

Life



North American Company for Life and Health Insurance®

Longevity planning

Client brochure



Using permanent life insurance to help
prepare for a **long, healthy retirement.**



Protect yourself and those you love by preparing for an extended retirement.

Thanks to medical advancements and a nationwide emphasis on healthy living, life expectancy is gradually on the rise in the United States. On average, a 65-year-old man can expect to live until he is 86, and a woman of the same age can expect to live to 88.* If the upward trend continues, today's young adults can look forward to an even longer and healthier life after their working years.

A long and healthy retirement can mean a desire to travel, a new home, new hobbies, gifting assets, and countless other wants or needs that require adequate retirement funds. A long retirement can also be expensive if you experience an unexpected illness.

As life expectancy increases, you might face "longevity risk," or the potential for your assets to run out during retirement. In addition to providing death benefit protection, permanent life insurance can help you manage that risk.

*Society of Actuaries, 2015 VBT Mortality ALB, December 2023.

KEY BENEFITS	
Why life insurance?	Permanent life insurance can provide death benefit protection and help supplement retirement income in case your primary or secondary sources of funds are exhausted.
Who can benefit?	You could benefit from permanent life insurance, depending on your needs.
How does it work?	Ask your agent about permanent life insurance, and they can help determine if it's right for you.

Why life insurance?

Permanent life insurance provides death benefit protection that can help you protect your loved ones in the future. Plus, it can be designed with flexibility to address your changing needs over time.

Life insurance can be a twofold strategy:

- **Death benefit protection during working years.** A solid financial plan often begins with life insurance. In the event of an unexpected death, the proceeds are distributed to your beneficiaries generally income tax-free.¹

- **Potential source of funds to help support a longer retirement.** Your premium payments on a permanent life insurance policy may accumulate cash value on a tax-deferred² basis. Through policy loans and withdrawals, the cash value may then be used to help pay for a wide variety of needs in retirement.³ These could be planned distributions for planned expenses, or potential cash value to help protect you from outliving other retirement income sources or unplanned expenses. You may also qualify for accelerated death benefits, which allow you to access a portion of the death benefit during your lifetime in case of an unexpected illness, as long as certain eligibility requirements are met.⁴

Who can benefit?

Longevity planning is becoming a key concern for many people. Here are a few reasons why:

- The loss of a wage earner during working years could disrupt family finances, including retirement plans, house payments, or a child's tuition.
- Employers may no longer offer defined benefit plans or retirement health care.
- Life expectancy, and the length of time people live in retirement, continues to grow.
- The average cost of a private room can be over \$100,000 a year.⁵ Someone turning age 65 today has almost a 70% chance of needing some type of long-term care services and support in their remaining years.⁶

How would your family handle these uncertainties? Are your needs adequately protected? Life insurance could be a viable solution.

How does it work?

Your financial professional can help you determine if permanent life insurance fits your financial strategy. After a thorough discussion around your needs, they will help structure a life insurance policy that matches the death benefit coverage and cash value growth potential that's right for you.

Contact your financial professional to discuss extended retirement planning with life insurance.

North American Company for Life and Health Insurance® has been providing quality life insurance products since 1886. As one of the leading life insurance companies in the U.S., we'll make it as easy as possible for you to become one of our insureds. Please visit our website at northamericancompany.com to find out more about our company.

1. Neither North American Company nor its agents give legal or tax advice. Please consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

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

3. Policy loans from life insurance policies generally are not subject to income tax, provided the contract is not a Modified Endowment Contract (MEC), as defined by Section 7702A of the Internal Revenue Code. A policy loan or withdrawal from a life insurance policy that is a MEC is taxable upon receipt to the extent cash value of the contract exceeds premium paid. Distributions from MECs are subject to federal income tax to the extent of the gain in the policy and taxable distributions are subject to a 10% additional tax prior to age 59½, with certain exceptions. Policy loans and withdrawals will reduce cash value and death benefit. Policy loans are subject to interest charges. Consult with and rely on your tax advisor or attorney on your 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.

4. Accelerated death benefits are subject to eligibility requirements. The death benefit will be reduced by the amount of the death benefit accelerated. Since benefits are paid prior to death, a discount will be applied to the death benefit accelerated. As a result, the actual amount received will be less than the amount of the death benefit accelerated. An administrative fee is required at time of election.

5. © 2023 Genworth Financial, Inc. Cost of Care Survey, accessed December 2023.

6. Administration for Community Living, How Much Care Will You Need, <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>, accessed December 2023.

7. 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 obligations to policyholders. A+ is the second highest rating out of 15 categories and was affirmed for North American Company for Life and Health Insurance as part of Sammons Financial Group on August 29, 2023. For the latest rating, access www.ambest.com. S&P Global Ratings awarded its "A+" (Strong) rating for insurer financial strength on February 26, 2009 and affirmed on May 24, 2023 to North American Company for Life and Health Insurance as a member of Sammons® Financial Group. The "A+" (Strong) rating is the fifth highest out of 22 available ratings as a member of Sammons® Financial Group. Fitch Ratings, a global leader in financial information services and credit ratings, on November 30, 2023, assigned an Insurer Financial Strength rating of A+ Stable for North American Company for Life and Health Insurance. This rating is the fifth highest of 19 possible rating categories. The rating reflects the organization's strong business profile, low financial leverage, very strong statutory capitalization and strong operating profitability supported by strong investment performance. For more information access fitchratings.com.

Life Insurance policies have terms under which the policy may be continued in force or discontinued. Current cost of insurance rates and interest rates are not guaranteed. Therefore, the planned periodic premium may not be sufficient to carry the contract to maturity. The policy's death benefit is paid upon the death of the insured. The policy does not continue to accumulate cash value and excess interest after the insured's death. For costs and complete details, call or write North American Company, Administrative Office, Sioux Falls, SD 57193. Telephone 877-872-0757.

TEXAS RESIDENTS: Receipt of acceleration-of-life-insurance benefits may affect your, your spouse's or your family's eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary social security income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such a payment will affect you, your spouse's and your family's eligibility for public assistance.

Sammons Financial® is the marketing name for Sammons® Financial Group, Inc.'s member companies, including North American Company for Life and Health Insurance®. Annuities and life insurance are issued by, and product guarantees are solely the responsibility of, North American Company for Life and Health Insurance.



North American is a Sammons Financial Group company.

We are committed to our customers, distribution partners, employees and communities – and the deeply rooted belief that we grow stronger together.

With so much change happening in the world, people are looking for companies that can stand the test of time. They need a partner that can weather life's storms. That's us. For over a century, we have been here for our customers and honoring our commitments. And because we're privately owned, we don't measure our impact by the number of years we've been in business, investor goals or size of the company. We are proud of our impact of the financial futures we help secure, and the legacies we help establish.

We believe that we aren't here to serve just today's customers, but customers for generations to come. As we look ahead to our next hundred years, that fundamental principle remains rich in its vision. No matter how much change happens in the world around us, we strive to find new ways to create value for our customers.

Just like always.



North American has continued to earn high ratings, based on our financial strength, operating performance, and ability to meet obligations to our policyholders and contract holders. North American currently holds the following ratings:

“A+”

A.M. Best⁷ (Superior) (Second category of 15)

S&P Global Ratings⁷ (Strong) (Fifth category of 22)

Fitch Ratings⁷ (Stable) (Fifth category of 19)



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