NOT FOR USE IN CALIFORNIA

Delivering the Difference!®

North American Company for Life and Health Insurance Since 1886 | Life

IUL To The Interest Rate Rescue!

Using Rapid Builder Indexed Universal Life (IUL) and the Smart Money Concept to help clients gain financial protection and a financial cushion.

Sales Idea

Many clients have money that is in low interest bearing accounts for which they don't have an immediate use in mind. In addition to a death benefit, Indexed Universal Life insurance can provide attractive crediting rates for cash value accumulation.

When a client has limited or no life insurance coverage, they may have a death benefit need. Be sure to conduct a thorough needs-based analysis and determine if death benefit coverage is necessary before proceeding.

Your client may have funds that are no longer meeting their needs. These funds may be in savings, annuities or other vehicles. Each of these vehicles serves a purpose, so the critical question to ask is whether or not your clients' needs have changed. Additionally, it's important to remember that removing funds from annuities or other savings vehicles may result in penalty, surrender charges, or income taxes.

If your clients . . .

- Have a need for death benefit protection
- Are between the ages of 50 to 80
- Have a desire for their assets to be relatively liquid
- Have $50,000 or more in low-interest bearing accounts, such as:
  - Savings accounts
  - Money market accounts
  - Annuities[1]
  - A recent windfall
  - Or other low-interest accounts

. . . they may be a good fit for this interest rate rescue sales strategy using the Rapid Builder IUL.

Check out the following hypothetical case studies to see how IUL life insurance can help!

Case Study 1

Raymond, age 72

Raymond, 72, has diabetes that is controlled with medication, diet, and exercise. When it comes to his life insurance, he has three primary concerns. The first is that he wants to have the death benefit protection needed to cover his expenses. Secondly, he's worried about how the low interest rate environment will impact his finances. And thirdly, he wants to have relative liquidity, or access to his funds.

His financial professional showed him the Rapid Builder IUL[4] from North American. It offers death benefit protection, with a Waiver of Surrender Charge[2] option and Table Shave feature.[3] Raymond submitted a lump sum premium of $150,000 and was able to get $230,250 in death benefit, and he meets the eligibility requirements for the accelerated death benefit endorsement[4] which can offer financial protection should he meet the qualifications.

Raymond's financial professional used an InsMark proposal in addition to the NACIS illustration.

Raymond Sample Illustration

North American Company for Life and Health Insurance
One Sammons Plaza, Sioux Falls, SD 57193

Rapid Builder IUL4
Male 72 Non-Tobacco – Raymond

Issue State: South Dakota
Initial Specified Amount: $230,250

Death benefit is over 150% of single premium on day one.

This illustration reflects the following:
Premium Allocations: S&P 500® annual pt to pt 100%
Death Benefit Qualification: Cash Value Accumulation Test
Lump Sum of $150,000.00
Modified Endowment Contract in year 1
Waiver of Surrender Charges
Riders, as listed on the last page

					INTEREST AND COST SCENARIOS					
					Guaranteed Maximum Charges Minimum Account Value at 2.50%			Non-Guaranteed Illustrated B Current Charges Index Credits: 6.71% **		
End of Yr	Age	DB Opt	Annualized Premium Outlay	Type*	Account Value	Net Cash Surrender Value	Death Benefit	Account Value	Net Cash Surrender Value	Death Benefit
1	73	1	150,000.00	E	146,887	146,887	230,250	156,050	156,050	239,536
2	74	1	0		143,297	143,297	230,250	161,767	161,767	242,975
	75	1	0		139,153	139,153	230,250	167,537	167,537	246,279
	76	1	0		134,344	134,344	230,250	173,452	173,452	249,771
	77	1	0		128,734	128,734	230,250	179,534	179,534	253,323
	8	1	0		122,118	122,118	230,250	185,128	185,128	256,031
	9	1	0		114,246	114,246	230,250	190,806	190,806	258,924
	80	1	0		104,799	104,799	230,250	196,680	196,680	262,175
	81	1	0		93,376	93,376	230,250	202,791	202,791	265,657
	82	1	0		79,474	79,474	230,250	209,140	209,140	269,372
			150,000.00	E						
11	83	1	0		62,459	62,459	230,250	219,184	219,184	277,925

With waiver of surrender charge, account value offers desired liquidity.

Amounts shown in the Outlay column are annualized, but are illustrated based on the following frequency:
* E = Extra Premium

**Illustrated Index Credits: 6.71% all years
**Non-Guaranteed Alternate Rate: 3.75% all years

The information presented is hypothetical and not intended to project investment results. Illustrations are not complete unless all pages are included.

As the death benefit grows, so does the accelerated death benefit endorsement

NACIS: July 18, 2017

Case Study 1

Raymond, age 72

Raymond Insmark Illustration

Rapid Builder IUL4
vs.
Various Financial Alternatives

Comparison Page 1:

Date: 7/18/2017 Presented By: North American Agent For: Raymond Client

Call us for help with running your own assumptions.

Death benefit on day one

Low Yielding Acct Yield	Annuity Yield	Income Tax Rate	RBIUL4 Interest Rate	Initial Death Benefit
1.50%	6.71%	25.00%	6.71%	230,250

		After Tax Values of Identical Allocation to Various Financial Alternatives			RBIUL4		
Year	Male Age	(1) Life Insurance Premium	(2) Low Yielding Acct	(3) Annuity	(4) Year End Accum Value*	(5) Year End Surrender Value*	(6) Death Benefit
1	72	150,000	151,688	155,148	156,050	156,050	239,536
2	73	0	153,394	160,532	161,767	161,767	242,975
3	74	0	155,120	166,161	167,537	167,537	246,279
4	75	0	156,865	172,049	173,452	173,452	249,771
5	76	0	158,629	178,205	179,534	179,534	253,323
6	77	0	160,414	184,643	185,128	185,128	256,031
7	78	0	162,219	191,376	190,806	190,806	258,924
8	79	0	164,044	198,417	196,680	196,680	262,175
9	80	0	165,889	205,781	202,791	202,791	265,657
10	81	0	167,755	213,481	209,140	209,140	269,372
11	82	0	169,643	221,533	219,184	219,184	277,925

See the accompanying reports for year-by-year details:
Annuity Details

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from North American Company.

Note: Annuity values do not reflect surrender charges or market rate adjustments, if any.

Management fee reflected in column 3:
AN = 2.00%

Source: InsMark Software Module 07/18/2017

Case Study 2

Susan, age 70

Susan is a 70-year-old-female who is now retired and adjusting to her new life. She wants to maintain a comfortable lifestyle and not worry about her money running out. She also has a desire to leave some money behind for her family. Not only does she need life insurance for death benefit protection, she's also concerned about illness potentially depleting her assets.

Based on these needs, her financial professional presents her with a possible solution, a Rapid Builder IUL[4] product from North American. With Rapid Builder IUL[4], Susan would be able to get the coverage she needs for her legacy while being able to leverage the death benefit if she were to incur a qualifying illness.

Because she put in a lump sum of $100,000, she has a death benefit of $178,600. Her cash value is relatively liquid and has the potential to grow based on index performance without having to be invested directly in the market. While she has no immediate need for this money, she has options down the road should her needs change. Over time her potential death benefit and cash value could grow.

Susan Sample Illustration

North American Company for Life and Health Insurance

One Sammons Plaza, Sioux Falls, SD 57193

Rapid Builder IUL4
Female 70 Non-Tobacco – Susan

Issue State: South Dakota
Initial Specified Amount: $178,600

This illustration reflects the following:
Premium Allocations: S&P 500® annual pt to pt 100%
Death Benefit Qualification: Cash Value Accumulation Test
Lump Sum of $100,000.00
Modified Endowment Contract in year 1
Riders, as listed on the last page

Death benefit available is significantly higher than single premium on day one.

INTEREST AND COST SCENARIOS

					Guaranteed Maximum Charges Minimum Account Value at 2.50%			**Non-Guaranteed Illustrated B** Current Charges Index Credits: 6.71% **		
End of Yr	Age	DB Opt	Annualized Premium Outlay	Type*	Account Value	Net Cash Surrender Value	Death Benefit	Account Value	Net Cash Surrender Value	Death Benefit
1	71	1	100,000.00	E	98,703	98,703	178,600	104,736	104,736	187,058
2	72	1	0		97,215	97,215	178,600	109,292	109,292	190,386
3	73	1	0		95,493	95,493	178,600	113,978	113,978	193,762
4	74	1	0		93,509	93,509	178,600	118,799	118,799	197,207
5	75	1	0		91,233	91,233	178,600	123,731	123,731	200,567
6	76	1	0		88,606	88,606	178,600	128,133	128,133	202,963
7	77	1	0		85,584	85,584	178,600	132,533	132,533	205,293
8	78	1	0		82,095	82,095	178,600	136,975	136,975	207,517
9	79	1	0		78,052	78,052	178,600	141,536	141,536	209,897
10	80	1	0		73,367	73,367	178,600	146,261	146,261	212,372
			100,000.00	E						
11	81	1	0		67,856	67,856	178,600	153,003	153,003	217,570

Amounts shown in the Outlay column are annualized, but are illustrated based on the following frequency:
* E = Extra Premium
**Illustrated Index Credits: 6.71% all years
**Non-Guaranteed Alternate Rate: 3.75% all years

The information presented is hypothetical and not intended to project investment results. Illustrations are not complete unless all pages are included.

As the death benefit grows, so does the accelerated death benefit endorsement.

NACIS: July 17, 2017

Case Study 2

Susan, age 70

Susan Insmark Illustration

Rapid Builder IUL4

Illustration of Values

Comparison Page 1:

Date: 07/18/2017 Presented By: North American Agent For: Susan Client

Income Tax Rate	RBIUL4 Interest Rate	Initial Payment	Initial Death Benefit
28.00%	6.71%	100,000	178,600

Death benefit on day one

Year	Female Age	(1) Policy Premium	(2) Increase In Accum Value*	(3) Year End Accum Value*	(4) Year End Surrender Value*	(5) Death Benefit
1	70	100,000	104,736	104,736	104,736	187,058
2	71	0	4,556	109,292	109,292	190,386
3	72	0	4,686	113,978	113,978	193,762
4	73	0	4,821	118,799	118,799	197,207
5	74	0	4,932	123,731	123,731	200,567
6	75	0	4,402	128,133	128,133	202,963
7	76	0	4,400	132,533	132,533	205,293
8	77	0	4,442	136,975	136,975	207,517
9	78	0	4,561	141,536	141,536	209,897
10	79	0	4,725	146,261	146,261	212,372
11	80	0	6,742	153,003	153,003	217,570

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from North American Company.

This is an illustration, not a contract.

30 Year Summary

Cum. Payments	100,000
Surrender Value	396,370
Death Benefit	430,062

Source: InsMark Software Module 07/18/2017

Life Insurance Considerations

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

- Cost of insurance charges (COIs) or other charges – life insurance comes with charges that your clients need to be aware of for planning purposes.
- 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.[5]
- Modified Endowment Contracts (MECs) – MECs may have tax implications that you and your client need to take into consideration.[6]
- Review illustrations as requested.

Conclusion

In addition to a death benefit, North American's Rapid Builder IUL can provide attractive crediting rates for cash value accumulation, and they can be a great option to give your clients an upgrade as their priorities change.

Questions?

Contact Sales Support today to learn more. Call 1-800-800-3656 ext. 10411.

1. Removing funds from an annuity may result in surrender charges and/or income taxes.

2. Surrender charges will be waived upon a full surrender or partial surrender. Surrender charges will not be waived if the policy is surrendered under a 1035 Exchange (except in Florida). A decrease charge will be assessed if a reduction in the policy face amount is requested during the Waiver of Surrender Charge Period. However, for the Rapid Builder IUL4, if a partial withdrawal results in a reduction of the face amount, the withdrawal charge is waived.

3. When a person applies for life insurance coverage, his or her health is evaluated and a corresponding underwriting rating is applied. This product's table shaving features allow certain substandard underwriting rates (known as "table ratings") to be improved to a "standard" rating. A "standard" rating generally indicates average health and involves a lower life insurance premium than do substandard ratings.

4. 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. In some situations, loans and withdrawals may be subject to federal taxes. North American Company for Life and Health 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.

6. For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a MEC, a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premium).

Indexed 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.

Rapid Builder IUL is issued on policy form series LS176/LS176W with Waiver of Surrender Charge Option by North American Company for Life and Health Insurance, Administrative Office, One Sammons Plaza, Sioux Falls, SD 57193. Products, features, endorsements, riders or issue ages may not be available in all jurisdictions. Limitations or restrictions may apply.