

Life



# ADDvantage<sup>®</sup> Term Life Insurance

Marketing guide

Issued by North American Company for Life and Health Insurance<sup>®</sup>



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## MARKETING ADVANTAGE®

There comes a time in most people's lives to seek financial protection. Whether a client is recently married, takes on a mortgage, or starts a family, a need exists to help cover expenses or replace income due to loss of life. A simple and economical solution is ADDvantage term life insurance from North American.

ADDvantage offers five underwriting classifications that provide economical rates for clients who meet reasonable underwriting requirements. With marketable features and competitive rates, ADDvantage can offer your clients affordable protection.

### Beyond term life insurance

ADDvantage offers several marketable benefits that make it one of the leading term products in the industry.

- **Fully convertible:** Allows clients to convert their term insurance to permanent universal life insurance coverage without having to go through underwriting. (See page five for details.)
- **Custom options:** Helps your clients meet their specific needs with available riders and endorsements.
- **Comprehensive coverage:** Offers your clients a choice of a level premium period of 10, 15, 20, or 30 years.

North American guarantees the current premiums for the specified number of years (10, 15, 20, or 30), so your clients' rates won't increase during the guarantee period. If a client decides to continue coverage after the guarantee period, his or her premiums will increase annually, but will not exceed the guaranteed annual renewal premiums shown on the schedule of current and guaranteed annual premiums for the base policy.

With ADDvantage's conversion feature, riders and endorsements, and comprehensive coverage, it offers your clients financial protection along with flexibility to meet their specific needs.

### SimpleSubmit® app

ADDvantage can be submitted through an online electronic application. Powered by iPipeline's iGO e-App<sup>1</sup>, North American's SimpleSubmit electronic application eliminates the paperwork. If you are working on a tablet, you can even collect a finger signature. The simple and convenient process allows North American to begin the underwriting process sooner, so a policy can be issued more quickly.

### WriteAway®

Available on ADDvantage, WriteAway is an efficient underwriting process that couples personal health and history questions with publicly available data to help eliminate labs and paramedical exams. WriteAway is designed for your healthiest clients and uses the same pricing as traditional underwriting with no additional policy fee. Clients who are eligible for a faster underwriting decision include those who are ages 18-50 with up to \$2,000,000 of face amount, and ages 51-60 with up to \$1,000,000 of face amount, and don't have any major medical conditions.

1. iGO® is a registered trademark of Internet Pipeline, Inc.

# PRODUCT SPECIFICATIONS

For full product details and rate schedules, visit our website at [northamericancompany.com](http://northamericancompany.com).

## Issue ages\* and underwriting classes

Product	Underwriting class	Issue age
<b>ADDvantage 10</b>	Super Preferred NT	18–75
	Preferred NT	18–75
	Standard NT	18–75
	Preferred TB	18–75
	Standard TB	18–75
<b>ADDvantage 15</b>	Super Preferred NT	18–70
	Preferred NT	18–70
	Standard NT	18–70
	Preferred TB	18–70
	Standard TB	18–70
<b>ADDvantage 20</b>	Super Preferred NT	18–65
	Preferred NT	18–65
	Standard NT	18–65
	Preferred TB	18–65
	Standard TB	18–65
<b>ADDvantage 30</b>	Super Preferred NT	18–55
	Preferred NT	18–55
	Standard NT	18–55
	Preferred TB	18–50
	Standard TB	18–50

\* Age nearest birthday. Maximum issue ages and underwriting classes may vary.

## Rate bands

Policy issue amounts	Band 1	Band 2	Band 3	Band 4
	\$100,000–\$249,999	\$250,000–\$499,999	\$500,000–\$999,999	\$1,000,000+**

\*\*Maximum amount subject to availability from reinsurers.

Table ratings and flat extra ratings for medical conditions may be applied to standard non-tobacco and standard tobacco classes. Non-medical ratings (generally, permanent flat extras) may be applied to standard non-tobacco or standard tobacco classes.

## Guarantee periods

Product	Guarantee period
<b>ADDvantage 10</b>	10 years
<b>ADDvantage 15</b>	15 years
<b>ADDvantage 20</b>	20 years
<b>ADDvantage 30</b>	30 years

The ADDvantage products have two premium schedules: guaranteed annual premiums and current annual premiums. North American Company guarantees the current annual premiums for the guarantee period and may, but does not guarantee to, continue to charge premiums from the current annual premium schedule thereafter. In no event will premiums exceed the guaranteed annual premium schedule.

## Minimum face amount

\$100,000

## Renewability

All products renewable to age 95

## Annual policy fee

\$65, non-commissionable

## Modal factors

<b>Annual</b>		1.00
<b>Semi-annual</b>		
Direct,	List Bill	.522
PAC		.51
<b>Quarterly</b>		
Direct,	List Bill	.274
PAC		.256
<b>Monthly</b>		
PAC		.088
List Bill		.094

The factors apply to the total annual premium, including the policy fee. Due to the application of the modal factors, the policyowner will pay more in total annual premium for a policy year if he or she elects to pay premium more frequently than annually (semi-annually, quarterly or monthly when available).



## Conversion period

Conversion is allowed during select durations during the term period, or to age 70, whichever is earlier. The conversion period is never less than five years, regardless of issue age.

Product	Issue ages	Conversion period
ADDvantage 10	18–69	Earlier of Age 70 or 7 years
	70+	5 years
ADDvantage 15	All	Earlier of Age 70 or 12 years
ADDvantage 20	All	Earlier of Age 70 or 15 years
ADDvantage 30	All	Earlier of Age 70 or 20 years

## Accelerated death benefit endorsements for term life for critical, chronic, or terminal illness

ADDvantage term offers a variety of benefits and options to provide additional value and flexibility for your clients. These benefits and options may vary by state availability.

Refer to the accelerated death benefit endorsements for term life marketing guide for specifics.

### Critical illness

This benefit allows the policyowner to accelerate a portion of the face amount after being diagnosed as critically ill based on the insured having a specified medical condition. Such conditions that may qualify for the critical illness benefit include heart attack, different types of cancer, stroke, major organ transplant, and kidney failure. For complete definitions, please refer to the accelerated death benefit endorsement marketing guides at [northamericancompany.com](http://northamericancompany.com). To qualify for the accelerated death benefit endorsement for critical illness, the following criteria must be met: 1) maximum issue age is 75 or less, 2) insured is rated at table 2 or less, and 3) does not have a medical flat extra.

Please keep in mind that the policyowner must file the claim within 12 months of a qualifying event. The maximum amount of the face amount that may be accelerated is the lesser of 90% of the face amount at the time of each election, or \$1 million. The minimum amount that may be accelerated is the lesser of 10% of the face amount on the election date, or \$100,000.

NOTE: The critical illness benefit on ADDvantage is not available in California.

### Chronic illness

This benefit allows the policyowner to accelerate a portion of the face amount after the insured has been certified as chronically ill within the last 12 months. To qualify for the accelerated death benefit for chronic illness, the following criteria must be met: 1) maximum issue age is 80 or less, 2) insured is rated at table 4 or less, 3) does not have a medical flat extra.

One election is available every 12 months. The maximum amount that may be accelerated per election is the lesser of 24% of the face amount or \$480,000. The minimum amount that may be accelerated per election, except the final election, is 5% of the face amount on the initial election date or \$50,000, whichever is less.

The face amount on the initial election date is used to determine the maximum accelerated death benefit and the residual death benefit. The residual death benefit is the greater of 5% of the policy face amount on the initial election date or \$10,000, if greater. The residual death benefit only applies to accelerated death benefits for chronic illness.

### Terminal illness

This benefit allows the policyowner to accelerate a portion of the face amount if the insured is certified as terminally ill with a life span of 24 months (12 months in Florida) or less. The minimum accelerated amount is 10% of the policy's face amount on the election date or \$100,000, whichever is less. The maximum accelerated amount is 90% of the face amount or \$1 million, whichever is less. Only one election can be made for terminal illness. Refer to the accelerated death benefit endorsements for term life marketing guide for specifics.

## Coordination of accelerated death benefits

The company will not simultaneously accelerate any portion of the policy's face amount for more than one qualifying event for critical, chronic, or terminal illness under the endorsement. The policyowner must discontinue any existing accelerated death benefit payments in order to elect another accelerated death benefit under the endorsement.

## Waiver of term premium for disability rider

Available at policy issue, this rider allows the premium payments to be waived, including rider premiums, if the insured is totally disabled while the rider is in effect.

If total disability begins before policy age 60, we will waive the payment of each premium that becomes due after 180 consecutive days of total disability while the insured continues to be totally disabled.

- The benefit does not become effective until the insured has been totally disabled for 180 consecutive days.
- For total disability occurring before age 60, premiums will be waived as they become due.
- For total disability occurring on or after age 60, we will waive the payment of each premium that becomes due after 180 consecutive days of total disability while the insured continues to be totally disabled for the longer of (a) or (b), where:
  - (a) Is the period of time prior to the policy anniversary on which the Insured reaches policy age 65.
  - (b) Is a period of two years.

- Total disability begins after the effective date of the rider.
- If the insured is disabled on the conversion date, no disability endorsement or rider will be included in the new policy, and no benefits will be paid on the new policy after the conversion date.
- No premiums will be waived for disabilities beginning on or after the termination of this rider.

This rider is subject to the following:

- Issue ages: 18–59, maximum of table 4 rating
- Expiry age: 65
- Certain exclusions and limitations apply. Refer to the riders and options guide at [northamericancompany.com](http://northamericancompany.com) for more information.

## Children's term life insurance rider

The children's term life insurance rider provides level term coverage for any unmarried child, stepchild or legally adopted child within issue ages 15 days and less than 20 years on the rider's effective date, living with and financially dependent on the insured and satisfactory evidence of insurability for the child is provided to us.

- Issue ages: 15 days–less than 20 years (age last); 18 years to issue age 55 of the primary insured
- Maturity: The policy anniversary after the insured child's 23rd birthday
- Minimum issue: \$5,000
- Maximum issue: \$25,000
- Annual premium per unit: \$6.00
- If the insured dies before the benefit's expiration, the coverage becomes paid-up term insurance and continues until the policy anniversary following the child's 23rd birthday or the expiry date shown on the schedule of policy benefits, or in a supplemental schedule page, if earlier.
- No substandard ratings will be offered. Ratings other than standard will be declined.
- Conversions: Minimum: \$25,000; Maximum: rider benefit amount (special conversion conditions allowed up to five times rider benefit amount, up to a maximum of \$50,000)

## UNDERWRITING

Detailed underwriting requirements can be found in the underwriting guidelines brochure.

### Substandard

Table ratings are available for both medical and non-medical reasons for issue ages 18–75, and are applied under the following guidelines:

- Table ratings are 25% per table and are applied to the standard non-tobacco or standard tobacco premiums.

Flat extras may be applicable for issue ages 18–75, and are applied under the following guidelines:

- Flat extras will be available for both medical and non-medical reasons.
- Medical flat extras may be applied to the standard non-tobacco and standard tobacco rates.
- Non-medical flat extras may be applied to standard non-tobacco and standard tobacco rates, as otherwise qualified.
- Temporary flat extras are non-commissionable.

ADDvantage Term is issued on the state version of policy form LS174/ICC10LS174/LS17404 including all applicable endorsements and riders, by North American Company for Life and Health Insurance®, West Des Moines, IA. Products, features, riders, endorsements, or issues ages may not be available in all jurisdictions. Limitations or restrictions may apply.

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