



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
 - Annuities¹
 - 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!



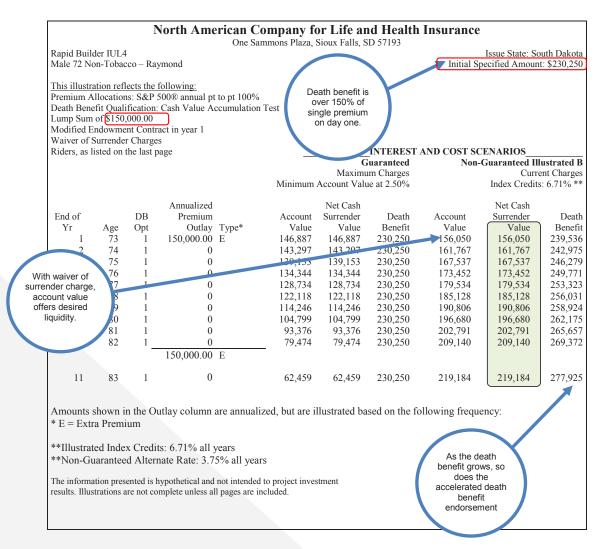
Case Study 1 Raymond, age 72

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 IUL⁴ from North American. It offers death benefit protection, with a Waiver of Surrender Charge² 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 endorsement⁴ 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



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 For: Raymond Client Presented By: North American Agent Death benefit Low Yielding on day Acct Annuity Income RBIUL4 Initial one Call us for help Interest Rate Death Benefit Yield Yield Tax Rate with 6.71% 1.50% 25.00% 6.71% 230,250 running your own assumptions. After Tax Values of Identical Allocation to Various Financial Alternatives RBIUL4 (1)(3)(4)(2)(5) (6)Life Year End Year End **Low Yielding** Male Insurance Accum Surrender Death Premium Value* Value* Acct Annuity Benefit Year Age 1 72 150,000 151,688 155,148 156,050 156,050 239,536 153,394 2 73 160,532 161,767 161,767 242,975 155,120 3 74 0 246,279 166,161 167,537 167,537 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 77 0 160,414 184,643 185,128 185,128 256,031 191,376 78 0 162,219 190,806 190,806 258,924 7 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 0 213,481 209,140 209,140 269,372 167,755 0 11 82 169,643 221,533 219,184 219,184 277,925

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



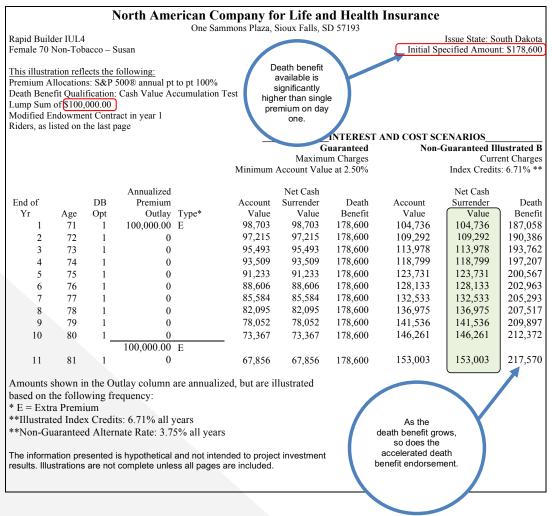
Case Study 2 Susan, age 70

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 IUL⁴ product from North American. With Rapid Builder IUL⁴, 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



NACIS: July 17, 2017



Case Study 2 Susan, age 70

Susan Insmark Illustration

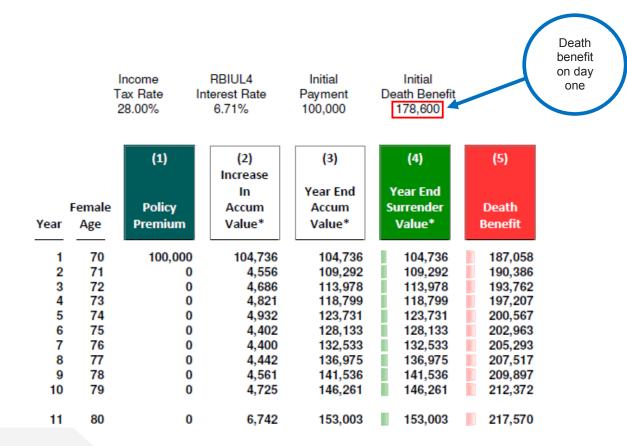
Rapid Builder IUL4

Illustration of Values

Comparison Page 1:

Date: 07/18/2017 Presented By: North American Agent

For: Susan Client



*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.

Source: InsMark Software Module 07/18/2017

30 Year Summary

 Cum. Payments
 100,000

 Surrender Value
 396,370

 Death Benefit
 430,062

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.

We're Here For Life®

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