

Annuity

4350 Westown Parkway
West Des Moines, IA 50266
NorthAmericanCompany.com



Personalized Hypothetical Illustration

NAC Charter[®] Plus 14

Flexible Premium Deferred Annuity
Non-Qualified Contract

Prepared for:

Owner: Valued Annuitant
Issue State: KY

Agent/Representative:

Agent Name
Date Prepared: 05/12/2020

FOR ILLUSTRATED VALUES, GO TO PAGE 5

GENERAL PRODUCT TERMS

Listed below are some basic terms and their definitions. Please refer to the product brochure and disclosure for more information.

PREMIUM

The amount paid into the annuity contract.

ACCUMULATION VALUE

The sum of premiums paid, Premium Bonus Amounts, and interest credited, if any, less withdrawals.

DEATH BENEFIT

The Death Benefit is equal to the accumulation value, but will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the contract is delivered.

MARKET VALUE ADJUSTMENT (MVA)

May be applied during the Surrender Charge period. See the MVA section at the end of this illustration for more information.

SURRENDER VALUE

The amount that is available at the time of surrender. The surrender value is equal to the accumulation value, subject to the MVA, if any, less applicable surrender charges, applicable premium bonus recapture, and applicable state premium taxes. The surrender value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the contract is delivered.

SURRENDER CHARGES

A surrender charge is assessed on any amount withdrawn, whether as a partial or full surrender, that exceeds the penalty-free withdrawal amount.

Surrender Charge Schedule Years 1 to 14

12%, 12%, 11%, 11%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%

PREMIUM BONUS RECAPTURE

A premium bonus recapture is assessed during the surrender charge period on any amount withdrawn, whether as a partial or full surrender, that exceeds the penalty-free withdrawal amount.

Premium bonus recapture Schedule Years 1 to 14

100%, 95%, 90%, 85%, 80%, 75%, 70%, 65%, 60%, 50%, 40%, 30%, 20%, 10%

PENALTY-FREE WITHDRAWALS

Once per year after the first contract anniversary, you may take a penalty-free withdrawal (also known as a penalty-free partial surrender), without surrender charges, premium bonus recapture or MVA, of up to 10% of your accumulation value.

ANNUITY PAYOUT OPTIONS

On your Maturity Date (the contract anniversary when the Annuitant is age 115), the pay-out options available include: Life options, Joint and Survivor options and Period Certain options. By current company practice,¹ additional options may be available prior to the Maturity Date based on your accumulation value at the time the pay-out option is elected. An example of a 10 year Period Certain based on Guaranteed Values as shown below.

	Accumulation Value at Maturity	Monthly Factors/\$1000	Monthly Annuity Income
Guaranteed	\$108,000.00	8.75	\$945.00

INDEX ACCOUNT

Some or all of your premium may be allocated to the Index Account, which offers several different indexes and crediting methods.

FIXED ACCOUNT

Premium allocated to the Fixed Account will earn the current interest rate, which is credited daily.

ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Annuitant (65)**
Premium: **\$100,000.00**
Premium Bonus: **8.00%**
Agent Name: **Brandon Babcock**
State: **KY**

GENERAL PRODUCT TERMS (continued)

CREDITED INTEREST RATE (INTEREST CREDIT)

The rate of interest credited from the Fixed Account and Index Account(s) to the Accumulation Value.

ANNUAL POINT-TO-POINT WITH PARTICIPATION RATE

This method measures index growth using two points in time; the beginning index value and the ending index value. Index-linked gains are calculated based on the growth between these two values multiplied by a participation rate. The annual interest credit will never be less than zero.

ANNUAL POINT-TO-POINT WITH INDEX MARGIN

This method measures index growth using two points in time; the beginning index value and the ending index value. Index-linked gains are calculated based on the difference between these two values less an Index Margin. The annual interest credit will never be less than zero.

MONTHLY POINT-TO-POINT WITH INDEX CAP

This method uses the monthly changes in the index, subject to a monthly Index Cap Rate, and is based on the sum of all the monthly percentage changes in the index—which could be positive or negative. On each contract anniversary, these monthly changes, each not to exceed the monthly Index Cap Rate, are added together to determine the interest credit for that year. Negative monthly returns have no downside limit and will reduce the interest credit, but the annual interest credit will never be less than zero.

ANNUAL POINT-TO-POINT WITH INDEX CAP RATE

This method measures index growth using two points in time; the beginning index value and the ending index value. Index-linked gains are calculated based on the difference between these two values. The index growth, if any, is then subject to an Index Cap Rate. The annual interest credit will never be less than zero.

DAILY AVERAGE WITH INDEX MARGIN

This method for determining any interest credit uses a Daily Average calculation to determine a percentage gain or loss in the index during your Contract Year. This is done by comparing the difference between the index on the first day of the Contract Year and the Index Daily Average during the year (usually 252 trading days), less an Index Margin. The annual interest credit will never be less than zero.

TWO YEAR POINT-TO-POINT WITH INDEX MARGIN

This method measures index growth using two points in time; the beginning index value and the index value at the end of the two-year term. Index-linked gains are calculated based on the growth between these two values less the annual index margin multiplied by two (which is the term length). The interest credit is credited at the end of the two-year term and will never be less than zero.

PROJECTED ILLUSTRATED VALUES

This illustration assumes the index will repeat historical performance and that the annuity's current non-guaranteed elements, such as Index Caps, Index Margins, Participation Rates or other interest crediting adjustments, will not change. It is likely that the index will not repeat historical performance, the non-guaranteed elements will change, and actual values will be higher or lower than those in this illustration but will not be less than the minimum guarantees. The values in this illustration are not guarantees or even estimates of the amounts you can expect from your annuity. Please review the disclosure document provided with your illustration and Buyer's Guide for more detailed information. All rates are effective as of the date of this illustration and are subject to change at any time.

ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Annuitant (65)**
 Premium: **\$100,000.00**
 Premium Bonus: **8.00%**
 Agent Name: **Brandon Babcock**
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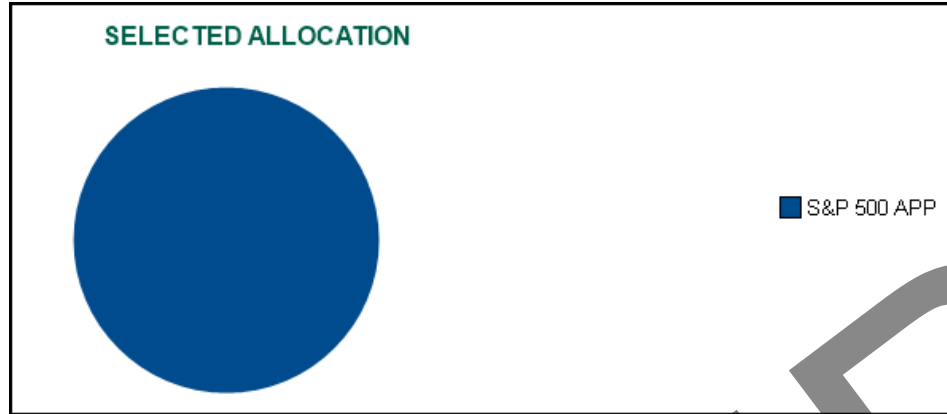
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Page 3 of 11

ALLOCATION SELECTION INFORMATION

Allocation Option	Current Declared Rate	Allocation Percentage
S&P 500 Annual Point-to-Point (APP)	3.00% Annual Index Cap Rate	100%



SAMPLE

ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Annuitant (65)**
Premium: **\$100,000.00**
Premium Bonus: **8.00%**
Agent Name: **Brandon Babcock**
State: **KY**

GUARANTEED ANNUITY CONTRACT VALUES

Annual Effective Rate: 0.00%⁺

This chart illustrates values based on 0% growth, selected withdrawals and the initial allocation.

END OF YEAR	Youngest Annuitant Start Age/End Age	Premium	Annual Withdrawals ¹ (Beginning of Year)	Accumulation Value / Death Benefit	Surrender Value [^]	Credited Interest Rate
At Issue	65	\$100,000		\$108,000		
1	65 / 66	-	\$0	\$108,000	\$88,375	0.00%
2	66 / 67	\$0	\$0	\$108,000	\$89,259	0.00%
3	67 / 68	\$0	\$0	\$108,000	\$90,151	0.00%
4	68 / 69	\$0	\$0	\$108,000	\$91,053	0.00%
5	69 / 70	\$0	\$0	\$108,000	\$91,963	0.00%
6	70 / 71	\$0	\$0	\$108,000	\$92,883	0.00%
7	71 / 72	\$0	\$0	\$108,000	\$93,812	0.00%
8	72 / 73	\$0	\$0	\$108,000	\$94,750	0.00%
9	73 / 74	\$0	\$0	\$108,000	\$95,697	0.00%
10	74 / 75	\$0	\$0	\$108,000	\$96,654	0.00%
11	75 / 76	\$0	\$0	\$108,000	\$97,621	0.00%
12	76 / 77	\$0	\$0	\$108,000	\$98,597	0.00%
13	77 / 78	\$0	\$0	\$108,000	\$99,583	0.00%
14	78 / 79	\$0	\$0	\$108,000	\$108,000	0.00%
15	79 / 80	\$0	\$0	\$108,000	\$108,000	0.00%
16	80 / 81	\$0	\$0	\$108,000	\$108,000	0.00%
17	81 / 82	\$0	\$0	\$108,000	\$108,000	0.00%
18	82 / 83	\$0	\$0	\$108,000	\$108,000	0.00%
19	83 / 84	\$0	\$0	\$108,000	\$108,000	0.00%
20	84 / 85	\$0	\$0	\$108,000	\$108,000	0.00%
30	94 / 95	\$0	\$0	\$108,000	\$117,937	0.00%
50	114 / 115	\$0	\$0	\$108,000	\$143,905	0.00%
Total Withdrawals:		First 30 Yrs: Cumulative:	\$0	\$0		0.00%+

ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Annuitant (65)**
 Premium: **\$100,000.00**
 Premium Bonus: **8.00%**
 Agent Name: **Brandon Babcock**
 State: **KY**

+ Annual Effective Rate over first 10 years.

[^] Reflects the maximum MVA.

¹ Subject to any applicable penalty-free withdrawal provisions.

Illustration Date: **05/12/2020**

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NON-GUARANTEED ANNUITY CONTRACT VALUES
MOST RECENT PERIOD from 12/31/2009 to 12/31/2019

Annual Effective Rate: 2.09%⁺

This chart illustrates values based on the 10 most recent years of historical index performance, selected withdrawals, the initial allocation and current rates. Please refer to page 5 for Guaranteed Annuity Contract Values.

END OF YEAR	Youngest Annuitant Start Age/End Age	Premium	Annual Withdrawals ¹ (Beginning of Year)	Accumulation Value / Death Benefit	Surrender Value [^]	Credited Interest Rate ⁺
At Issue	65	\$100,000		\$108,000		
1	65 / 66	-	\$0	\$111,240	\$88,375	3.00%
2	66 / 67	\$0	\$0	\$111,240	\$89,259	0.00%
3	67 / 68	\$0	\$0	\$114,577	\$90,151	3.00%
4	68 / 69	\$0	\$0	\$118,015	\$91,053	3.00%
5	69 / 70	\$0	\$0	\$121,555	\$93,275	3.00%
6	70 / 71	\$0	\$0	\$121,555	\$95,863	0.00%
7	71 / 72	\$0	\$0	\$125,202	\$101,573	3.00%
8	72 / 73	\$0	\$0	\$128,958	\$107,509	3.00%
9	73 / 74	\$0	\$0	\$128,958	\$110,230	0.00%
10	74 / 75	\$0	\$0	\$132,826	\$116,872	3.00%
11	75 / 76	\$0	\$0	\$135,602	\$122,639	2.09%
12	76 / 77	\$0	\$0	\$138,437	\$128,561	2.09%
13	77 / 78	\$0	\$0	\$141,330	\$134,642	2.09%
14	78 / 79	\$0	\$0	\$144,284	\$144,284	2.09%
15	79 / 80	\$0	\$0	\$147,299	\$147,299	2.09%
16	80 / 81	\$0	\$0	\$150,378	\$150,378	2.09%
17	81 / 82	\$0	\$0	\$153,521	\$153,521	2.09%
18	82 / 83	\$0	\$0	\$156,729	\$156,729	2.09%
19	83 / 84	\$0	\$0	\$160,005	\$160,005	2.09%
20	84 / 85	\$0	\$0	\$163,349	\$163,349	2.09%
30	94 / 95	\$0	\$0	\$200,885	\$200,885	2.09%
50	114 / 115	\$0	\$0	\$303,817	\$303,817	2.09%
Total Withdrawals:			First 30 Yrs: Cumulative:	\$0		2.09%+

ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Annuitant (65)**
 Premium: **\$100,000.00**
 Premium Bonus: **8.00%**
 Agent Name: **Brandon Babcock**
 State: **KY**

+ Annual Effective Rate over first 10 years.

[^] Reflects the maximum MVA.

[♦] During years 11+ the annual effective rate over the first 10 years is used for the credited interest rate.

¹ Subject to any applicable penalty-free withdrawal provisions.

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Page 6 of 11

**NON-GUARANTEED ANNUITY CONTRACT VALUES
INDEX GROWTH PERIOD COMPARISON - MOST RECENT, HIGH, LOW**

This chart illustrates values for the most recent, most favorable and least favorable 10-year period of historical index returns out of the last 20 years; these periods are determined based on index returns before any application of Index Strategy rates.

The values and annual effective rates shown reflect selected withdrawals, initial allocations, and application of current Index Strategy Rates to historical index returns. Please refer to page 5 for Guaranteed Annuity Contract Values.

Annual Effective Rate Most Recent: 2.09%⁺
Annual Effective Rate Highest: 2.09%⁺
Annual Effective Rate Lowest: 1.79%⁺

Contract Year	MOST RECENT		HIGHEST		LOWEST	
	Credited Interest Rate	Accumulation Value	Credited Interest Rate	Accumulation Value	Credited Interest Rate	Accumulation Value
At Issue		\$108,000		\$108,000		\$108,000
1	3.00%	\$111,240	3.00%	\$111,240	0.00%	\$108,000
2	0.00%	\$111,240	0.00%	\$111,240	0.00%	\$108,000
3	3.00%	\$114,577	3.00%	\$114,577	0.00%	\$108,000
4	3.00%	\$118,015	3.00%	\$118,015	3.00%	\$111,240
5	3.00%	\$121,555	3.00%	\$121,555	3.00%	\$114,577
6	0.00%	\$121,555	0.00%	\$121,555	3.00%	\$118,015
7	3.00%	\$125,202	3.00%	\$125,202	3.00%	\$121,555
8	3.00%	\$128,958	3.00%	\$128,958	3.00%	\$125,202
9	0.00%	\$128,958	0.00%	\$128,958	0.00%	\$125,202
10	3.00%	\$132,826	3.00%	\$132,826	3.00%	\$128,958
Annual Effective Rate	2.09%⁺		2.09%⁺		1.79%⁺	

Index	Highest Index Growth Period	Lowest Index Growth Period
S&P 500	12/31/2009 to 12/31/2019	12/31/1999 to 12/31/2009

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⁺ Annual Effective Rate over 10 years.

CREDITED INTEREST RATES BY INDEX - MOST RECENT, HIGH, LOW

This chart shows the Interest Credited Rate for non-guaranteed contract values shown on the previous page.

Alloc. %	INDEX OPTION BASED INTEREST CREDIT		Total Credited Interest
	Index Return	S&P 500	
	S&P 500	APP Cap	
		100%	
YEAR	MOST RECENT		
1	12.78%	3.00%	3.00%
2	0.00%	0.00%	0.00%
3	13.41%	3.00%	3.00%
4	29.60%	3.00%	3.00%
5	11.39%	3.00%	3.00%
6	-0.73%	0.00%	0.00%
7	9.54%	3.00%	3.00%
8	19.42%	3.00%	3.00%
9	-6.24%	0.00%	0.00%
10	28.88%	3.00%	3.00%
YEAR	HIGHEST		
1	12.78%	3.00%	3.00%
2	0.00%	0.00%	0.00%
3	13.41%	3.00%	3.00%
4	29.60%	3.00%	3.00%
5	11.39%	3.00%	3.00%
6	-0.73%	0.00%	0.00%
7	9.54%	3.00%	3.00%
8	19.42%	3.00%	3.00%
9	-6.24%	0.00%	0.00%
10	28.88%	3.00%	3.00%
YEAR	LOWEST		
1	-10.14%	0.00%	0.00%
2	-13.04%	0.00%	0.00%
3	-23.37%	0.00%	0.00%
4	26.38%	3.00%	3.00%
5	8.99%	3.00%	3.00%
6	3.00%	3.00%	3.00%
7	13.62%	3.00%	3.00%
8	3.53%	3.00%	3.00%
9	-38.49%	0.00%	0.00%
10	23.45%	3.00%	3.00%

Abbreviation	Definition
APP	Annual Point-to-Point

ILLUSTRATION SNAPSHOT

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Page 8 of 11

Projected Accumulation Value Based on Current Rates Over a 10-year Period

This graph shows the projected Accumulation Values based on historical index performance determined by the three historical indexing periods, the initial allocation, withdrawal selections and current rates shown on page 4 of the illustration. Please refer to page 5 for Guaranteed Annuity Contract Values.



ILLUSTRATION SNAPSHOT

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 Page 9 of 11

MARKET VALUE ADJUSTMENT (MVA)

When you make a withdrawal, the amount you receive may be increased or decreased by an MVA, depending on the change in interest rates since your annuity purchase. If interest rates on which the MVA is based go up after you buy your annuity, the MVA will likely decrease the amount you receive. If interest rates go down, the MVA will likely increase the amount you receive.

An MVA is applied only during the surrender charge period to full surrenders and any partial surrenders in excess of the Penalty-Free Partial Surrender Allowance. Changes in the Accumulation Value due to market value adjustment are not quoted in this illustration.

The graph below shows the projected surrender value under sample MVA scenarios as described below during the surrender charge period of the Contract based on the initial premium amount and the assumption that there are no partial surrenders.

Hypothetical Surrender Values Reflecting MVA



ILLUSTRATION SNAPSHOT
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 State: KY

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

Fixed Index Annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Although Fixed Index Annuities guarantee no loss of premium due to market downturns, deductions from your Accumulation Value for additional optional benefit riders could under certain scenarios exceed interest credited to your Accumulation Value, which would result in loss of premium. They may not be appropriate for all clients. Interest credits to a fixed index annuity will not mirror the actual performance of the relevant index.

Withdrawals taken prior to age 59 1/2 may be subject to IRS penalties.

Premium taxes: Accumulation Value will be reduced for premium taxes as required by the state of residence. These taxes are not reflected in the illustrated values.

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¹ A feature offered "by current company practice" is not a contractual guarantee of this annuity contract and can be removed or changed at any time.

ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Annuitant (65)**

Premium: **\$100,000.00**

Premium Bonus: **8.00%**

Agent Name: **Brandon Babcock**

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Page 11 of 11