

Bridging the Retirement Gap



| *Annuity*

An income strategy for a more confident retirement.

Is there a **gap** in your plans?

You have much to consider in your retirement planning. Rising inflation, extended life expectancy, increasing health care costs, and the uncertainty of Social Security income. To help reduce any uncertainty in your plans, it's a good idea to explore the difference in your projected retirement income and your retirement expenses. This difference represents the gap you may have in your retirement plans. Fortunately, North American can provide solutions to help you bridge that gap.





What Challenges Will You Face in Retirement?

Lack of Guarantees

“Do I want my retirement income guaranteed?”

What once was a tried and true source of income during retirement is now subject to uncertainty. Recent market downturns and market volatility have been a wake up call for many investors. Even with regular contributions and sensible allocations, market downturns can cause problems for many retirement portfolios. And, once upon a time, workers could count on receiving a pension after you worked with a company long enough. But now pension plans are cutting back or failing. State and local governments are cutting budgets and are raising retirement ages. Coupled with the uncertainty of Social Security income these inevitabilities need to be considered.

Longevity

“When I retire, how long do I want my retirement income to last?”

Increasing life spans may create the risk that you'll outlive your savings. According to the 2012 US Department of Health and Human Services, United States report, at birth, a male born in 1950 was expected to live to age 66 and a female to age 71. At age 65, that male born in 1950, is expected to live to age 78 and the female to age 86.

Rising Costs

“How much will my retirement cost?”

The cost of basic expenses; food, utilities, etc., tend to increase. In planning, it's wise not to underestimate the impact these costs can have on your standard of living. Inflation and health-care costs can erode your retirement nest egg. For instance, in the last 10 years, inflation has risen an average of 2.36% per year¹. And, health care cost inflation has increased an average of 3.70% per year.²

Lack of Savings

Do I have enough saved for retirement?

While Americans' may have a lack of confidence in their ability to secure a comfortable retirement, people often overlook the need to take steps to compensate for the shortcomings by improving their preparation. Let's explore some statistics from the 2015 Retirement Confidence Survey (RCS) report.

- More than half of workers report they and/or their spouse have less than \$25,000 in total savings and investments (excluding their home and defined benefit plans), including twenty-eight percent who have less than \$1,000 in total savings.
- Twenty-five percent of all workers think they need to accumulate at least \$500,000 by the time they retire to live comfortably in retirement. Nineteen percent feel they need between \$250,000 and \$499,999, while twenty-five percent think they need to save less than \$250,000 for a comfortable retirement.
- Thirty-nine percent of workers “guess” how much retirement savings they need to accumulate.

1. [Usinflationcalculator.com](#), Table of Historical Inflation rates by month and year (2005-2015)

2. [Forbes.com](#), U.S. Health Care Costs Rise Faster Than Inflation



Let's Look a Little Closer

Now that we have identified the factors that may impact your retirement planning, let's put pencil to paper. A critical step in building a retirement strategy is an assessment of your anticipated expenses and income. The following exercise will give us an idea of any gaps you may have in your future plans.

Let's explore your needs, your wants and your wishes. Needs are expressed as those things you'll need for basic living expenses. Your wants are those things on top of your normal expenses that you would like to factor in. And finally, your wishes are those things that, in a perfect world, you'd be able to afford to do.

Let's estimate the following on a monthly basis:

Needs: \$ _____
(Example: housing, living expenses)

Wants: \$ _____
(Example: recreation, charitable giving)

Wishes: \$ _____
(My dream is: _____)

Now, let's examine your projected income on a monthly basis:

Guaranteed Income: \$ _____
(Example: guaranteed income such as pensions, Social Security)

Working Income: \$ _____
(Example: part time job)



And the answer is....

Now that we have identified your expenses and income, let's calculate a simple projection on where you may fall in your retirement spending needs, assuming only your basic needs in the equation.

Total Monthly Needs: \$ _____
(Example: housing, living expenses)

Total Monthly Income: \$ _____
(Example: guaranteed and working income totals)

Monthly Income Gap: \$ _____
Total monthly needs minus total monthly income)

Annual Gap: \$ _____
(Monthly gap multiplied by 12)

*Is there a gap
in your plans?*





Building a Bridge to a Better Retirement starts today.

It's not too late to find solutions to bridge the gap.

Would you be interested in a product for your retirement money with no downside risk to your premium, some upside potential and offers you the ability to generate a guaranteed income for the rest of your life? Your Licensed Insurance Agent can help you identify predictable lifetime income options, such as North American's Income Pay® Plus optional Guaranteed Lifetime Withdrawal Benefit (GLWB) rider, along with a fixed index annuity that grows tax-deferred¹ and may provide a death benefit for your beneficiaries.

Ask your agent for more details today!

Protect Your Assets and Those You Love With an Industry Leader

North American Company for Life and Health Insurance® is a leading insurance company in the U.S. Throughout our 100+ year history, we've focused on providing growth, income, and financial protection to the clients we serve. Our insurance and annuity products have consistently provided value to our clients - in all types of market and economic environments.

For nearly 30 years, North American has continued to earn high ratings, based on our financial strength, operating performance, and ability to meet obligations to our policyholders and contract holders. North American currently holds the following ratings:

A.M. BEST ^{A,B}	S&P GLOBAL RATINGS ^{B,C}	FITCH RATINGS ^D
<p>"A+" (Superior)</p> <p>(2nd category of 15)</p> <p>Superior ability to meet ongoing obligations to policyholders</p>	<p>"A+" (Strong)</p> <p>(5th category of 22)</p> <p>Very strong financial security characteristics</p>	<p>"A+" (Stable)</p> <p>(5th category of 19)</p> <p>Strong business profile, low financial leverage</p>

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. S&P Global Ratings is an independent, third-party rating firm that rates on the basis of financial strength. Ratings shown reflect the opinions of the rating agencies and are not implied warranties of the company's ability to meet its financial obligations. The ratings above apply to North American's financial strength and claims-paying ability. **a)** A.M. Best rating affirmed on July 6, 2017. For the latest rating, access www.ambest.com. **b)** Awarded to North American as part of Sammons® Financial Group Inc., which consists of Midland National® Life Insurance Company and North American Company for Life and Health Insurance®. **c)** Standard & Poor's rating assigned February 26, 2009 and affirmed on October 19, 2016. **d)** 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 access www.fitchratings.com.

The Income Pay® Plus is an optional guaranteed lifetime withdrawal benefit (GLWB) rider available for an additional charge at the time of application on certain fixed index annuities on form AE575A, ICC15-AE575A (rider) and SP575B, ICC15-SP575B (spec page) or appropriate state variation by North American Company for Life and Health Insurance®, West Des Moines, IA. This rider may not be available in all states, on all products, or appropriate for all clients. See rider brochure for further details, limitations and specific rider change. Neither North American, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult with and rely on a qualified advisor.

This brochure is for solicitation purposes only. Please refer to your contract for any other specific information. With every contract that North American issues there is a free-look period. This gives you the right to review your entire contract and if you are not satisfied, return it and have your premium returned.

Please Note: A surrender during the surrender charge period could result in a loss of premium.

Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Although Fixed Index Annuities guarantee no loss of premium due to market downturns, deductions from your Accumulation Value for additional optional benefit riders could under certain scenarios exceed interest credited to your Accumulation Value, which would result in loss of premium. They may not be appropriate for all clients.

1. Neither North American, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult with and rely on your own qualified advisor. Under current law, annuities grow tax deferred. Annuities may be subject to taxation during the income or withdrawal phase. The tax-deferred feature is not necessary for a tax-qualified plan. In such instances, you should consider whether other features, such as the Death Benefit, lifetime annuity payments and optional riders make the contract appropriate for your needs.

For purposes of this rider, "Income" refers to the contractual guarantee provided by election of lifetime payment amounts (LPA). It is not the same as and does not refer to interest credited to the annuity contract. Consult your own tax advisor regarding tax treatment of LPAs, which will vary according to your individual circumstances.



4350 Westown Parkway
West Des Moines, IA 50266
www.NorthAmericanCompany.com

Not FDIC/NCUA Insured	Not a Deposit Of A Bank	Not Bank Guaranteed
May Lose Value	Not Insured By Any Federal Government Agency	