

Protection Builder IUL®

Client review now to protect tomorrow



Proposing IUL through a client review

Sales idea

Financial professionals help their clients choose a life insurance policy because it best fits their needs at the time, but have those needs changed? A client review can help ensure your client's needs and goals are still being met as their stages in life progress. And if they're not being met, you have an opportunity to make recommendations that would help meet their current needs.

As your clients age, they may have more disposable income to work with as they begin focusing more on preparing for retirement. In these situations, one of our Indexed Universal Life (IUL) insurance products could be a great solution. This multifaceted product line offers death benefit protection, as well as potential growth of the policy's cash value while helping to protect your clients from financial risks.

Here's how proposing an IUL product through a client review could work for you!

Hypothetical case study

A 55-year-old client purchased a Whole Life policy with a \$800,000 death benefit from his agent in 1988, which has now grown to \$1,500,000. His primary focus when purchasing the policy was to provide a death benefit to his spouse (now age 52) in the case of an unexpected death. Now that he is thinking more about retirement, he's agreed to meet with his financial professional for a client review.

On the day of the meeting, he had \$450,000 cash value in his Whole Life policy. When he purchased the policy, the goal was to have any dividends offset the premium within 18 years, which did not happen.

The client wants to retain the \$1,500,000 death benefit while continuing to grow cash value without having to continue paying premium. At this stage in life, he doesn't want to take too many risks; he'd like a product that can help offer protection. His top three priorities are **guaranteed death benefit, potential cash growth, and possible funding for future qualifying illnesses**. Among the different IUL products available, he chose the Protection Builder IUL.

With Protection Builder, he has a guaranteed death benefit of \$1,891,338 and the potential to grow the cash value to \$729,525 by age 65.¹



1035
amount
from Whole
Life Policy
+ premium

Male 55
Male, Issue Age 55
Preferred Non-Tobacco
\$1,891,338

Protection Builder IUL
A Universal Life Insurance Policy Supplemental Illustration

AGENT ONLY REPORT

Not to be used for consumer solicitation purposes

Target (annualized)	\$28,237.68	Maximum Level Annual	\$48,462.87	
Minimum (annualized)	\$17,822.88	Maximum Single	\$728,531.26	\$76,923.66

This illustration reflects the following:

Premium Allocations: S&P500® Annual Pt-to-Pt 50%; High P Fidelity Multifactor Yield Index™ 5% ER Annual Pt-to-Pt 50%;

Death Benefit Qualification: Guideline Premium Test (GPT)
Riders, as listed on the last page

Potential
cash value
growth at
age 65

Initial Death Benefit: \$1,891,338.00
Initial DB Option: I-Level
Initial Annual Premium: \$25,000.00

			INTEREST AND COST SCENARIOS								
			Guaranteed			Non-Guaranteed Alternate			Non-Guaranteed Assumed		
			Maximum Charges			Current Charges			Current Charges		
			Minimum Account Value: 2.50%			Index Credits: 2.88%**			Index Credits: 4.18%**		
End of Year	Beg/End of Yr Age	Annualized Modal Premium Type	Account Value	Net Cash Surrender Value	Death Benefit	Account Value	Net Cash Surrender Value	Death Benefit	Account Value	Net Cash Surrender Value	Death Benefit
1	55/56	475,000.00 PE	440,845	376,540	1,891,338	444,072	379,766	1,891,338	449,836	385,531	1,891,338
2	56/57	25,000.00 P	463,388	400,368	1,891,338	469,823	406,804	1,891,338	481,912	418,900	1,891,338
3	57/58	25,000.00 P	486,144	424,411	1,891,338	495,105	433,372	1,891,338	514,144	452,411	1,891,338
4	58/59	25,000.00 P	509,130	449,969	1,891,338	520,772	461,611	1,891,338	547,387	488,226	1,891,338
5	59/60	25,000.00 P	532,198	475,609	1,891,338	547,009	490,420	1,891,338	581,868	525,279	1,891,338
6	60/61	25,000.00 P	555,366	501,350	1,891,338	573,363	519,346	1,891,338	617,180	563,163	1,891,338
7	61/62	25,000.00 P	578,655	527,853	1,891,338	600,017	549,216	1,891,338	653,545	602,744	1,891,338
8	62/63	25,000.00 P	601,769	554,183	1,891,338	626,850	579,264	1,891,338	690,887	643,301	1,891,338
9	63/64	25,000.00 P	624,579	580,852	1,891,338	654,191	610,463	1,891,338	729,570	685,842	1,891,338
10	64/65	25,000.00 P	647,110	607,241	1,891,338	681,775	641,906	1,891,338	769,394	729,525	1,891,338
		700,000.00									
11	65/66	0.00	645,461	610,736	1,891,338	695,855	661,130	1,891,338	797,180	762,455	1,891,338
12	66/67	0.00	642,700	614,405	1,891,338	710,075	681,780	1,891,338	826,079	797,784	1,891,338
13	67/68	0.00	638,637	616,773	1,891,338	724,307	702,443	1,891,338	856,042	834,178	1,891,338
14	68/69	0.00	633,223	619,076	1,891,338	738,707	724,560	1,891,338	887,283	873,136	1,891,338
15	69/70	0.00	626,099	619,668	1,891,338	753,014	746,583	1,891,338	919,653	913,222	1,891,338
16	70/71	0.00	617,034	617,034	1,891,338	766,826	766,826	1,891,338	952,899	952,899	1,891,338
43	97/98	0.00	0	0	1,891,338	0	0	1,891,338	2,597,099	2,597,099	2,597,099
44	98/99	0.00	0	0	1,891,338	0	0	1,891,338	2,720,301	2,720,301	2,720,301
45	99/100	0.00	0	0	1,891,338	0	0	1,891,338	2,849,477	2,849,477	2,849,477
46	100/101	0.00	0	0	1,891,338	0	0	1,891,338	2,990,385	2,990,385	2,990,385
47	101/102	0.00	0	0	1,891,338	0	0	1,891,338	3,138,399	3,138,399	3,138,399
48	102/103	0.00	0	0	1,891,338	0	0	1,891,338	3,293,880	3,293,880	3,293,880
49	103/104	0.00	0	0	1,891,338	0	0	1,891,338	3,457,207	3,457,207	3,457,207
50	104/105	0.00	0	0	1,891,338	0	0	1,891,338	3,628,779	3,628,779	3,628,779
		700,000.00									
51	105/106	0.00	0	0	1,891,338	0	0	1,891,338	3,809,014	3,809,014	3,809,014
52	106/107	0.00	0	0	1,891,338	0	0	1,891,338	3,998,354	3,998,354	3,998,354
53	107/108	0.00	0	0	1,891,338	0	0	1,891,338	4,197,261	4,197,261	4,197,261
54	108/109	0.00	0	0	1,891,338	0	0	1,891,338	4,406,221	4,406,221	4,406,221
55	109/110	0.00	0	0	1,891,338	0	0	1,891,338	4,625,747	4,625,747	4,625,747
56	110/111	0.00	0	0	1,891,338	0	0	1,891,338	4,856,375	4,856,375	4,856,375
57	111/112	0.00	0	0	1,891,338	0	0	1,891,338	5,098,672	5,098,672	5,098,672
58	112/113	0.00	0	0	1,891,338	0	0	1,891,338	5,353,231	5,353,231	5,353,231
59	113/114	0.00	0	0	1,891,338	0	0	1,891,338	5,620,676	5,620,676	5,620,676
60	114/115	0.00	0	0	1,891,338	0	0	1,891,338	5,901,665	5,901,665	5,901,665
		700,000.00									

Guaranteed
Death
Benefit to
age 100

Interest & Cost Scenarios Descriptions:

Amounts shown in the Annualized Modal Premium column are annualized.

E = Extra Premium (Including 1035s and Lump Sum)

P = Premium (Annual)

Non-Guaranteed Alternate interest rates for Index Selections: 2.88%

**Non-Guaranteed interest rates for Index Selections: 4.18% all years.

****Premium Recovery values are shown if qualified and greater than the Net Cash Surrender Value.

This illustration reflects the following Rider(s)/Options:

Premium Guarantee Rider

Accelerated Death Benefit Endorsement - Terminal, Chronic, Critical Illness

Premium Recovery Endorsement

North American Web-based Illustrations: February 2024.

Considerations

There are also some important considerations that should be covered with your clients. In the scenario mentioned, these considerations include:

- Cost of insurance charges (COIs) or other charges
- Loss of premium: Depending on funding, life insurance may not guarantee avoiding loss of premium
- Surrender charges: Withdrawals may be subject to surrender charges and the amount available for policy loans.²

Conclusion

This is just one example of how a client review can help meet your client's changing needs with life insurance. North American's IUL product line can be a great option to give your clients' the upgrade they need as their priorities change.

Questions?

Contact your Managing General Agent (MGA) for more information on conducting a client review.

Accelerated Death Benefits are subject to eligibility requirements.

Agents 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 ADBE Consumer Brochure for California that includes this comparison. Comparison is for solicitation purpose only, not for conversions.

1. Guarantee death benefits are subject to premium payment requirements.

2. In some situations loans and withdrawals may be subject to federal taxes. North American 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.

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® on behalf of the Product. 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 Product, or owners of the Product. The Product 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 Product will be linked to the value of the Index. FPS does not provide investment advice to owners of the Product, nor to any other person or entity with respect to the Index and in no event shall any Product contract owner be deemed to be a client of FPS. Neither FPS nor any other party involved in, or related to, making or compiling the Index has any obligation to continue to provide the Index to the Company with respect to the Product. Neither FPS nor any other party involved in, or related to, making or compiling the Index makes any representation regarding the Index, Index information, performance, annuities generally or the Product particularly.

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