

# Smart Builder® IUL 3

Indexed universal life insurance

*Consumer brochure*

Issued by North American Company for Life and Health Insurance®



More than you expect

# Indexed universal life insurance

is more than most people might expect.

## It can help...

- Provide financial help to your family in a time of need
- Supplement your retirement income, generally tax free
- Pay medical bills during an illness
- Pay off debts like credit cards and student loans
- Pay down – or pay off – a mortgage
- Pay college tuition

It can **exceed** your expectations.

**Indexed universal life insurance** can provide **protection** and **growth** for when you may need it most.

**Life insurance could be a wise choice for your money.**

It combines the traditional death benefit protection provided by life insurance, plus the potential for cash value growth linked to the performance of a stock market index with a minimum interest rate guarantee.



**Death benefit protection** can be more powerful than you might expect.

Indexed universal life insurance pays a death benefit to the named beneficiary in the event of the death benefit of the insured. With Smart Builder IUL 3, you can leverage a low interest bearing account that you don't have an immediate use for, into a larger death benefit, which can be used to replace an income stream, help pay off a mortgage, minimize student loans, transfer a business, and more. Better yet, the death benefit proceeds can pass to your designated beneficiary generally free with income taxes and avoid probate.<sup>1</sup> Indexed universal life insurance is a permanent policy, so it won't expire after a set time frame like term life insurance.

Expect the opportunity for cash value **growth** without the risk of directly investing in the stock market.

Indexed universal life insurance provides the opportunity to earn interest based on the upward movement of the stock market index. Although growth is based on a stock market index, your premium is not actually invested in the market, offering downside protection in a down market.

## More than you might **expect**

### **Loans and withdrawals**<sup>2</sup>

Smart Builder 3 offers standard, net-zero cost and variable interest participating policy loans. For more information and to determine which policy loan type may be right for you, please ask your agent for the Accessing Your Cash Value brochure.

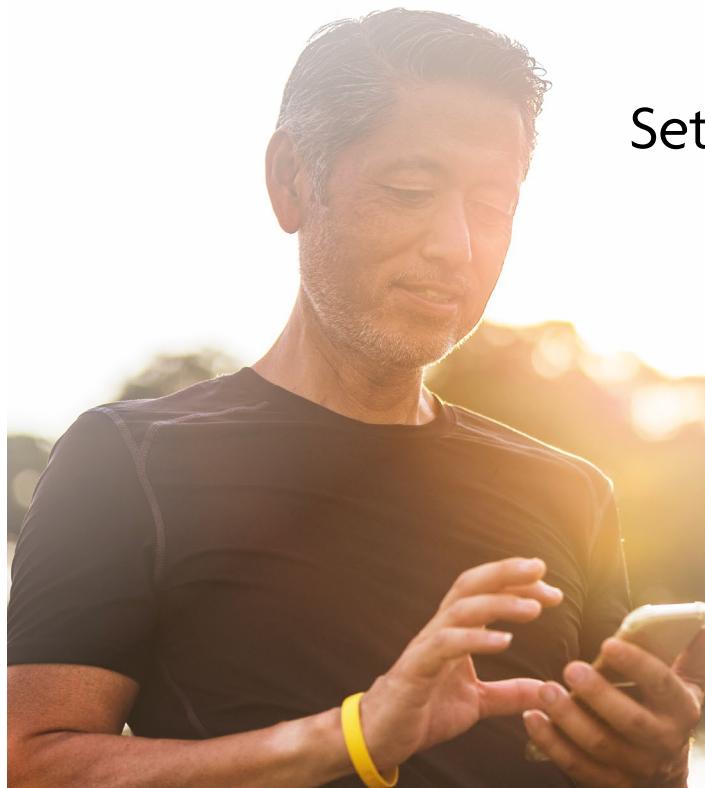
### **Living benefits**

The main benefit of life insurance is the invaluable death benefit protection it provides, but North American also offers accelerated death benefits, which means you may be able to utilize a portion of the death benefit while you're living. With accelerated death benefits, the owner can accelerate a portion of the death benefit should the insured meet the criteria of a qualifying event. The funds can be used for any purpose you choose, such as covering illness expenses. Please consult with a qualified legal or tax advisor to review your specific situation. These benefits are included for no additional premium charge at issue on eligible policies.

Accelerated death benefits are 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.

Set your own **expectations**.

**Make a smart choice for your money.**



## PRODUCT HIGHLIGHTS

# Smart Builder 3

## Protection

### Death benefit options

Smart Builder 3 offers death benefit options to help meet your expectations.

1. Level death benefit is equal to the specified amount.
2. Increasing death benefit is equal to the specified amount plus the account value.
3. Return of Premium death benefit option\* is where the death benefit equals the specified amount, plus the sum of premiums minus any withdrawn amounts.

Talk with your financial professional about which option is right for you and your loved ones.

\*Must be applied for at time of application.

### No lapse guarantee

Smart Builder 3 offers a no lapse guarantee that is the lesser of 15 years or attained age 75, but will never be less than 10 years. This means that your policy will not lapse during the no lapse guarantee period, as long as minimum premium payment requirements are met. If you do not meet this requirement, significantly higher premiums may be necessary to keep the policy in effect. Paying a premium that is equal to, but not greater than the no lapse guarantee premium will keep the policy in effect but may result in a negative account balance. By paying only the premium required to satisfy the no lapse guarantee, you could forgo the advantage of building potential cash value.

## Potential growth

Some of your premium payment is used to pay for the costs of insurance.<sup>3</sup> You can allocate the rest to either a fixed account that offers a guaranteed minimum interest rate of 1.5%, an index account linked to the growth of a stock market index, or a combination of both. Growth in the index account is tax-deferred<sup>4</sup> and credited on the beginning account value prior to taking out the cost of insurance.

### How an index account works

At the end of the designated period, the change in index value is calculated using the appropriate index crediting method. If the calculation results in growth, the interest is credited to your policy's beginning account value. If the calculation results in negative growth, or no growth, the value in the index account will remain the same, less any amounts due to withdrawals or policy changes.

### Never less than zero percent

The index account has a zero percent floor, which is the minimum interest rate used in the calculation of the index credit. Its starting value resets every year. If the index experiences negative growth or no growth, negative credit will not be applied to the index account. The index credited will not be less than zero percent. Bottom line - negative index performance from previous years won't hinder your earning potential in the current year. The index account may also be subject to a cap rate (or maximum interest rate), spread rate, and participation rate (the portion of index growth) that are used in the calculation of the index credit. The index cap rate, spread rate, and participation rate will be declared for each index segment in advance of each index period.

### Waiver of Surrender Charge Option Rider<sup>5</sup>

For an additional monthly fee we will waive the surrender charge should you surrender the policy early. This option is especially helpful if you need to access potential cash value early for personal or business needs through the use of policy loans or withdrawals.<sup>2</sup>

### Minimum account value

This feature guarantees a 2.0% average annual return, calculated from policy issue, regardless of whether premiums were allocated to the fixed account or the index account. Every 10 years or upon death, lapse, surrender, or policy maturity, we'll compare the account value to the minimum account value. If the account value is less than the minimum account value, the account value will be increased so that it is at least as large as the minimum account value. The increase will be added to the fixed account. If the account value is greater than the minimum account value, no change is made to the account value or the minimum account value.

# Choose **North American** for your life insurance protection.

## **Strength and stability since 1886**

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 is right for our policyowners.

## **Privately owned and customer focused**

As a privately owned company, North American is not subject to the short-term earnings pressures that publicly held companies often face. We are a company with plans to perpetuate itself for hundreds of years, not the next quarter or the next fiscal year. We focus on the long term. We focus on you.

## **High ratings for financial strength**

Independent agency ratings provide a vital picture of an insurer's ability to keep its commitments to you, the customer. As a company, we've received A+ marks from A.M. Best, Fitch Ratings, and S&P Global Ratings.<sup>6</sup> These ratings are based on financial strength, operating performance, and the ability to meet our obligations to our policyowners and contract holders. Our consistently high ratings show that with North American, you aren't just buying a product. You're buying a commitment to you and your family.



Contact your North American financial professional **today** to help you decide if Smart Builder 3 and its benefits are right for you.

## NOT FOR USE IN OREGON.

1. Neither North American nor its agents give legal or tax advice. Please consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

2. Policy loans from life insurance policies generally are not subject to income tax, provided the contract is not a Modified Endowment Contract (MEC), as defined by Section 7702A of the Internal Revenue Code. A policy loan or withdrawal from a life insurance policy that is a MEC is taxable upon receipt to the extent cash value of the contract exceeds premium paid. Distributions from MECs are subject to federal income tax to the extent of the gain in the policy and taxable distributions are subject to a 10% additional tax prior to age 59½, with certain exceptions. Policy loans and withdrawals will reduce cash value and death benefit. Policy loans are subject to interest charges. Consult with and rely on your tax advisor or attorney on your 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 withdrawal charges, processing fees, or 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.

Net Zero Cost Loans are available on our indexed universal life insurance products after a specified number of years. Please refer to your policy for details. For this policy, Net Zero Cost Loans are charged and credited at 1.5% for a net zero cost in years 6+.

The net cost of a variable interest participating policy loan could be negative if the credits earned are less than the interest charged. The net cost of the loan could also be larger than under standard policy loans if the amount credited is less than the interest charged. In the extreme example, the amount credited could be zero and the net cost of the loan would equal the maximum interest rate charged on variable interest participating policy loans. In brief, Variable Interest Participating Policy Loans have more uncertainty than Standard Policy Loans in both the interest rate charged and the interest rate credited.

3. The current interest rate is not guaranteed and is subject to change. Current costs of insurance rates are not guaranteed and are subject to change.

4. The tax-deferred feature of the indexed universal life policy is not necessary for a tax-qualified plan. In such instances, you should consider whether other features, such as the death benefit and optional riders make the policy appropriate for your needs. Before purchasing this policy, you should obtain competent tax advice both as to the tax treatment of the policy and the suitability of the product.

5. Surrender charges will not be waived if the policy is surrendered under an external 1035 exchange (except in FL). A decrease charge will be assessed if a reduction in the specified amount is requested during the waiver of surrender charge period. However, if a partial withdrawal results in a reduction of the specified amount, the withdrawal charge is waived. There is an additional charge for this rider and it must be applied for at the time of application

6. 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 as part of Sammons Financial Group on August 13, 2025. For the latest rating, access [www.ambest.com](http://www.ambest.com).

A+ (Stable) Rated by Fitch Ratings. Fitch Ratings, a global leader in financial information services and credit ratings, on June 17, 2025, 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](http://Fitch Ratings report).

S&P Global Ratings awarded its "A+" (Strong) rating for insurer financial strength on February 26, 2009 and affirmed on May 15, 2025 to North American as a member of Sammons ® Financial Group, Inc. The "A+" (Strong) rating is the fifth highest out of 22 available ratings as a member of Sammons ® Financial Group, Inc. S&P Global Ratings is an independent, third-party rating firm that rates on the basis of financial strength. Rating shown reflect the opinion of the rating agency and are not implied warranties of the company's ability to meet its financial obligations. a) Awarded to Midland National® as part of Sammons® Financial Group Inc., which consists of Midland National® Life Insurance Company and North American Company for Life and Health Insurance®. b) S&P Global rating assigned February 26, 2009 and affirmed on May 15, 2025.

Texas Residents: Receipt of acceleration-of-life-insurance benefits may affect your, your spouse's or your family's eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary social security income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such a payment will affect your, your spouse's and your family's eligibility for public assistance.

The term financial professional is not intended to imply engagement in an advisory business in which compensation is not related to sales. Financial professionals that are insurance licensed will be paid a commission on the sale of an insurance product.

Life insurance policies have terms under which the policy may be continued in force or discontinued. Current cost of insurance rates and interest rates are not guaranteed. Therefore, the planned periodic premium may not be sufficient to carry the contract to maturity. Failure to meet premium requirements may result in a lapse in the policy and participation in the index accounts. The Index Accounts are subject to caps and participation rates. In no case will the interest credited be less than 0 percent. Please refer to the customized illustration provided by your agent for additional detail. The policy's death benefit is paid upon the death of the insured. The policy does not continue to accumulate cash value and excess interest after the insured's death. For costs and complete details, call or write North American Company for Life and Health Insurance, One Sammons Plaza, Sioux Falls, SD 57193. Telephone: 877-872-0757.

Indexed Universal Life Insurance 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.

Smart Builder® IUL 3 is issued on form P100/ICC22P100(policy), E101/ICC22E101, E103/ICC22E103, E104/ICC22E104, E105/ICC22E105, R106/ICC22R106, R107/ICC22R107, E109/ICC22E109/, LR498, E110/ICC22E110/LR50704, E111/ICC22E111/LR50604, R100/ICC23R100, R101/ICC23R101, R102/ICC23R102, R103/ICC23R103 (riders/endorsements) or appropriate state variation by North American Company for Life and Health Insurance®, West Des Moines, IA. Products, features, endorsements, riders or issue ages may not be available in all states. Limitations or restrictions may apply.

Sammons Financial® is the marketing name for Sammons® Financial Group, Inc.'s member companies, including North American Company for Life and Health Insurance®. Annuities and life insurance are issued by, and product guarantees are solely the responsibility of, North American Company for Life and Health Insurance.



# North American is a Sammons Financial company.

We are committed to our customers, distribution partners, employees and communities – and the deeply rooted belief that we grow stronger together.

With so much change happening in the world, people are looking for companies that can stand the test of time. They need a partner that can weather life's storms. That's us. For over a century, we have been here for our customers and honoring our commitments. And because we're privately owned, we don't measure our impact by the number of years we've been in business, investor goals or size of the company. We are proud of our impact of the financial futures we help secure, and the legacies we help establish.

We believe that we aren't here to serve just today's customers, but customers for generations to come. As we look ahead to our next hundred years, that fundamental principle remains rich in its vision. No matter how much change happens in the world around us, we will find new ways to create value for our customers.

Just like always.

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+”

**A.M. Best**<sup>6</sup> (Superior) (Second category of 15)  
**S&P Global Ratings**<sup>6</sup> (Strong) (Fifth category of 22)  
**Fitch Ratings**<sup>6</sup> (Stable) (Fifth category of 19)

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**NorthAmericanCompany.com**

Not FDIC/NCUA Insured	Not A Deposit Of A Bank	Not Bank Guaranteed
Not A Condition Of A Loan	Not Insured By Any Federal Government Agency	