

**Annuity**

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



Personalized Hypothetical Illustration

## **NAC VersaChoice<sup>SM</sup> 10**

Modified Single Premium Deferred Annuity  
Non-Qualified Contract

*Prepared for:*

Owner: Valued Client

Issue State: AZ

*Agent/Representative:*

Valued Agent

Date Prepared: 05/27/2020

## FOR ILLUSTRATED VALUES, GO TO PAGE 6

### 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 and interest credited, if any, less withdrawals, and any applicable Strategy Fees.

#### 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, 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A surrender charge is assessed on any amount withdrawn, whether as a partial or full surrender, that exceeds the penalty-free withdrawal amount.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 10

10%, 10%, 9%, 9%, 8%, 8%, 7%, 6%, 4%, 2%

### PENALTY-FREE WITHDRAWALS

Once per year, you may take a penalty-free withdrawal (also known as a penalty-free partial surrender), without surrender charges, or MVA, of up to 10% of your beginning of year 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,<sup>1</sup> 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	\$78,975.20	8.96	\$707.61

### 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.

### 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.

#### ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Client (65)**  
Premium: **\$100,000.00**  
Agent Name: **Valued Agent**  
State: **AZ**

## GENERAL PRODUCT TERMS (continued)

### ANNUAL POINT-TO-POINT WITH PARTICIPATION RATE and STRATEGY FEE

This method measures index growth using two points in time; the beginning index value and the ending index value of each Contract year. 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.

This method includes a Strategy Fee that will be subtracted from the Accumulation Value allocated to this method once each Contract year. The Strategy Fee will be collected once each Contract year at the earliest of any partial withdrawal in excess of the penalty-free amount, full surrender or the end of the Contract year. The Strategy Fee is equal to the Strategy Fee Annual Percentage times the beginning of year Accumulation Value allocated to this method.

The Strategy Fee results in an increase to the participation rate, resulting in an increase in the credited interest rate when the underlying index performance is positive.

If the underlying index performance is zero or negative, the interest crediting amount to your policy for this option will be zero and as a result of the Strategy Fee assessed, the amount of your Accumulation Value allocated to this option will decrease.

### TWO YEAR POINT-TO-POINT WITH PARTICIPATION

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

### TWO YEAR POINT-TO-POINT WITH PARTICIPATION RATE and STRATEGY FEE

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

This method includes a Strategy Fee that will be subtracted from the Accumulation Value allocated to this method once each term. The Strategy Fee will be collected once each term at the earliest of any partial withdrawal in excess of the penalty-free amount, full surrender or the end of the term. The Strategy Fee is equal to the Strategy Fee Annual Percentage times two times the beginning of term Accumulation Value allocated to this method.

The Strategy Fee results in an increase to the participation rate, resulting in an increase in the credited interest rate when the underlying index performance is positive.

If the underlying index performance is zero or negative, the interest crediting amount to your policy for this option will be zero and as a result of the Strategy Fee assessed, the amount of your Accumulation Value allocated to this option will decrease.

### 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.

#### ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Client (65)**  
Premium: **\$100,000.00**  
Agent Name: **Valued Agent**  
State: **AZ**

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## GENERAL PRODUCT TERMS (continued)

### 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.

## 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. The following index has existed for less than ten years: Fidelity MFY 5% ER. Because this index does not have actual historical values for a period of ten years or more, the performance shown is determined by applying the current index methodology to the underlying historical financial data. 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 Client (65)**  
Premium: **\$100,000.00**  
Agent Name: **Valued Agent**  
State: **AZ**

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## ALLOCATION SELECTION INFORMATION

Allocation Option	Current Declared Rate	Strategy Fee Annual Percentage	Allocation Percentage
Fidelity MFY 5% ER (APP)	140.00% Annual Participation Rate	1.50%	25%
Fidelity MFY 5% ER (2YPP)	200.00% Two-Year Participation Rate	1.50%	25%
Fidelity MFY 5% ER (APP)	80.00% Annual Participation Rate	N/A	25%
Fidelity MFY 5% ER (2YPP)	115.00% Two-Year Participation Rate	N/A	25%

### SELECTED ALLOCATION



■ Fidelity MFY 5% ER APP   
 ■ Fidelity MFY 5% ER 2YPP  
■ Fidelity MFY 5% ER APP   
 ■ Fidelity MFY 5% ER 2YPP

Fidelity MFY 5% ER is the Fidelity Multifactor Yield Index 5% ER.

### ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Client (65)**  
 Premium: **\$100,000.00**  
 Agent Name: **Valued Agent**  
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## GUARANTEED ANNUITY CONTRACT VALUES

**Annual Effective Rate: 0.00%<sup>+</sup>**

This chart illustrates values based on 0% growth, selected withdrawals, current Strategy Fees and the initial allocation. The Accumulation Value reflects Strategy Fees.

END OF YEAR	Youngest Annuitant Start Age/End Age	Premium	Annual Withdrawals <sup>1</sup> (Beginning of Year)	Accumulation Value / Death Benefit	Surrender Value <sup>^</sup>	Credited Interest Rate*
<b>At Issue</b>	<b>65</b>	\$100,000		\$100,000		
<b>1</b>	<b>65 / 66</b>	-	\$0	\$99,625	\$88,375	0.00%
<b>2</b>	<b>66 / 67</b>	\$0	\$0	\$98,506	\$89,259	0.00%
<b>3</b>	<b>67 / 68</b>	\$0	\$0	\$98,142	\$90,151	0.00%
<b>4</b>	<b>68 / 69</b>	\$0	\$0	\$97,056	\$91,053	0.00%
<b>5</b>	<b>69 / 70</b>	\$0	\$0	\$96,703	\$91,963	0.00%
<b>6</b>	<b>70 / 71</b>	\$0	\$0	\$95,650	\$92,883	0.00%
<b>7</b>	<b>71 / 72</b>	\$0	\$0	\$95,307	\$93,812	0.00%
<b>8</b>	<b>72 / 73</b>	\$0	\$0	\$94,285	\$94,750	0.00%
<b>9</b>	<b>73 / 74</b>	\$0	\$0	\$93,953	\$95,697	0.00%
<b>10</b>	<b>74 / 75</b>	\$0	\$0	\$100,000	\$100,000	0.00%
<b>11</b>	<b>75 / 76</b>	\$0	\$0	\$99,653	\$99,653	0.00%
<b>12</b>	<b>76 / 77</b>	\$0	\$0	\$98,619	\$98,619	0.00%
<b>13</b>	<b>77 / 78</b>	\$0	\$0	\$98,282	\$99,583	0.00%
<b>14</b>	<b>78 / 79</b>	\$0	\$0	\$97,279	\$100,579	0.00%
<b>15</b>	<b>79 / 80</b>	\$0	\$0	\$96,952	\$101,585	0.00%
<b>16</b>	<b>80 / 81</b>	\$0	\$0	\$95,979	\$102,601	0.00%
<b>17</b>	<b>81 / 82</b>	\$0	\$0	\$95,662	\$103,627	0.00%
<b>18</b>	<b>82 / 83</b>	\$0	\$0	\$94,718	\$104,663	0.00%
<b>19</b>	<b>83 / 84</b>	\$0	\$0	\$94,411	\$105,710	0.00%
<b>20</b>	<b>84 / 85</b>	\$0	\$0	\$93,495	\$106,767	0.00%
<b>30</b>	<b>94 / 95</b>	\$0	\$0	\$87,905	\$117,937	0.00%
<b>50</b>	<b>114 / 115</b>	\$0	\$0	\$78,975	\$143,905	0.00%
<b>Total Withdrawals:</b>		<b>First 30 Yrs: Cumulative:</b>	<b>\$0</b>	<b>\$0</b>		<b>0.00%<sup>+</sup></b>

Certain Index Crediting Options include a Strategy Fee, which is assessed against the Accumulation Value allocated to that option each crediting term.

You should carefully consider the potential credited interest rate benefits of these Crediting Options and the corresponding Strategy Fees assessed.

### ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Client (65)**  
Premium: **\$100,000.00**  
Agent Name: **Valued Agent**  
State: **AZ**

<sup>+</sup> Annual Effective Rate over first 10 years.

<sup>^</sup> Reflects the maximum MVA.

\* Credited Interest Rate does not reflect Strategy Fees.

<sup>1</sup> Subject to any applicable penalty-free withdrawal provisions.

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

**Annual Effective Rate: 9.19%<sup>+</sup>**

This chart illustrates values based on the 10 most recent years of historical index performance, selected withdrawals, the initial allocation, current Strategy Fees and current rates. The Accumulation Value reflects Strategy Fees. Please refer to page 6 for Guaranteed Annuity Contract Values.

END OF YEAR	Youngest Annuitant Start Age/End Age	Premium	Annual Withdrawals <sup>1</sup> (Beginning of Year)	Accumulation Value / Death Benefit	Surrender Value <sup>^</sup>	Credited Interest Rate <sup>**</sup>
<b>At Issue</b>	<b>65</b>	\$100,000		\$100,000		
<b>1</b>	<b>65 / 66</b>	-	\$0	\$106,128	\$90,074	6.50%
<b>2</b>	<b>66 / 67</b>	\$0	\$0	\$129,563	\$106,242	23.20%
<b>3</b>	<b>67 / 68</b>	\$0	\$0	\$134,041	\$112,327	3.83%
<b>4</b>	<b>68 / 69</b>	\$0	\$0	\$148,688	\$124,601	12.12%
<b>5</b>	<b>69 / 70</b>	\$0	\$0	\$156,610	\$134,059	5.70%
<b>6</b>	<b>70 / 71</b>	\$0	\$0	\$165,177	\$141,392	6.70%
<b>7</b>	<b>71 / 72</b>	\$0	\$0	\$170,011	\$148,589	3.30%
<b>8</b>	<b>72 / 73</b>	\$0	\$0	\$196,116	\$174,935	16.61%
<b>9</b>	<b>73 / 74</b>	\$0	\$0	\$195,387	\$181,319	0.00%
<b>10</b>	<b>74 / 75</b>	\$0	\$0	\$224,242	\$224,242	16.09%
<b>11</b>	<b>75 / 76</b>	\$0	\$0	\$231,167	\$231,167	3.46%
<b>12</b>	<b>76 / 77</b>	\$0	\$0	\$264,824	\$264,824	15.91%
<b>13</b>	<b>77 / 78</b>	\$0	\$0	\$272,799	\$272,799	3.38%
<b>14</b>	<b>78 / 79</b>	\$0	\$0	\$313,258	\$313,258	16.23%
<b>15</b>	<b>79 / 80</b>	\$0	\$0	\$322,446	\$322,446	3.29%
<b>16</b>	<b>80 / 81</b>	\$0	\$0	\$371,153	\$371,153	16.55%
<b>17</b>	<b>81 / 82</b>	\$0	\$0	\$381,743	\$381,743	3.21%
<b>18</b>	<b>82 / 83</b>	\$0	\$0	\$440,463	\$440,463	16.88%
<b>19</b>	<b>83 / 84</b>	\$0	\$0	\$452,677	\$452,677	3.13%
<b>20</b>	<b>84 / 85</b>	\$0	\$0	\$523,566	\$523,566	17.20%
<b>30</b>	<b>94 / 95</b>	\$0	\$0	\$1,272,640	\$1,272,640	18.84%
<b>50</b>	<b>114 / 115</b>	\$0	\$0	\$8,398,614	\$8,398,614	21.82%
<b>Total Withdrawals:</b>		<b>First 30 Yrs: Cumulative:</b>	<b>\$0</b>	<b>\$0</b>		<b>9.19%<sup>+</sup></b>

Certain Index Crediting Options include a Strategy Fee, which is assessed against the Accumulation Value allocated to that option each crediting term.

You should carefully consider the potential credited interest rate benefits of these Crediting Options and the corresponding Strategy Fees assessed.

**ILLUSTRATION SNAPSHOT**

Annuitant (Age): **Valued Client (65)**  
Premium: **\$100,000.00**  
Agent Name: **Valued Agent**  
State: **AZ**

<sup>+</sup> Annual Effective Rate over first 10 years.

<sup>^</sup> Reflects the maximum MVA.

<sup>\*</sup> Credited Interest Rate does not reflect Strategy Fees.

<sup>♦</sup> During years 11+ the annual effective rate over the first 10 years is used for the credited interest rate.

<sup>1</sup> Subject to any applicable penalty-free withdrawal provisions.

Illustration Date: **05/27/2020**

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## 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. The Accumulation Value reflects Strategy Fees. Please refer to page 6 for Guaranteed Annuity Contract Values.

**Annual Effective Rate Most Recent: 9.19%<sup>+</sup>**

**Annual Effective Rate Highest: 9.19%<sup>+</sup>**

**Annual Effective Rate Lowest: 4.75%<sup>+</sup>**

Contract Year	MOST RECENT		HIGHEST		LOWEST	
	Credited Interest Rate*	Accumulation Value	Credited Interest Rate*	Accumulation Value	Credited Interest Rate*	Accumulation Value
<b>At Issue</b>		\$100,000		\$100,000		\$100,000
<b>1</b>	6.50%	\$106,128	6.50%	\$106,128	2.88%	\$102,505
<b>2</b>	23.20%	\$129,563	23.20%	\$129,563	3.06%	\$104,491
<b>3</b>	3.83%	\$134,041	3.83%	\$134,041	2.11%	\$106,304
<b>4</b>	12.12%	\$148,688	12.12%	\$148,688	16.67%	\$122,833
<b>5</b>	5.70%	\$156,610	5.70%	\$156,610	3.47%	\$126,642
<b>6</b>	6.70%	\$165,177	6.70%	\$165,177	4.38%	\$130,705
<b>7</b>	3.30%	\$170,011	3.30%	\$170,011	1.75%	\$132,502
<b>8</b>	16.61%	\$196,116	16.61%	\$196,116	8.44%	\$142,117
<b>9</b>	0.00%	\$195,387	0.00%	\$195,387	0.00%	\$141,597
<b>10</b>	16.09%	\$224,242	16.09%	\$224,242	5.71%	\$147,975
<b>Annual Effective Rate</b>	<b>9.19%<sup>+</sup></b>		<b>9.19%<sup>+</sup></b>		<b>4.75%<sup>+</sup></b>	
<b>Net Annual Effective Rate</b>	<b>8.41%<sup>^</sup></b>		<b>8.41%<sup>^</sup></b>		<b>4.00%<sup>^</sup></b>	

Index	Highest Index Growth Period	Lowest Index Growth Period
Fidelity MFY 5% ER	12/31/2009 to 12/31/2019	12/31/1999 to 12/31/2009

### ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Client (65)**  
Premium: **\$100,000.00**  
Agent Name: **Valued Agent**  
State: **AZ**

<sup>+</sup> Annual Effective Rate over 10 years.  
<sup>\*</sup> Credited Interest Rate does not reflect Strategy Fees.  
<sup>^</sup> Reflects applicable Strategy Fees.

Illustration Date: **05/27/2020**

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**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. This rate does not reflect Strategy Fees.

		INDEX OPTION BASED INTEREST CREDIT				
	Index Return	Fidelity MFY 5% ER				
	Fidelity MFY 5% ER	APP P-Rate	2YPP P-Rate	APP P-Rate	2YPP P-Rate	Total Credited Interest
Alloc. %		25%	25%	25%	25%	
YEAR	MOST RECENT					
1	11.82%	16.55%	0.00%	9.46%	0.00%	6.50%
2	10.19%	14.27%	46.43%	8.15%	26.70%	23.20%
3	7.19%	10.06%	0.00%	5.75%	0.00%	3.83%
4	4.46%	6.24%	23.93%	3.56%	13.76%	12.12%
5	10.93%	15.30%	0.00%	8.74%	0.00%	5.70%
6	-2.47%	0.00%	16.38%	0.00%	9.42%	6.70%
7	6.33%	8.87%	0.00%	5.07%	0.00%	3.30%
8	7.83%	10.96%	29.32%	6.26%	16.86%	16.61%
9	-0.53%	0.00%	0.00%	0.00%	0.00%	0.00%
10	11.78%	16.50%	22.38%	9.43%	12.87%	16.09%
YEAR	HIGHEST					
1	11.82%	16.55%	0.00%	9.46%	0.00%	6.50%
2	10.19%	14.27%	46.43%	8.15%	26.70%	23.20%
3	7.19%	10.06%	0.00%	5.75%	0.00%	3.83%
4	4.46%	6.24%	23.93%	3.56%	13.76%	12.12%
5	10.93%	15.30%	0.00%	8.74%	0.00%	5.70%
6	-2.47%	0.00%	16.38%	0.00%	9.42%	6.70%
7	6.33%	8.87%	0.00%	5.07%	0.00%	3.30%
8	7.83%	10.96%	29.32%	6.26%	16.86%	16.61%
9	-0.53%	0.00%	0.00%	0.00%	0.00%	0.00%
10	11.78%	16.50%	22.38%	9.43%	12.87%	16.09%
YEAR	LOWEST					
1	5.23%	7.33%	0.00%	4.19%	0.00%	2.88%
2	-1.19%	0.00%	7.96%	0.00%	4.57%	3.06%
3	3.84%	5.38%	0.00%	3.08%	0.00%	2.11%
4	10.03%	14.04%	28.51%	8.02%	16.40%	16.67%
5	6.48%	9.07%	0.00%	5.18%	0.00%	3.47%
6	-0.92%	0.00%	10.99%	0.00%	6.32%	4.38%
7	3.28%	4.59%	0.00%	2.62%	0.00%	1.75%
8	4.16%	5.82%	15.14%	3.33%	8.71%	8.44%
9	-0.35%	0.00%	0.00%	0.00%	0.00%	0.00%
10	4.40%	6.16%	8.06%	3.52%	4.63%	5.71%

Abbreviation	Definition
APP	Annual Point-to-Point
2YPP	Two Year Point-to-Point

**ILLUSTRATION SNAPSHOT**

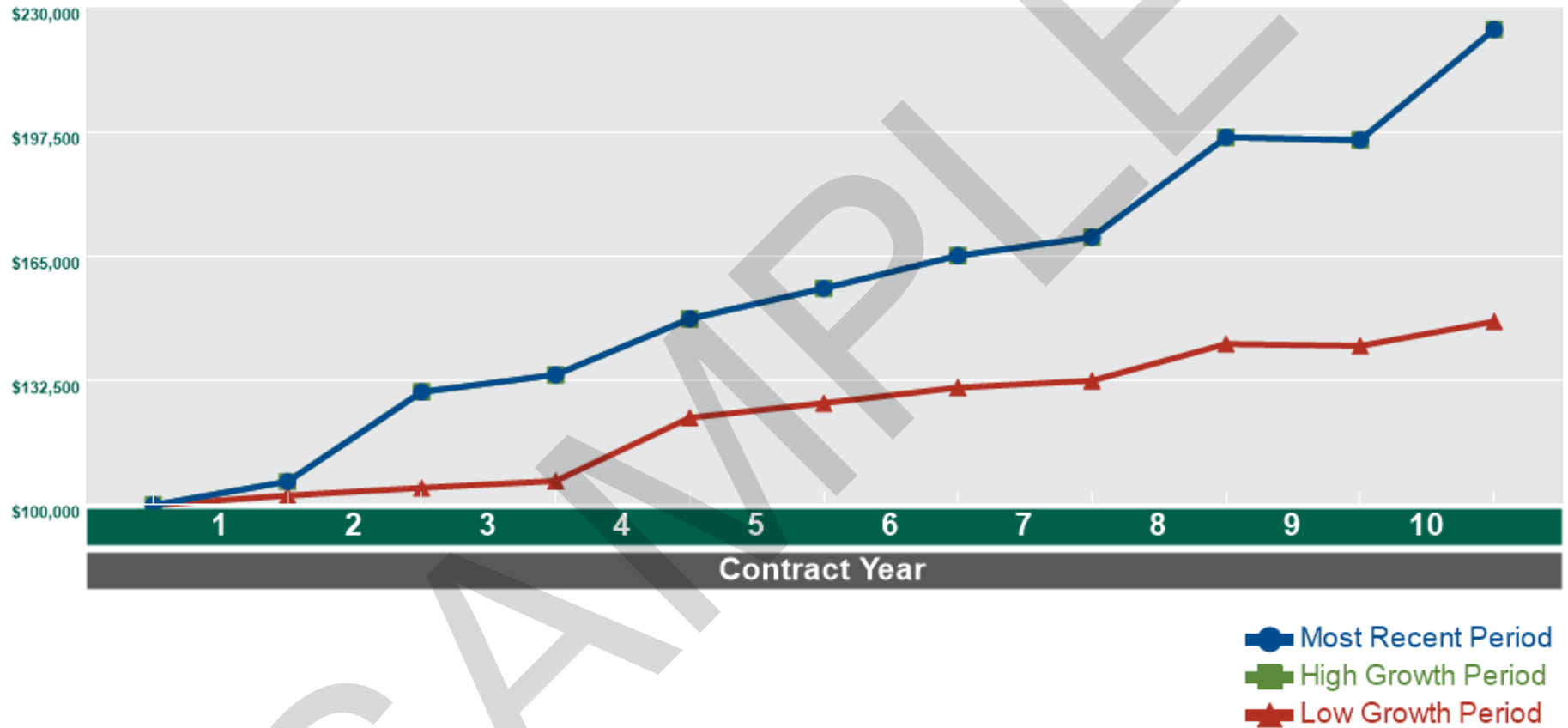
Annuitant (Age): **Valued Client (65)**  
 Premium: **\$100,000.00**  
 Agent Name: **Valued Agent**  
 State: **AZ**

Illustration Date: **05/27/2020**

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## 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, current Strategy Fees, withdrawal selections and current rates shown on page 5 of the illustration. Please refer to page 6 for Guaranteed Annuity Contract Values.



### ILLUSTRATION SNAPSHOT

Annuitant (Age): **Valued Client (65)**  
 Premium: **\$100,000.00**  
 Agent Name: **Valued Agent**  
 State: **AZ**

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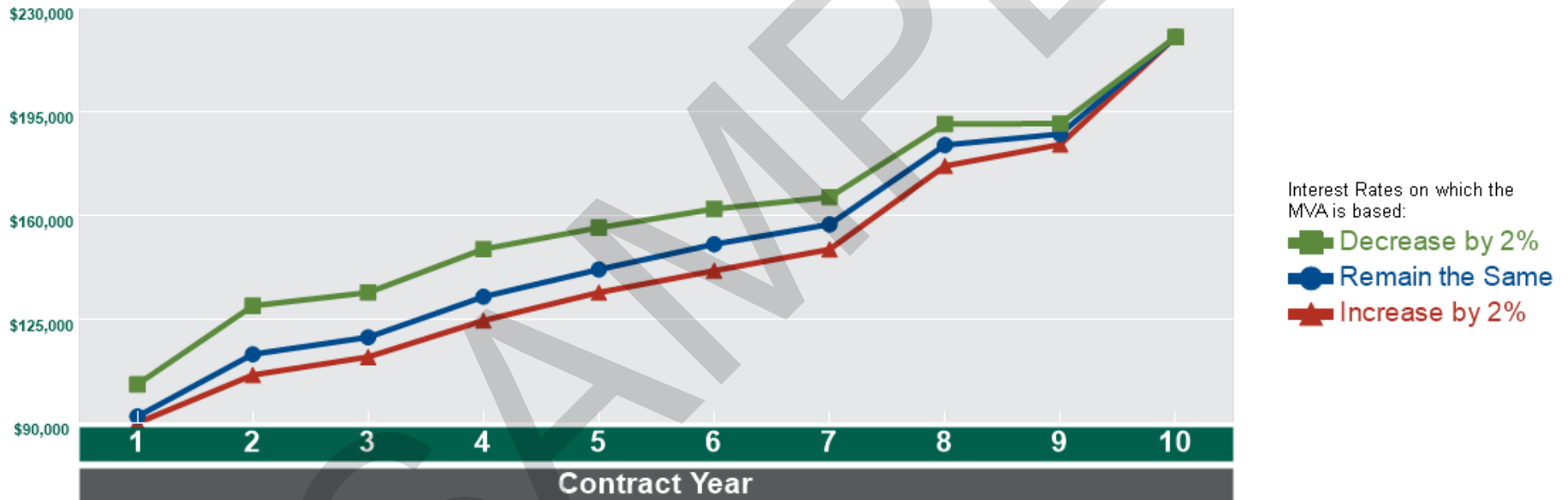
## MARKET VALUE ADJUSTMENT (MVA)

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

Annuitant (Age): Valued Client (65)  
 Premium: \$100,000.00  
 Agent Name: Valued Agent  
 State: AZ

Illustration Date: 05/27/2020

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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.

Based on the current interpretation of the Model Regulation adopted by AL, CO, IA, MD, ME, MO, NH, OH, RI and WV, North American is not illustrating the S&P Marc 5% ER index in these states. This illustration may not be used in those states.

The S&P<sup>®</sup> Multi-Asset Risk Control 5% Excess Return is managed to a volatility target, and as a result the index performance will not match the performance of any other index or the markets in general since volatility control tends to reduce both the rate of negative performance and positive performance of the underlying index, thereby creating more stabilized performance. The S&P<sup>®</sup> Multi-Asset Risk Control 5% Excess Return has been in existence since 3/27/2017. Ending values in years prior to inception are determined by S&P Dow Jones Indices LLC or its affiliates ("SPDJ") using the same methodology as used currently.

Based on the current interpretation of the Model Regulation adopted by AL, CO, IA, MD, ME, MO, NH, OH, RI and WV, North American is not illustrating the Fidelity Multifactor Yield Index 5% ER in these states. This illustration may not be used in those states.

The "S&P Multi-Asset Risk Control 5% Excess Return", "S&P 500<sup>®</sup>", "S&P 500<sup>®</sup> Low Volatility Daily Risk Control 5% Index", "S&P MidCap 400<sup>®</sup>", and "DJIA<sup>®</sup>", Indices ("Indices") are products of S&P Dow Jones Indices LLC or its affiliates ("SPDJ") and have been licensed for use by North American Company ("the Company"). Standard & Poor's<sup>®</sup> and S&P<sup>®</sup> are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones<sup>®</sup> is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the Company. NAC VersaChoice 10 is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the Indices.

The S&P 500<sup>®</sup> Low Volatility Daily Risk Control 5% Index is managed to a volatility target, and as a result the index performance will not match the performance of any other index or the markets in general since volatility control tends to reduce both the rate of negative performance and positive performance of the underlying index, thereby creating more stabilized performance. The S&P 500<sup>®</sup> Low Volatility Daily Risk Control 5% Index has been in existence since Aug. 18, 2011. Ending values in years prior to inception are determined by S&P Dow Jones Indices LLC or its affiliates ("SPDJ") using the same methodology as used currently.

The Fidelity Multifactor Yield Index 5% ER (the "Index") is a multi-asset index, offering exposure to companies with attractive valuations, high quality profiles, positive momentum signals, lower volatility and higher dividend yield than the broader market, as well as U.S. treasuries, which may reduce volatility over time. Fidelity is a registered trademark of FMR LLC. Fidelity Product Services LLC ("FPS") has licensed this index for use for certain purposes to North American Company for Life and Health Insurance<sup>®</sup> (the "Company") on behalf of the NAC VersaChoice<sup>SM</sup>. The Index is the exclusive property of FPS and is made and compiled without regard to the needs, including, but not limited to, the suitability needs, of the Company, the NAC VersaChoice<sup>SM</sup>, or owners of the NAC VersaChoice<sup>SM</sup>. The NAC VersaChoice<sup>SM</sup> is not sold, sponsored, endorsed or promoted by FPS or any other party involved in, or related to, making or compiling the Index. The Company exercises sole discretion in determining whether and how the NAC VersaChoice<sup>SM</sup> will be linked to the value of the Index. FPS does not provide investment advice to owners of the NAC VersaChoice<sup>SM</sup>, nor to any other person or entity with respect to the Index and in no event shall any NAC VersaChoice<sup>SM</sup> contract owner be deemed to be a client of FPS.

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The Fidelity Multifactor Yield Index 5% ER strives to create enhanced and stable returns through investing in proven equity factors, while applying excess return and daily volatility control methodologies. The equity component of the index diversifies across six factor indices with fixed weights to each. The Fidelity Multifactor Yield Index 5% ER adds an element of risk control by allocating daily between stocks, as represented by the six equity factor indices, and a dynamic bond overlay which consists of 10-year Treasury Note futures and potentially cash. Because this index is managed to a volatility target, the index performance will not match the weighted underlying performance of the six equity factor indices. Typically, the volatility control tends to reduce the rate of negative performance and positive performance of the weighted value of the underlying indices – thus creating more stabilized performance. The Fidelity Multifactor Yield Index 5% ER value is available at the following website: <https://go.fidelity.com/FIDMFY>

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<sup>1</sup> 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.

SAMPLE

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