



Marketing the Accelerated Benefit Rider for Continuous Confinement

Your clients' financial security can quickly erode due to an unexpected condition that permanently places them in a facility such as a skilled nursing facility, immediate care facility, custodial care facility, assisted living facility or adult day care center. Such a situation may bring high costs for treatment, medications or care services. Expenses could rapidly add up. Further affecting the situation, a person permanently confined may no longer be able to provide the same amount of income, which could make a difficult time for a family even harder. With North American Company's Accelerated Benefit Rider for Continuous Confinement, you can help your clients meet their financial needs and help provide a more comfortable and secure financial future.



1 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.

Builder IUL is issued on policy form series LS172 or state version; Custom Guarantee is issued on policy form series LS170; Custom GrowthCV is issued on policy form series LS166; TermGUL is issued on policy form series LS167; Guarantee Builder IUL is issued on policy form series LS175; Rapid Builder IUL is issued on policy form series LS169; Accelerated Benefit Rider for Continuous Confinement is issued on form series LR450A22 by North American Company for Life and Health Insurance, Administrative Office, Sioux Falls, SD 57193. Not all products, features, riders, endorsements or issue ages are available in all jurisdictions. Limitations or restrictions may apply.

Index Universal Life products are not an investment in the "market" or in the applicable index and are subject to all policy fees and charges normally associated with most universal life insurance.

We're Here For Life®

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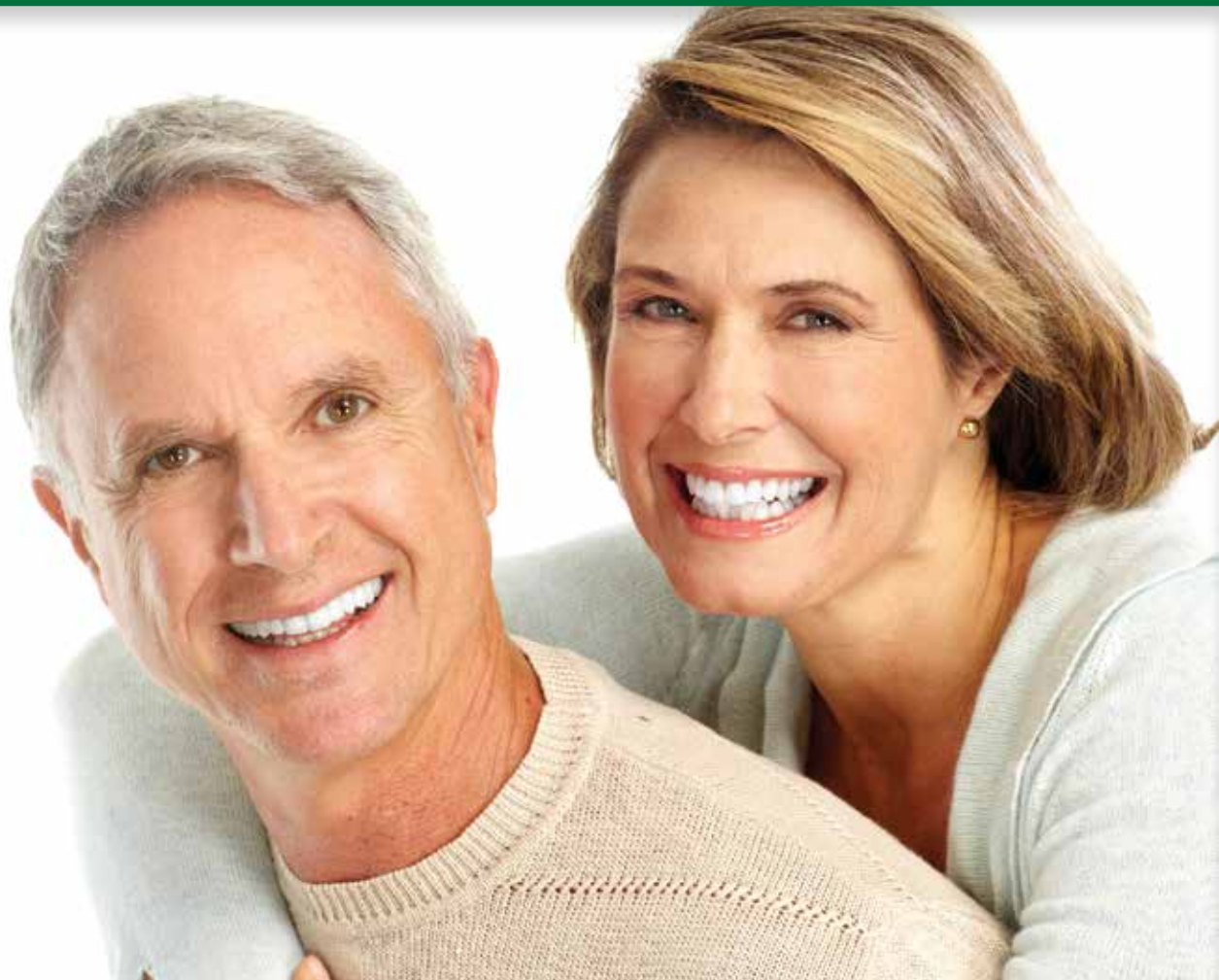
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Accelerated Benefit Rider for Continuous Confinement

Financial Protection for Continuous Confinement

Marketing Guide

THIS IS NOT LONG TERM CARE INSURANCE NOR IS IT INTENDED TO REPLACE LONG TERM CARE INSURANCE.



OVERVIEW

The Accelerated Benefit Rider for Continuous Confinement advances a portion of the death benefit if the insured has received written certification by a physician within the last 12 months as having a condition that requires continuous confinement in an eligible institution and is expected to remain there the rest of his or her life. There is a 30-day waiting period.

Eligible Institution: An eligible institution means a skilled nursing facility, intermediate care facility, custodial care facility, assisted living facility, or adult day care center. It does not mean a hospital, a place that primarily tests chemically dependent or mentally ill persons, a home for the aged, a community living center, or a place that primarily provides domiciliary residency or retirement care in the absence of medical necessity or a facility owner and/or operated by the insured or immediate family.

- The minimum benefit amount at each election, except the final election, is the lesser of 5% of the death benefit on the initial election date or \$75,000
- The maximum benefit amount at each election is the lesser of 24% of the death benefit on the initial election date or \$240,000
- The maximum benefit amount that we will accelerate on the policy, including other North American policies with accelerated benefit riders, is \$1,000,000
- The final election occurs if all of the eligible death benefit minus the Residual Death Benefit is accelerated. The Residual Death Benefit is the greater of 5% of the death benefit on the initial election date or \$10,000

SPECIFICATIONS

- Only available on new issues
- Maximum issue age: 75
- Maximum of one accelerated benefit rider per insured (If a client has more than one policy, the accelerated benefit rider is only available on one)
- Not available on new issues rated higher than Table 4 or medical flat extras
- Conversions are available at the owner's request with satisfactory evidence of insurability
- Only one accelerated benefit rider or endorsement can be elected at any given time
- Payable only for continuous confinement, which first manifests itself after rider effective date and subject to a 30-day waiting period

RIDER PRODUCT AVAILABILITY

Subject to the specifications above, the Accelerated Benefit Rider for Continuous Confinement is automatically included on many newly issued indexed universal life and universal life policies including:

- Custom TermGUL®
- Custom GrowthCV®
- Rapid Builder IUL®

QUALIFYING FOR BENEFITS

The owner qualifies for benefits if a physician has certified within the past 12 months that the insured has a condition that requires continuous confinement in an eligible institution and is expected to remain there the rest of his or her life. The written certification must indicate that continuous confinement to an eligible institution is:

- Medically necessary and prescribed by a physician; and
- Based on physical limitations that prohibit daily living outside an eligible institution.

ELECTING BENEFITS

- There is a waiting period of 30 consecutive days in which the insured is continuously confined to an eligible institution before the rider benefit is available.
- One election is available every 12 months.
- To elect benefits under the rider the owner must complete an Application for Election of Accelerated Benefits for Continuous Confinement.
- The policyowner must indicate how often to receive payments. There are two options:
 1. Lump Sum payment (this is the default)
 2. Two payments (every 6 months)
- The actual total payment is less than the gross death benefit accelerated to reflect the cost of accessing the benefit prior to death.¹
- A \$200 administration fee is applied for each election. If a policy has an outstanding loan balance, a portion of the accelerated death benefit payment will be used to reduce the policy debt. These items reduce the actual payment.

IMPACT ON POLICY PROVISIONS

Acceleration of the rider benefit reduces the specified amount, death benefit, account value, surrender value and any Return of Premium or Protected Pour-In amount. Partial surrenders, changes to the specified amount or death benefit option are not available while an election is in effect. If 50% or more of the death benefit on the initial election date has been accelerated, partial surrenders, changes to the specified amount or death benefit option are no longer available.

While an election is in effect or if at least 50% of the death benefit on the initial election date has been accelerated, under this rider, the policy will not enter the grace period for the remaining life of the policy.

EFFECTS OF ACCELERATED BENEFIT PAYMENTS

- All riders and endorsements will continue to be effective subject to their terms and conditions. Upon final election, all riders and endorsements attached to the policy, except this rider, will terminate on the final election date
- After the initial election date, no additional riders or endorsements may be added to the policy to which this rider is attached
- Loans can still be taken while receiving accelerated benefits as described under the loan provisions of the policy. A portion of each accelerated benefit payment will be used to repay a portion of the policy debt. Loans are not available following a final election
- Partial surrenders are not available while an election is in effect. If no election is in effect, partial surrenders may be taken as stated in the policy, however, if at least 50% of the death benefit on the initial election date has been accelerated, partial surrenders are not available for the remaining life of the policy.
- While an election is in effect, the owner cannot elect to increase or decrease the specified amount or change the death benefit option on the policy.
- To ensure that a benefit is still available at death, a residual death benefit must be maintained. This residual benefit must be the greater of 5% of the death benefit available when the initial election is made or \$10,000. Acceleration of the death benefit cannot continue if the residual death benefit is met.

COORDINATION OF ACCELERATED BENEFITS

- The policy's death benefit will not be accelerated as stated under the Accelerated Benefit Rider for Continuous Confinement, or any remaining portion of it, if benefits are being paid under another accelerated benefit rider or endorsement attached to the policy.

LIMITATIONS AND EXCLUSIONS

The rider does not provide an accelerated benefit for continuous confinement resulting from:

- attempted suicide, while sane or insane; or
- any act or incident of insurrection or war, declared or undeclared while in the military, naval or air forces; or
- the insured's participation in, or attempting to participate in, a felony, riot or insurrection; or
- alcoholism or alcohol abuse; or
- voluntary use of illegal drugs; the intentional taking of over the counter medication not in accordance with recommended dosage and warning instructions; and intentional misuse of prescription drugs; or
- any irrevocable beneficiary or assignee whose consent has not been obtained regarding the election of an accelerated benefit under this rider