

Over 130 Years Of Strength & Stability

# You Can Have Confidence in North American





# We focus on what matters most.

With over 130 years of business under our belt, North American's continued and consistent financial strength is a result of our conservative and disciplined investment strategy, our private ownership structure, and **doing what's right for our distribution partners and policyowners.**

## Speaking of policyowners, did you know...

North American Company holds over **609,000 life insurance** and **annuity policies**, with assets of **over \$25 billion**. We paid out over **\$406 million in life insurance** death claims in 2017 and Sammons Annuity Group has **\$47 billion of annuity reserves** for 611,000 contract owners.<sup>1</sup>

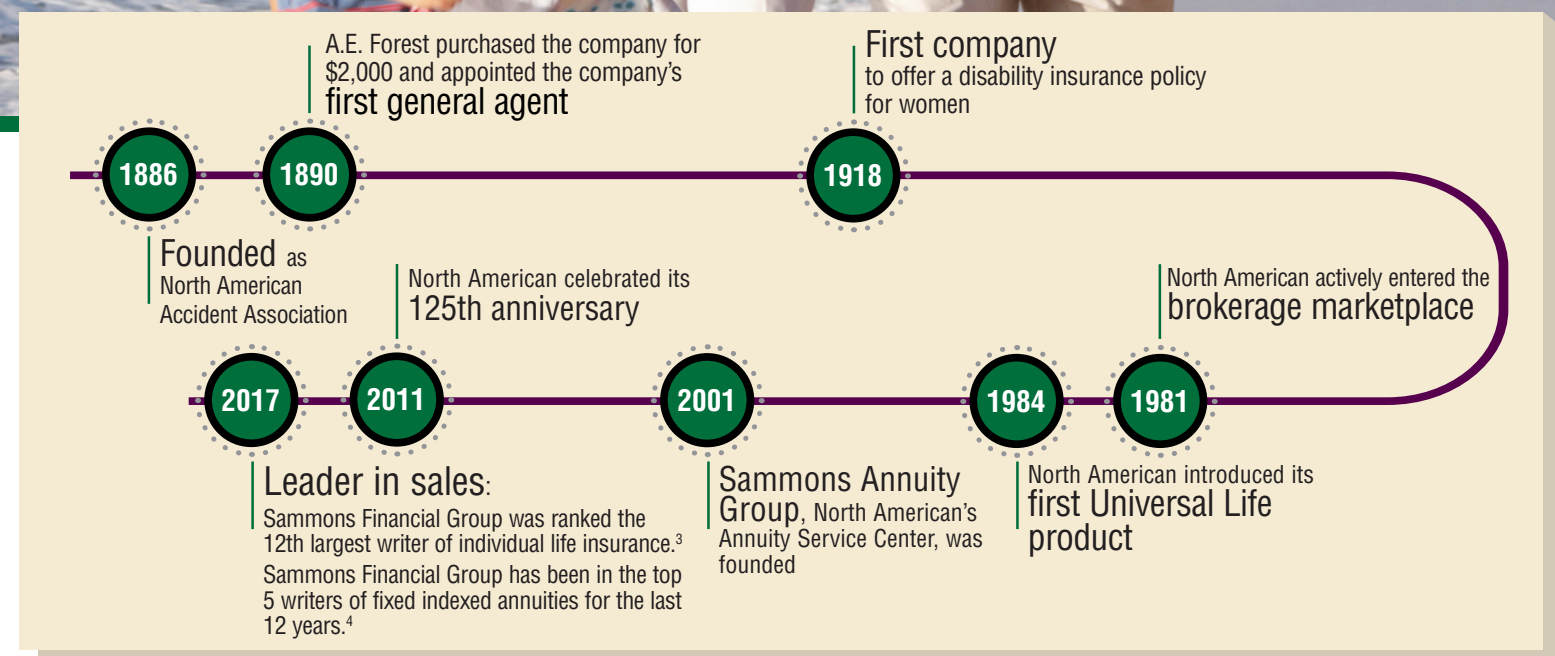


## History of Strength

As a subsidiary of the privately held Sammons® Financial Group, Inc.<sup>2</sup> (SFG), we are not subject to the short-term earning pressures that publicly held companies often face. As we reflect on our long history, we are proud of our long-term business decisions and our continued tradition of financial strength and stability. The high ratings we've maintained from the major rating agencies are testaments to that strength:

- "A+" (Superior) A.M. Best
- "A+" (Strong) S&P Global Ratings
- "A+" (Stable) Fitch Ratings

With a track record like this, you can have confidence in North American.





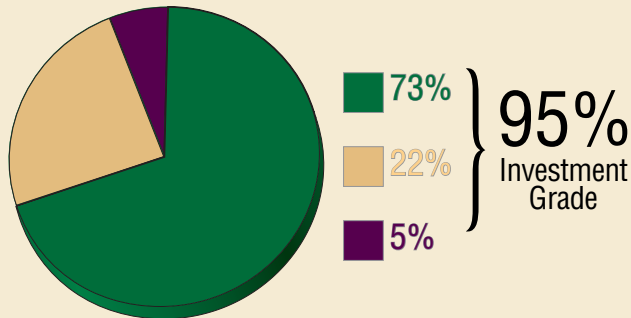
# Measures of Strength

## 2017 FACT SHEET

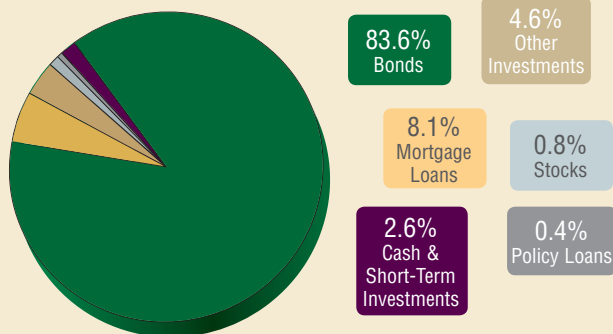
With over 130 years of business and a strong vision for the future, here is a glance at the successes we enjoyed in asset quality in 2017.

### STRENGTH

#### Bonds by NAIC Quality Rating



#### Investments by Type



Numbers are stated as a percentage of total invested assets.

### BALANCE SHEET<sup>1</sup>

#### Assets

As of December 31, 2017 (in thousands)

Bonds.....	\$20,943,106
Stocks.....	\$200,321
Mortgage Loans.....	\$2,033,179
Cash and Short-Term Investments .....	\$644,030
Loans to Policyholders .....	\$93,578
Other Invested Assets .....	\$1,147,875
Accrued Investment Income .....	\$181,057
All Other Assets .....	\$364,336
<b>Total Assets .....</b>	<b>\$25,607,482</b>

#### Liabilities and Capital

As of December 31, 2017 (in thousands)

Life and Annuity Reserves .....	\$19,734,402
Interest Maintenance Reserve (IMR) .....	\$171,060
Asset Valuation Reserve (AVR).....	\$167,606
Other Liabilities .....	\$4,173,035
<b>Total Liabilities .....</b>	<b>\$24,246,103</b>
<b>Capital and Surplus .....</b>	<b>\$1,361,379</b>
<b>Total Liabilities, Capital, and Surplus .....</b>	<b>\$25,607,482</b>



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1. North American Balance sheets as of 12/31/17 (in thousands). Information presented is on a Statutory Accounting basis.

2. Sammons® Financial Group is comprised of North American Company for Life and Health Insurance®, Midland National® Life Insurance Company, Sammons Institutional Group<sup>SM</sup>, Inc., and Sammons Financial Network®, LLC, member FINRA.

3. Source: LIMRA International, U.S. Retail Individual Life Insurance Sales Reports Fourth Quarter 2017 results. Sales based on annualized premium plus excess.

4. Source: Beacon Annuity Survey, Total Fixed Annuity Sales, 2005 - 2017.

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 July 6, 2017. For the latest rating, access [www.ambest.com](http://www.ambest.com).

S&P Global Ratings awarded its "A+" (Strong) rating for insurer financial strength on February 26, 2009 and affirmed on October 19, 2016 to North American Company for Life and Health Insurance, as part of Sammons Financial Group. The "A+" (Strong) rating is the fifth highest out of 22 available ratings.

Fitch Ratings, a global leader in financial information services and credit ratings, on May 2, 2017, assigned an Insurer Financial Strength rating of A+ Stable for North American. 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, read the Fitch Ratings report.