to cover many potential needs, not just insufficient assets but also new expenses—including hobbies, a new home, the desire to gift assets, and even health care.
- A portion of the death benefit can be accelerated in the event of a qualifying critical, chronic, or terminal illness, if the insured is eligible for these benefits. Availability may vary by state and product.

Product Options
- **Builder IUL** - death benefit and high cash value growth potential
- **Guarantee Builder IUL** - guaranteed death benefit with strong cash value accumulation potential
- **ADDvantage Term** - low-cost additional coverage if needed during working years

Right Words
“One of the most important assets anyone has is the ability to make an income. The present depends on it. In fact, the obligations of your past decisions (loans, mortgages, etc.) even depend on it. The future also depends on your income, if some of it is being set aside for retirement.”

Illustration Design Tips
- Make sure the death benefit is enough to replace the client’s income during working years. Use a supplemental term policy if necessary.
- Consider illustrating distributions in retirement tailored to the client’s specific goals or needs.
- The Changing Needs feature of the illustration software will help demonstrate the value of accelerated death benefits.
- Consider the value of the Protected Death Benefit* feature (on all our single-life IUL products) and using a lump-sum loan distribution at retirement to fund a SPIA to provide an income stream.

Follow-Up Email to Financial Professional

**To:**

**Subject:** Follow-Up Email to Financial Professional

Hello [Name],

It was great talking to you [today/recently] about mitigating longevity risk. With life insurance, you can provide your client with death benefit protection and access to cash value potential during an extended, active retirement.

Longevity planning with life insurance addresses a wide variety of client needs, and you can tailor the illustration and presentation to meet specific financial goals and concerns. In addition to strong product performance, applying North American’s unique and marketable features to your sales efforts can turn a traditional retirement planning sale into a more complete needs-based package.

Do you have a client in mind that could benefit from this strategy? Send me their information, and I can help you tailor the case to meet your client’s specific needs.

Thanks,

Go to [http://nalife.northamericancompany.com/NA-LongevityPlanning](http://nalife.northamericancompany.com/NA-LongevityPlanning) to download the complete sales concept kit!

*Right Questions*
- “What does financial stability in retirement mean to you?”
- “What do you wish you could afford to do in retirement? Do you have a plan to meet that goal?”
- “Would your family continue with their lifestyle without your income?”
- “How many months or years’ worth of your income have you saved?”
- “What if you could buy dollars of future income for pennies today? How many dollars of future income would you be willing to purchase?”

*Right Words*
- “What does financial stability in retirement mean to you?”
- “What do you wish you could afford to do in retirement? Do you have a plan to meet that goal?”
- “Would your family continue with their lifestyle without your income?”
- “How many months or years’ worth of your income have you saved?”
- “What if you could buy dollars of future income for pennies today? How many dollars of future income would you be willing to purchase?”

*Illustration Design Tips*
- Make sure the death benefit is enough to replace the client’s income during working years. Use a supplemental term policy if necessary.
- Consider illustrating distributions in retirement tailored to the client’s specific goals or needs.
- The Changing Needs feature of the illustration software will help demonstrate the value of accelerated death benefits.
- Consider the value of the Protected Death Benefit* feature (on all our single-life IUL products) and using a lump-sum loan distribution at retirement to fund a SPIA to provide an income stream.
Using Life Insurance to Help Maximize Pension Benefits

**Concept**
Help your clients maximize their pension benefits by electing the single-life option and using life insurance death benefit and cash value potential to provide for the surviving spouse.

**Financial Professional Profile**
Financial professionals who specialize in both life insurance and annuity sales, or who work in a insurance representative role.

**Client Profile**
Typically age 55 to 65 and married, with a defined benefit pension plan. Seeking to maximize monthly income and has not yet begun receiving pension benefits.

**Key Selling Points**
- By taking the single-life pension option and using some of the extra monthly income to purchase a life insurance policy, the client can “maximize” the pension by providing a total monthly income that is higher (after cost of insurance) than selecting a joint-and-survivor pension option. The death benefit is used to provide an income stream for the surviving spouse.
- If the client’s spouse predeceases them, the death benefit can either be discontinued or retained for legacy building.
- A low-cost, guaranteed death benefit is the key to making this concept work.
- Accelerated death benefits may be able to provide access to cash value if the insured is diagnosed with a qualifying illness. Availability varies by state and product.

**Product Options**
- **Custom Guarantee UL** - low-cost guaranteed death benefit
- **Guarantee Builder IUL** - guaranteed death benefit with cash value growth potential

**Illustration Design Tips**
- Calculate the life insurance amount. Find what the surviving spouse benefit would be if a joint-and-survivor option were taken. That amount represents the target monthly income for the spouse. Next, identify the lump sum required to generate that monthly income. To do that, run a SPIA with the period certain (or use an alternate savings vehicle) to find the amount needed to generate that target income for the spouse’s life. The single premium amount represents the life insurance death benefit needed.
- Decrease the face amount to the lowest amount required to meet the insured’s needs. The lower the cost of the insurance, the more money available for the retiree each month. One way to reduce the premium is to adjust the life insurance death benefit as needs change. Since the life insurance is being used to supply an income stream for the surviving spouse, as the spouse gets older, the amount of needed funds may decrease. Search for the amount needed and adjust the coverage amount at regular intervals (at least every 10 years). For example, search for the spouse’s single premium need (life insurance) at ages 65, 70, 75, 80, 85, and 90.

**Right Questions**
- “If you need the higher single-life income but are concerned about your spouse, have you considered that life insurance is designed for just such concerns?”
- “Have you calculated what the difference in the monthly incomes would be between the single-life and joint-and-survivor benefits?”
- “Would you like to see if a life insurance premium would be less than that difference? That would allow you to take the higher single-life benefit and still provide for your spouse.”

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**Follow-Up Email to Financial Professional**

**Subject:** Follow-Up Email to Financial Professional

Hello __________,

It was great talking to you [today/recently]! I was thinking about how to help you get some new sales with the pension maximization strategy, and thought I’d pass on a few questions to help you identify the right clients.

First, do you know anyone who works for a large company, public school system, government employer, or the military, or who might be likely to have a defined benefit pension plan?

Also, remember to think about family members, neighbors, friends, church acquaintances, or anyone else you know and pick out one or two of them who you think might fit the profile for this strategy. Sales tend to be easier when you have one foot in the door already, so picking quality, coachable clients you already know can help a lot.

Here are a few key points about the pension max strategy for you to keep in mind as you think of potential clients:

1. The concept in a nutshell: This strategy helps clients maximize pension benefits by electing the single-life option and using life insurance to provide for the surviving spouse. For public school employees, state and local government workers, and those with companies that offer defined benefit pension plans, selecting which type of pension to receive is a really important decision. Make sure you talk to these types of clients about their pensions.

2. The client profile: Clients aged 55-65 who are married and have a defined pension plan are the ones you want to talk to — particularly those that are looking to maximize their monthly income, and haven’t started receiving benefits already.

Once you have some clients in mind, give me a call and I’d be happy to help you design their case. We’ll need the age of both spouses and their desired retirement age. We’ll also need to get an idea of the monthly benefit for a single-life pension choice versus a joint-and-survivor amount.

Please let me know if you need any further help!

Regards,

Go to [http://nalife.northamericancompany.com/NA-PensionMax](http://nalife.northamericancompany.com/NA-PensionMax) to download the complete sales concept kit!
Retirement Planning
Protection Now. Freedom Later

**Concept**
Permanent life insurance provides death benefit protection during their working years, while the potential accumulated cash values can be accessed during retirement to help supplement income.

**Financial Professional Profile**
Specializes in both life insurance and annuity sales, or works in a insurance representative role.

**Client Profile**
Age 25 to 60, needs death benefit protection, and seeks additional income in retirement, even if 15+ years away. May also have met contribution limits for other plans, be risk-averse, seek a tax-advantaged solution or be concerned about future tax rates. Might be a small business owner.

**Product Options**
- Builder UUL - Death benefit protection and strong potential for cash value
- Guarantee Builder UUL - allows a lower face amount on minimum death benefit solves
- Survivorship UUL - may allow an income stream as long as one insured is alive

**Key Selling Points**
- Death benefit protection can offer financial stability during working years, plus a potential tax-free income stream at retirement through loans or withdrawals on policy cash value.
- Guarantee Builder can work for clients who decide to leave the insurance as a guaranteed death benefit for legacy building.
- Accelerated death benefits can provide access to a portion of the death benefit if the insured is diagnosed with a qualifying illness. Availability varies by state and product.
- The Automatic Distribution Option makes it easy for clients to access funds.
- North American’s Protected Death Benefit feature provides protection against policy lapse due to excessive loans.
- Various loan options are available. North American often provides excellent illustrated performance when run at responsible loan rates. See our Builder Series Marketing Guide (NAM-1275) for details.

**Illustration Design Tips**
- You can achieve a minimum death benefit by using the increasing death benefit option, then changing to level in the year following the last premium payment.
- Consider a level death benefit as an alternative illustration to show more death benefit protection during working years.
- If the illustrated rate is above 6%, a variable rate loan may result in the best illustrated solution.
- The Guideline Premium Test generally works better than CVAT.
- Consider leaving room in the face amount for potential future premium growth.
- Show policy performance. Insmark can be used to compare life insurance to an alternative planning vehicle. An IRR can also be effective.
- Avoid MEC status to maintain the generally tax-free income stream.

**Right Words**
“We tend to use solutions we hear about from other people in our lives or come to us prepackaged by our employer. Retirement planning is a broad area with a huge focus on pre-tax contributions leading to taxable benefits. For many people, there exists an additional strategy that uses after-tax contributions to create potentially tax-free benefits.”

**Right Questions**
- “Do you think your need for death benefit protection will be less after retirement than it is prior to retirement? Will it ever be zero?”
- “Did you know life insurance had tax advantages 50 to 60 years before anyone thought of IRAs, 401(k)s or other retirement planning strategies?”
- “Do you think income tax rates will go down or up?”
- “What if you could establish a plan of your own to supplement the retirement planning strategies offered through your employer? Would your strategy have requirements for when you began distributions?”
- “What if you could implement a secondary retirement strategy that provided flexibility to help you time your distributions to minimize exposure to taxes?”
- “Would you be interested in potential accumulated cash values that can be accessed during retirement to help supplement income and included self-completion of funding if you were to die?”

Go to [http://nalife.northamericancompany.com/NA-RetirementPlanning](http://nalife.northamericancompany.com/NA-RetirementPlanning) to download the complete sales concept kit!
Non-Qualified Money Alternatives

Smart Money

Concept

Smart money is money clients want to control and be able to access in times of need. Financial professionals can position life insurance as one option for clients to store smart money. Be sure, though, to conduct a thorough needs-based analysis to determine if death benefit coverage is necessary before proceeding.

Financial Professional Profile

Financial professional who specializes in both life insurance and annuity sales, or who works in an insurance representative role.

Client Profile

Typically age 50 to 80 and has a need for death benefit protection, which often includes a desire to leave a legacy for heirs. Has funds that are not meeting current needs (may be in savings, annuities, or other vehicles) and desires the potential for cash value growth with limited exposure to cash value loss.

Key Selling Points

- Show clients the value of death benefit protection along with the potential to build cash value, while preserving access to as much cash value as possible.
- Clients' goals for smart money may be for long-term growth to benefit their families, but the funds might also represent assets that can be used for emergencies. Life insurance can provide a solution for both.
- Competitive interest rates and interest rate bonuses can help provide the potential for compelling cash value growth.
- Accelerated death benefits may be available if the insured is diagnosed with a qualifying critical, chronic, or terminal illness.

Right Questions

- “Do you have money sitting in money markets or savings accounts? Do you want immediate access to your smart money, but would like to position it to capture the upside potential of the market without investing directly in the market?”
- “Do you have or are looking at an annuity, but are concerned about current cap rates?”
- “Do you want to give more to beneficiaries but retain limited exposure to loss of premiums?”

Product Options

- Rapid Builder IUL with Waiver of Surrender Charge Option and table shaving component

Right Words

“Leverage premium into a death benefit for beneficiaries while retaining client control. The ability to change your mind or retain access to your funds is an attractive option for many clients.”

Illustration Design Tips

- Run a single-premium scenario to create a MEC, which has similar tax treatment to an annuity.
- The CVAT provides the most compelling illustration by allowing a very low initial face amount, which maximizes the guaranteed column performance.
- Solving for the minimum death benefit results in a death benefit that matches the current-year minimum face amount for the premium.
- Make sure the client is aware of cost-of-insurance charges.

Right Questions

- “Do you have money sitting in money markets or savings accounts? Do you consider this your ‘smart money’ but also need death benefit protection, plus potential cash value growth?”
- “Do you want immediate access to your smart money, but would like to position it to capture the upside potential of the market without investing directly in the market?”
- “Do you have or are looking at an annuity, but are concerned about current cap rates?”
- “Do you want to give more to beneficiaries but retain limited exposure to loss of premiums?”

Go to http://nalife.northamericancompany.com/NA-SmartMoney to download the complete sales concept kit!
### Glossary

**Accelerated Death Benefits**
In the event that the insured is diagnosed with a critical, chronic, or terminal illness, the policyowner may be able to accelerate a portion of the death benefit for living needs. Availability varies by state and product.

**Automatic Distribution Option**
The policyowner can request monthly, quarterly, semi-annual or annual distribution of the available account value. This is a feature of our indexed universal life insurance products.

**Cash Value Accumulation Test (CVAT)**
This insurance qualification test helps the financial professional find the lowest death benefit that will still qualify as life insurance. It limits cash value relative to the death benefit.

**Guideline Premium Test (GPT)**
This insurance qualification test helps the financial professional find the lowest death benefit that will still qualify as life insurance. It limits premiums paid relative to the death benefit.

**Irrevocable Life Insurance Trust (ILIT)**
This type of trust is used to keep policy ownership out of an individual’s estate. It is often used in concepts where a life insurance policy’s death benefit will be used to pay estate taxes.

**Insmark**
This third-party software allows for easy comparison of various financial products, including life insurance, for planning purposes.

**Modified Endowment Contract (MEC)**
With this type of life insurance policy, a withdrawal or policy loan may be taxable (to the extent of gain) upon receipt. Further, unpaid loan interest on a MEC may be taxable.

**Protected Death Benefit**
In some cases, clients may determine that they do not require the level of death benefit coverage as originally issued on the policy. This guarantee on our IUL products allows the client to choose their minimum death benefit amount while they continue to access accumulated cash value through loans or withdrawals. [See NAM-1275 for details.]

**Single Premium Immediate Annuity (SPIA)**
The client pays a single premium up-front and receives a certain amount of money periodically (for example, quarterly) for a designated period or for the rest of their life.

**Waiver of Surrender Charge Option**
The election of the Waiver of Surrender Charge Option can help your clients avoid costly surrender charges should the need to surrender the policy arise. When the Option is selected, it can create greater cash surrender value in the beginning policy years (less the monthly cost). Refer to the illustration software for more information. (Available on Rapid Builder IUL, and Survivorship GIUL.)

### Why North American?
As a partner agency, you have a dedicated underwriter and new business team to process your business. Plus, your dedicated marketer is there to help your business grow. These exclusive benefits are in addition to the basic table stakes we know are so important to you and your future success:

**Competitive products.** A robust product portfolio that meets your clients’ needs for death benefit protection. For clients looking for solutions for college funding in addition to death benefit protection, consider products within our portfolio that can help generate cash value, like indexed universal life insurance (IUL).

**Fair and consistent underwriting.** You can depend on North American to provide fast turnaround times on your submitted business.

**Competitive compensation.** Your time and commitment will be well-rewarded with our generous compensation. Plus, we take a collaborative approach to helping your business grow and are here to answer your questions and provide guidance along the way.

**Financial stability.** Our financial ratings are sound, and private ownership means we’re focused on long-term value.
- A+ (Superior) A.M. Best*
- A+ (Strong) Standard & Poor’s**

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* A+ (Superior), the second highest rating out of 15 categories, was affirmed by A.M. Best for North American Company as part of Sammons Financial Group on July 14, 2016. A.M. Best is a large third party independent reporting and rating company that rates an insurance company on the basis of the company’s financial strength, operating performance and ability to meet its ongoing obligations to policyholders.

** Standard and Poor’s awarded its “A+” (Strong) rating for insurer financial strength on February 26, 2009 and affirmed on July 2, 2015 to North American Company as part of Sammons Financial Group. The “A+” (Strong) rating is the fifth highest out of 22 available ratings.
Disclosures

Financial Professionals offering, marketing, or selling accelerated death benefits for chronic illness in California 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 ABBE Consumer Brochure for California (NAM-3013) that includes this comparison. Comparison is for illustration purpose only, not for conversions.

1. 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, but only if the 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).

2. In some situations loans and withdrawals may be subject to federal taxes. North American Company does not give tax or legal advice. Clients 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.

3. Available for an additional charge per $1,000 per month, depending on issue age and underwriting class. Surrender charges will be waived upon a full surrender or partial surrender. Surrender charges will not be waived if the policy is surrendered under a 1035 Exchange (except in Florida). A decrease charge will be assessed if a decrease in the policy face amount is requested during the Waiver of Surrender Charge Period. For Rapid Builder IUL, if a partial withdrawal results in a reduction in the face amount, the withdrawal charge is waived.

4. When a person applies for life insurance coverage, his or her health is evaluated and a corresponding underwriting rating is assigned. This product’s table shaving features allow 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 do substandard ratings.

5. Allows policyowner the right to exchange policy, without evidence of insurability and surrender charges, to one of our cash value accumulation universal life policies available at the time of exchange. The cash surrender value on the new policy may not be greater than the cash surrender value on the policy being exchanged. Not available for policy ages 76 and above or if there is an outstanding policy loan.

6. Zero Cost Loans are loans charged and credited at the same interest rate percentage for a net zero cost. The policy year and amount available vary by product. Please refer to the specific product marketing guide or contact the marketing department for details.

7. If the policy has a Premium Guarantee Rider attached to it, such rider will be terminated upon the election of the Protected Death Benefit. The Protected Death Benefit cannot be elected if the Ordinary Protection Benefit is in effect.

8. Universal life products offer a Conditionally Guaranteed Interest Bonus – if we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an interest bonus. The interest bonus is 1.0% above the then-current interest rate in years 11-20, increasing to 1.5% in years 21 and thereafter. The interest bonus percentages are not guaranteed and are subject to change; however, once a policy is issued, the percentage will not change.

Interest Bonus is 0.75% above the then-current interest rate. On Survivorship GUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate. On Survivorship GIUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate. On Survivorship GIUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate. On Survivorship GIUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate. On Survivorship GIUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate.

9. Indexed Universal Life products offer a Conditionally Guaranteed Interest Bonus on Fixed Account – if we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an interest bonus. The interest bonus is 1.0% above the then-current interest rate in years 11-20, increasing to 1.15% in years 21 and thereafter. The interest bonus percentages are not guaranteed and are subject to change; however, once a policy is issued, the percentage will not change.

10. Indexed Universal Life products offer a Conditionally Guaranteed Interest Bonus on Survivorship GIUL – if we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an interest bonus. The interest bonus is 1.0% above the then-current interest rate. On Survivorship GUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate. On Survivorship GIUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate. On Survivorship GIUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate.

11. Universal life products offer a Conditionally Guaranteed Interest Bonus on Survivorship GIUL – if we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an interest bonus. The interest bonus is 1.0% above the then-current interest rate. On Survivorship GUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate. On Survivorship GIUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate.

12. Universal life products offer a Conditionally Guaranteed Interest Bonus on Survivorship GIUL – if we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an interest bonus. The interest bonus is 1.0% above the then-current interest rate. On Survivorship GUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate. On Survivorship GIUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate. On Survivorship GIUL – If we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an Interest Bonus. The Interest Bonus is 0.5% above the then current interest rate.

The net cost of a variable interest rate loan could be negative if the credits earned are greater than the interest charged. The net cost of the loan could also be lower than under standard policy loans if the amount credited is less than the net interest charged. In extreme cases, 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.

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, but only if the 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).

In some situations loans and withdrawals may be subject to federal taxes. North American Company does not give tax or legal advice. Clients 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.

Available for an additional charge per $1,000 per month, depending on issue age and underwriting class. Surrender charges will be waived upon a full surrender or partial surrender. Surrender charges will not be waived if the policy is surrendered under a 1035 Exchange (except in Florida). A decrease charge will be assessed if a reduction in the policy face amount is requested during the Waiver of Surrender Charge Period. For Rapid Builder IUL, if a partial withdrawal results in a reduction in the face amount, the withdrawal charge is waived.

When a person applies for life insurance coverage, his or her health is evaluated and a corresponding underwriting rating is assigned. This product’s table shaving features allow 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 do substandard ratings.

Allows policyowner the right to exchange policy, without evidence of insurability and surrender charges, to one of our cash value accumulation universal life policies available at the time of exchange. The cash surrender value on the new policy may not be greater than the cash surrender value on the policy being exchanged. Not available for policy ages 76 and above or if there is an outstanding policy loan.

Zero Cost Loans are loans charged and credited at the same interest rate percentage for a net zero cost. The policy year and amount available vary by product. Please refer to the specific product marketing guide or contact the marketing department for details.

If the policy has a Premium Guarantee Rider attached to it, such rider will be terminated upon the election of the Protected Death Benefit. The Protected Death Benefit cannot be elected if the Ordinary Protection Benefit is in effect.

Universal life products offer a Conditionally Guaranteed Interest Bonus – if we are crediting interest in excess of the guaranteed interest rate and your client’s policy is in effect after the tenth policy anniversary, your client’s policy will receive an interest bonus. The interest bonus is 1.0% above the then-current interest rate in years 11-20, increasing to 1.5% in years 21 and thereafter. The interest bonus percentages are not guaranteed and are subject to change; however, once a policy is issued, the percentage will not change.

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

The tax-deferred feature of the 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.