

Contract application

Complete all questions



P.O. Box 14432, Des Moines, IA 50306-3432

Name (first, middle initial, last)		Gender <input type="checkbox"/> M <input type="checkbox"/> F	Date of birth (mm/dd/yyyy)	Social Security number	National producer number
Type of appointment (select one) <input type="checkbox"/> Life <input type="checkbox"/> Annuity	Contract type <input type="checkbox"/> LLC* <input type="checkbox"/> Partnership* <input type="checkbox"/> Sole proprietorship* <input type="checkbox"/> Corporation* <input type="checkbox"/> Individual			Taxpayer Identification number	CRD number
Residence address (street, city, state, ZIP)					Residence phone number
Business name (DBA)					Business phone number
Business address (street, city, state, ZIP)					Business fax number
Preferred mailing <input type="checkbox"/> Residence address <input type="checkbox"/> Business address					Cell phone number
E-mail address (required)				Preferred contact <input type="checkbox"/> Residence phone <input type="checkbox"/> Business phone <input type="checkbox"/> Cell phone <input type="checkbox"/> E-mail	
Broker/dealer name (if registered rep or affiliated with Broker/dealer)					
Broker/dealer address (street, city, state, ZIP)					Broker/dealer CRD number (if known)

Please respond to all questions for you personally and any organization over which you have exercised control. If you answer “yes” to any questions, you must attach an explanation with all relevant information and supporting documents.

- ☐ Yes ☐ No 1. Have you ever been convicted, pled guilty or nolo contendere, or do you have pending charges to a felony or misdemeanor? If yes, attach copy of court records.
- ☐ Yes ☐ No 2. Have you ever had any regulatory action taken against you, or had your insurance or securities license denied, suspended, terminated or revoked by an insurance department, FINRA, or any other regulatory agency?
- ☐ Yes ☐ No 3. Have you ever had a complaint filed or do you anticipate a complaint being filed against you by a consumer, an insurance department, FINRA or any other regulatory agency?
- ☐ Yes ☐ No 4. Has your contract or appointment ever been terminated involuntarily by an insurer or FINRA member firm?
- ☐ Yes ☐ No 5. Has any claim ever been made against you, your surety company, or errors and omissions insurer arising out of insurance and/or securities sales?
- ☐ Yes ☐ No 6. Are you currently involved or ever been involved in litigation?
- ☐ Yes ☐ No 7. Do you have past due financial obligations, unsatisfied judgments, or liens, including any delinquent state or federal tax obligations?
- ☐ Yes ☐ No 8. Have you ever filed bankruptcy?
- ☐ Yes ☐ No 9. Does any person or entity claim any indebtedness from you as a result of any insurance transaction or business?

E&O Policy carrier: _____ E&O Policy number: _____

According to the Individual Agent/Master Distributor Contract, you are responsible for keeping your E&O coverage current for the duration of your relationship with North American.

Compliance

☐ Yes ☐ No I will conform to the procedures outlined in the “Compliance Manual” and all company product guides.

Conditions and agreements – By signing this application, I hereby acknowledge I have read a specimen copy of the proposed contract and all applicable supplements and addendums thereto to be entered into between myself and North American Company for Life and Health Insurance® (North American). I agree to be bound by all of the terms and conditions of such contract, supplements and addendums, which includes applicable commission schedule(s), and further agree that upon authorization to solicit business by North American, such contract, supplements and addendums shall be legally binding on me without further action required on my part. Thereafter, such contract, supplements, and addendums shall govern my relationship with North American, a personalized copy of which shall be made available to me by North American by electronic delivery. I agree not to solicit business until I have been notified by North American that I am authorized to do so. I represent and warrant that all information and answers to questions are true and complete. I understand the Fair Credit Reporting act requires North American to notify me that, as a routine part of processing my contract application, a consumer report may be obtained which may include information bearing on my credit worthiness, credit standing, credit capacity, character, general reputation, and personal characteristics or mode of living. I further authorize North American or its affiliates' to obtain a consumer report and Vector One report in connection with this contract application. I further authorize North American or any of its affiliates or their duly authorized representatives to contact any organization or individual who has knowledge of my employment history, credit history, financial status, or record of any illegal activity to (a) obtain a record of such history, status, or activities and (b) hereby authorize the release of such information by such organization or individual in connection with this application. This authorization shall remain valid and in effect during the term of my contract. North American has the right to obtain subsequent consumer reports and/or investigative consumer reports on an as needed basis. Any Marketing materials which have not been provided by North American must be approved by North American prior to their use. I understand that any specimen sales brochures and material I have received are provided only for my personal examination of product provisions and rates. A photocopy of this authorization shall be as valid as the original, regardless of the date it is signed. 'Affiliate means any company owned, directly or indirectly, by Sammons Financial Group, Inc. I will not sell or solicit North American annuity products in NY.

AGENT AUTHORIZATION – 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and; 2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and; 3. I am a U.S. citizen or other U.S. person, and; 4. I am exempt from Foreign Account Tax Compliance Act (FATCA) reporting.

In addition to the above, by signing below, I hereby:

- (A) Authorize the company to use my information for purposes of conducting a commission related debit balance screening, and periodic commission related debit balance screenings as determined in the Company's sole discretion following the engagement of any employment, appointment, Contract, tenure, or other relationship with the company, utilizing Debit-Check.
- (B) Authorize the company to consider the results of the commission related debit balance screening in order to determine my eligibility to be contracted and appointed or determine my eligibility for advancement of commissions as an insurance producer.
- (C) Authorize and direct Vector One to receive and process my information as necessary to intentionally disclose and furnish the results of my commission related debt verification screening, whether directly or indirectly, to the company.
- (D) Authorize the company to submit my information to the Debit-Check service in the event of termination or expiration of my engagement with the company, whether voluntary or involuntary, to the extent a commission related debit balance is owed to the company.
- (E) Authorize and direct Vector One to receive and process my information and intentionally disclose to any Debit-Check subscriber who submits an inquiry utilizing my information the results of my commission related debit balance screening, which will contain my information, to the extent a debit balance is owed.

Agent signature	Officer signature*	Date (mm/dd/yyyy)
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I have reviewed the above application and I hereby recommend this agent contract for consideration by North American.

Distributor signature	Code	Date (mm/dd/yyyy)
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*If Officer of a Corporation, LLC, Partnership, or Sole Proprietorship please sign both as Agent and Officer.



306770

AGENCY AGREEMENT

BACKGROUND

A. Agency, for the purpose of this Agency Agreement ("Agreement"), shall mean any non-natural-person that is a party to this Agreement, and includes but is not limited to, Sole Proprietorship, Partnerships, Corporation, Limited Liability Corporation ("LLC"), or Limited Partnership ("LP").

B. North American Company for Life and Health Insurance ("Company") desires to enhance the marketing and sale of certain fixed insurance products issued by the Company ("Products");

C. Agency markets, wholesales, and assists with issuance of Company's insurance products, including recruiting and training agents;

D. North American Company for Life and Health Insurance ("Company") desires to enhance the marketing and sale of certain fixed insurance products issued by the Company ("Products");

E. Company desires to appoint Agency to market, distribute and administer the Products and to recruit and recommend agents to the Company and any insurance company affiliate of the Company; and

F. Agency desires to represent the Company and any insurance company affiliate of the Company, and perform the services described in this Agreement, all upon the terms and subject to the conditions set forth more fully below.

REPRESENTATIONS

REPRESENTATIONS BY COMPANY

Company represents that it is duly licensed in accordance with all applicable laws and regulations and has the authority to issue Products in the states where the Agency is authorized to conduct business, except as disclosed to Agency in writing. Company agrees to notify Agency promptly of any changes in such authority. Company will seek to have the Products approved by state insurance authorities in jurisdictions where those Products will be offered.

Company represents that it will conduct its activities pertaining to this Agreement in material conformity with all applicable federal and state laws and/or regulations. Company represents that all material that Company makes available to Agency will comply in all material aspects with any and all applicable federal and state securities laws.

Company represents that the entering into and performance of this Agreement does not and will not conflict with or cause a breach of any other agreement to which it is a party and that it has full power and authority to enter into this Agreement and to carry out its duties and obligations hereunder.

REPRESENTATIONS BY AGENCY

Agency represents that it has the authority to execute this Agreement on its own behalf and on behalf of any of its affiliated agencies providing the services set forth in this Agreement.

Agency represents that it will conduct its activities pertaining to this Agreement in material conformity with all applicable federal and state laws and/or regulations.

Agency represents that it and its affiliated agencies will comply with all applicable state insurance requirements and have obtained and will maintain any security and/or insurance licenses required by the state insurance authorities for the types of Products it offers and services.

Agency represents that it has all necessary contractual arrangements in place to receive any payment for the sale of any Product on its behalf and on behalf of its affiliated agencies.

Agency represents that it will ensure that duly licensed agents recommend applications only in those states in which such Company Products are approved.

Agency represents that the entering into and performance of this Agreement does not and will not conflict with or cause a

breach of any other agreement to which it is a party and that it has full power and authority to enter into this Agreement and to carry out its duties and obligations hereunder.

Agency represents that it shall maintain sufficient Errors and Omissions Insurance coverage in the amounts as may be required by the Company and/or under applicable law or regulation as it deems necessary.

NOW THEREFORE, in consideration of the foregoing background recitals, representations and the mutual promises and undertakings set forth herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. AUTHORIZATION

1.1 Appointment and Exclusivity. Company hereby appoints Agency on a non-exclusive basis as an agency to facilitate agents in soliciting applications for the Products in each jurisdiction in which the Company is authorized to transact business and to perform the other duties set forth in this Agreement. Agency hereby accepts such appointment.

1.2 Recruiting.

a. Agency may recommend to Company duly licensed agents to solicit Products, or Sub-Agencies, subject to the requirements of Company. Company, in its sole discretion, may refuse to appoint any agent recommendation pursuant to this Section.

b. At Company's discretion, each agent recommended to and acceptable to the Company shall enter into a written agreement directly with Company (an "agent Contract") in form and content acceptable to Company.

c. At Company's discretion, each Sub-Agency recommended to and acceptable to the Company shall enter into a written agreement directly with the Company (a "Master Agency Contract") in the form and content acceptable to the Company. Sub-Agency shall mean any non-natural-person that is a party to a Master Agency Contract and is in the Agency's downline.

d. Downline, for the purpose of this Master Agency Contract, shall mean any Sub-Agency or agent appointed with the Company, party to a Contract or Agreement with the Company, and assigned to the Agency.

e. Compensation payable to your Downline shall be limited to and paid consistent with the commission Addendums included as part of the Downline's Contract or Agreement, as applicable, Agency shall be responsible for the compensation payable to any Downline who is not required by Company to enter into a Contract, subject to the terms of this Agreement.

f. Company may terminate the appointment, Contract, or Agreement with any agent or Sub-Agency at any time and for any reason.

1.3 Agents. Each agent shall be duly licensed and appointed at all times to offer, market, sell, distribute, and service the Products as required by law, this Agreement and the Agent Contract, as applicable.

1.4 Instructions. In performing its obligations under this Agreement, Agency shall comply with all lawful rules, practices, instructions, regulations, procedures and guidelines (collectively, the "Instructions") as may be established by the Company from time to time and of which Agency has received notice. Company will provide notice to Agency of Instructions and any changes thereto by the same method Company communicates with its field force and not in accordance with the notice provisions set forth in Section 8.3 of this Agreement.

1.5 Reporting Violations. Agency shall promptly notify Company in writing if Agency obtains knowledge that any agent recruited by Agency, or its Sub-Agencies, under this Agreement has failed to comply with (i) any applicable federal or state laws and/or regulations; or (ii) any Instructions; or (iii) any policies or procedures of the Company.

1.6 Status. Agency and agents shall each be deemed an independent contractor to Company for all purposes within the scope of the authority conferred hereby, and Agency shall exercise its independent judgment in performing its duties and responsibilities hereunder. This Agreement shall not be construed to create the relationship of employer and employee between Company, on the one hand, and Agency or any agent, or any of their respective officers, directors, employees, agents or representatives, on the other.

1.7 Limitations. Unless otherwise authorized in writing by Company, Agency shall have no authority on behalf of the Company to:

a. accept risks, determine insurability, or bind Company or any affiliate of Company in any way;

- b. misrepresent any Products or services of Company or any affiliate of Company, make or modify Products or other products on behalf of Company or any affiliate of Company, or waive any rights or requirements of Company or any affiliate of Company;
- c. extend the time of payment of any premium or accept the payment of past due premium;
- d. collect or receive deferred or renewal premiums;
- e. endorse, cash or deposit any check or draft made payable to Company or any affiliate of Company;
- f. accept or deposit any check or draft for premiums made payable to any person or entity other than the Company;
- g. open any bank account or trust account on behalf of, for the benefit of, or containing the name of Company or any affiliate of Company;
- h. settle any claim or claims related to the Products;
- i. commence any suit or action before any court or authority relating to any of the Products;
- j. directly or indirectly rebate any portion of the premium to the insured or to any other party;
- k. directly or indirectly cause or attempt to cause any employee, agent or representative of Company or any affiliate of Company to terminate or alter his or her association with Company or such affiliate;
- l. induce or attempt to induce any policyholder of Company or any affiliate of Company to relinquish, surrender, replace or lapse their policies;
- m. incur any indebtedness on behalf of Company or any affiliate of Company;
- n. use, alter, amend or remove any trade name, brand, trademark or service mark of Company or any affiliate of Company (collectively, "Trademarks") from any Product or other property of the Company without prior written approval of Company;
- o. use any property of Company or any affiliate of Company, including but not limited to Trademarks, policy forms, applications, records, manuals, or supplies after termination of this Agreement, or
- p. do or perform any act or exercise any authority on behalf of Company or any affiliate of Company other than expressly authorized herein, without the prior written consent of Company.

2. AGENCY RESPONSIBILITIES

In addition to those duties set forth under Article I hereof, Agency represents, warrants and covenants as follows:

2.1 Legal Compliance and Licensing. Agency shall at all times (i) hold, maintain and keep in good standing all licenses, registrations and appointments necessary to perform its duties hereunder, and (ii) fully comply with all applicable laws and regulations.

2.2 Investigations: Customer Complaints. Agency agrees to cooperate fully in any insurance and other regulatory or judicial investigation or proceeding arising in connection with the Products, Company, Agency or any agent recruited by Agency under this Agreement. Agency shall permit appropriate federal and state insurance and other regulatory authorities to audit Agency's records and shall furnish the foregoing authorities with any information which such authorities may request in order to ascertain whether Agency or any agent recruited by Agency under this Agreement is complying with all applicable laws and/or regulations. Agency agrees to notify Company of any consumer complaints with respect to the Products and to cooperate with Company in resolving all customer complaints with respect to the Products, Agency or any agent recruited by Agency under this Agreement.

2.3 Advertising Materials. All advertising material, including but not limited to internet website illustrations and sales promotional material published by Agency, that specifically names the Company or references the Products shall be submitted to Company for its approval prior to its use by Agency. If required, Agency shall be responsible for filing such material with the appropriate regulatory or governmental authority.

2.4 Quotes. Agency shall provide accurate quotations on premiums, features and interest rates for the Products.

2.5 Applications. Agency shall promptly forward to Company all applications received in connection with the Products, regardless of the results of any medical examination. Company, in its sole discretion, may reject or require the amendment

of any application for insurance.

2.6 Suitability. Agency agrees to ensure it acts in accordance with the suitability standards required pursuant to any and all laws, rules or regulation adopted by any applicable state. At Company's periodic request, Agency agrees to certify to Company that it is complying with suitability laws.

Agency agrees to notify Company if any significant failures are discovered in the suitability of the sale of the Products sold under this Agreement. In the event a claim against Company is made with regard to the suitability of a sale of any of the Products sold under this Agreement; Agency will reasonably cooperate with Company and will provide written or other materials upon Company's request

2.7 Collection of premiums. Agency shall:

- a. Transmit to Company, within two business days of receipt, applications for a Product and all amounts received by Agency for or on behalf of Company. All premium payments shall be in the form of checks made payable to Company.
- b. Pay all premiums to Company without offset or deduction.
- c. Be responsible for instructing its agents to remit the entire premium to Company immediately upon receipt thereof together with all application and related information.

2.8 Delivery of Products. Agency shall deliver Products as required by law notwithstanding the requirements of this section. Agency shall not deliver a Product unless: (a) the person to be insured is in good health and insurable condition at the time of delivery and (b) the first premium has been fully paid.

2.9 Maintenance of Products. Agency shall use best efforts to maintain in force the Products solicited by it or its agents and shall render all reasonable assistance to the Company in connection therewith.

2.10 Property. Agency shall return to Company upon termination of this Agreement or on demand, all property of Company, including but not limited to all records, manuals, supplies, policy forms and applications.

2.11 Insurance. Agency shall at all times carry Errors and Omissions Insurance coverage as may be required under applicable law or as Company deems necessary.

2.12 Indemnification. Company agrees to indemnify and hold Agency harmless from any and all losses, claims, damages, liabilities or expenses to which Agency may become subject under any statute, regulation, common law or otherwise, insofar as such losses, claims, damages, liabilities or expense relate directly to the sale of the Products and arise as a direct consequence of:

1. any material misrepresentation or omission, or alleged misrepresentation or omission, contained in the Products;
2. any failure by Company or its agents, whether negligent or intentional to perform the duties and discharge the obligations contemplated in this Agreement;
3. any fraudulent, unauthorized or wrongful act or omission by Company, its employees, contractors or representatives, excluding agents entering into agent Contracts or otherwise recruited by Agency pursuant to this Agreement.

Agency, including and on behalf of its Sub-Agency(s), agents, sub-agents and/or employees, agrees to indemnify and hold Company and its officers, directors, employees and agents harmless from any and all losses, claims, damages, liabilities or expense to which Company may become subject under any statute, regulation, common law or otherwise, insofar as such losses, claims, damages, liabilities or expenses relate directly to the sale of the Products and arise as a direct consequence of:

1. any material misrepresentation or omission, or alleged misrepresentation or omission involving the sales subject to this Agreement, provided that such misrepresentations or omissions are caused by Agency;
2. any failure by Agency whether negligent or intentional, to perform the duties and discharge the obligations contemplated in this Agreement;
3. any fraudulent, unauthorized or wrongful act or omission by Agency or its agents;
4. any and all actions conducted on the part of Agency or its agents, resulting from a finding by any regulatory agency with jurisdiction over Company that a sale of a policy was unsuitable.

No party shall be liable as the indemnifying party pursuant to this Section, to the extent that the losses, claims, damages,

liabilities or legal expense incurred by the indemnified party arise out of the indemnified party's willful misfeasance, bad faith, or gross negligence in the performance of its duties, or through the reckless disregard of the indemnified party's duties, under this Agreement.

The parties will promptly notify each other of the commencement of any litigation or proceedings, or the assertion of any claim or any material inquiry related to the duties set forth in the Agreement. The indemnifying party shall have control of the defense of any such action, including appeals, and of all negotiations relating thereto, including the right to effect the settlement or compromise thereof.

Nothing in this Section shall preclude the parties from exercising any other rights and remedies that may be available to them at law or in equity.

2.13 Expenses. Agency shall be solely liable for all costs and expenses relating to or arising from performance of its obligations under this Agreement.

2.14 Security Codes. Agency shall be responsible for the confidentiality of any access number(s), password(s) and account number(s) (collectively referred to as "Security Codes") provided to Agency by Company. Agency shall be liable for all transactions entered through the use of Agency's Security Codes. All transactions received by Company through the use of Agency's Security Codes will be deemed to have been executed by Agency. Agency shall immediately notify Company upon becoming aware of any unauthorized use, loss or theft of Agency's Security Codes.

2.15 Data Security. Agency acknowledges that data, including e-mail, electronic communications and personal financial data, may be accessed by unauthorized third parties when communicated between Agency and Company. Agency hereby agrees to use software that supports a data security protocol compatible with the protocol used by Company. Company is not responsible for notifying Agency of any upgrades, fixes or enhancements to any such software or for any compromise of data transmitted across computer networks or telecommunications facilities, including, but not limited to, the internet. Agency shall immediately notify Company upon becoming aware of any breach of data security.

3. RECORDS AND REPORTING

3.1 Records. The parties will maintain full, complete and accurate books, files and records as required to record and document the services provided under this Agreement (collectively, the "Records"). Each party shall have the right during regular business hours, upon reasonable notice, to examine, inspect and copy the Records. The Records maintained by Agency shall either (i) be maintained by Agency for a period of at least ten (10) years following termination of this Agreement, or (ii) be delivered to Company for safe-keeping.

3.2 Cooperation. Agency shall cooperate and use its best efforts to provide such other records and reports as Company may require in connection with this Agreement and the services contemplated hereunder.

4. FINANCIAL TERMS

4.1 Payment of Compensation. In consideration for the services provided by the Agency under this Agreement, Company agrees to pay Agency the compensation set forth on the Commission Addendum attached as Exhibit A ("Commission Addendum"); subject to compensation payable to any Sub-Agency and/or agent as set forth on separate Commission Addendums included as part of their respective agent Agreement or agent Contract in connection with the sale of the Products, as applicable. Upon receipt of prior written notice from Agency and such other information as Company may require, Company shall pay on behalf of Agency the commissions due from Agency to each Sub-Agency or agent. Notwithstanding anything to the contrary in this Agreement, no Sub-Agency or agent shall have any claim against Company, and shall not be an intended or unintended third party beneficiary of this Agreement.

Notwithstanding any other provision of this Agreement, Company shall not be obligated to pay any compensation which would be in violation of the applicable laws, rules or regulations of any jurisdiction.

4.2 Payment Procedures. Company shall pay compensation (a) in accordance with its usual and customary procedures, which the Company, in its sole discretion, may change from time to time, and (b) only on premiums paid to Company. No premium shall be considered paid until it has been actually received by Company.

4.3 Changes in Commission Addendum; Unscheduled Commissions. Company may, in its sole discretion (a) amend or modify the Commission Addendum except as to Products issued prior to the date of the change, and (b) determine commissions to be paid on products not provided for in the Commissions Addendum.

4.4 Temporary Insurance. Company shall not pay compensation in connection with any temporary insurance or binders.

4.5 Premium Refunds. If Company refunds to a customer premium for any reason, Agency who received any compensation or other payment calculated in connection with the refunded premium shall immediately repay to Company all such compensation or other payments.

4.6 Reassignment. Company may, in its sole discretion, remove Agency, Sub-Agency, or agent as the servicing agent of a Product and reassign another agent to service such Product. If the reassignment is requested by the policyholder under the Product, Company may pay the compensation for such reassigned Product arising after the date of reassignment to the new agent;

4.7 Replacements. Compensation arising in connection with any Product that replaces an existing policy or product issued by Company or any affiliate thereof shall be subject to replacement rules of Company. In certain instances, Company will not pay compensation on replacements.

4.8 Reinstatements. If a Product written by Agency is terminated and subsequently reinstated solely as a result of the efforts of Agency, Agency shall continue to receive any renewal compensation from the date of reinstatement. If a Product is terminated and subsequently reinstated for any other reason, Company may determine, in its sole discretion, which agent is entitled to renewal compensation and the amount of such compensation.

4.9 Legal Restrictions. Notwithstanding anything else in this Agreement, Company will not make any compensation payments in violation of any law, including, but not limited to, state licensing requirements or Department of Labor rule or other regulation(s). If applicable, no party may pay any compensation (including, but not limited to, any compensation or expense allowance), or may cause the payment of any compensation that would be in violation of any applicable law, rule or regulation, and no party may receive any compensation in violation of any similar law, rule or regulation.

4.10 Indebtedness. Agency shall repay the Company for any indebtedness arising from its sales activities or transactions and shall be jointly and severally liable with any Sub-Agency, agents and subagents to the Company for the payment of all such amounts, including any advance or liabilities due or owed to the Company, including any affiliated entity of the Company, by Agency or any of your agents and subagents. Liabilities due or owed include any chargebacks, advances, loans or liabilities under this Contract and any agents or subagents contract and liabilities created by its or any agent's and subagent's misfeasance or malfeasance concerning the Company's (and our affiliates) business and any other amount due under a contract, agreement or arrangement of any kind between said agents and subagents with the Company (or any of its affiliates). Transactions which may result in Agency's indebtedness to the Company include, but are not limited to: (a) the payment of a death benefit, which would have been denied, but for its prior knowledge that any material misrepresentation had been made; (b) cancellation fees, if any, charged to Agency when a Company Product is canceled or refused; (c) causing the Company expense in defending against a charge that Agency violated an insurance law or regulation; (d) causing the Company expense in settling a consumer complaint or regulatory action arising out of alleged negligent, fraudulent, illegal, or unauthorized acts or transactions by Agency or its agents and subagents; and (e) any other transactions or activity by Agency which results in its indebtedness to the Company.

The determination of the amount of any liabilities or advances due or owed shall be at the sole discretion of the Company. Any indebtedness owed by Agency to the Company is a legal debt. The Company is hereby given a first lien upon any amounts due to the Agency, its successors, or assignments under this Contract or any other agreement with the Company or its affiliates as security for payment of any indebtedness owed to the Company by Agency. Such amounts due from Agency shall be debited on the books of the Company with the amount of such obligation, when the same is due and unpaid from Agency or any agents and subagents to the Company, and on demand, you shall promptly pay the Company the amount of such debt. Notwithstanding the foregoing, Agency's indebtedness, together with interest at a rate to be set by the Company from time to time, may be offset by any sum due to Agency or thereafter becoming due from the Company for the satisfaction of the debt. The Company at any time may pursue additional means to satisfy Agency's then-outstanding indebtedness to the Company, and may assign its right to collect this debt.

The parties hereto agree the Company retains the absolute and unilateral right to settle and resolve all claims or causes of action, in its sole discretion, raised or asserted by any person, concerning the actions by Agency or any agents and subagents. Agency's joint and several liability shall not be contingent on its input or participation or notice of or concerning any such claims or assertions. Agency agrees to indemnify the Company for any attorney fees, court costs, expenses, and/or money damages that the Company incurs in the collection of any indebtedness owed by Agency to the Company pursuant to this Contract, and/or for any legal action brought by or against Agency, its agents or subagents, and/or the Company arising out of or relating to this contract.

4.11 Right of Set-Off. With respect to any compensation owed by Company to Agency, Company shall have a right to set off against and deduct from such compensation (i) any monies or indebtedness due and owed by Agency to Company,

and (ii) any damages, costs or expenses incurred by Company arising out of any breach of this Agreement by Agency.

5. AMENDMENT AND TERMINATION

5.1 **Term.** This Agreement shall remain in force unless terminated pursuant to Section 5.3 herein.

5.2 **Amendment.** Company may amend any portion of this Agreement by giving Agency written notice of the amendment.

5.3 **Termination.** (a) Automatic Termination. Except to the extent prohibited by applicable law, this Contract shall be automatically terminated, without notice, in the event Agency (i) ceases to be licensed, including being placed on suspended status, as required by a state insurance department or governmental body having jurisdiction over such licensing; (ii) fail to pay, withhold or misappropriate any money or property belonging to the Company; (iii) commit any felony, fraud, embezzlement, or other acts of moral turpitude; (iv) is legally or contractually dissolved. Should Agency be terminated under this Section 5.3(a), it will forfeit all its rights to any further payments under this Contract.

(b) Termination by the Company. The Company may terminate this Contract, at any time, by delivering notice of such termination as provided in this Contract in the event the Company determines, in its sole and exclusive discretion that Agency has: (i) exposed the Company to potential liability due to Agency's misfeasance or malfeasance (ii) failed to conform to the business policies, guidelines, procedures and/or practices of the Company; (iii) failed to comply with the laws, rules or regulations of any federal, state or other governmental agency or body having jurisdiction over the products offered by the Company; (iv) replaced any Company Products with contracts, policies or products issued by another Company; (v) induced holders of Company Products or other agents of the Company to leave the Company; (vi) failed to pay indebtedness owed to the Company or our affiliates in accordance with Section 4 of this Contract; or (vii) undergone a Change of Control; or (viii) been terminated by their upline Agency. Should this Contract be terminated for any of the reasons set forth in this Section 5.3(b), Agency will forfeit all its rights to any further payments under this Contract. For purposes of determining whether this Contract has been breached under this Section 5.3(b), the acts of all your employees, and any agents and subagents, as the case may be, shall be deemed its acts. The Company may also elect to exercise its right to terminate this Contract at any time, upon giving notice (as provided in herein), in the event of an involuntary assignment by Agency for benefit of its creditors or the Agency's bankruptcy. As used herein, "Change of Control" shall mean and shall be deemed to have occurred upon (i) a sale of all or substantially all of Agency's assets used in the business; or (ii) the approval by Agency's voting equity holders of a sale, merger, reorganization, or consolidation whereby Agency's voting equity holders immediately prior to the approval do not own more than fifty percent (50%) of the combined voting power of the surviving entity immediately after consummation of such reorganization, merger or consolidation.

(c) Termination by Either Party. This Contract may also be terminated by either party for any reason or no reason, with or without cause, by giving thirty (30) days advanced written notice to the other party. The Company retains the right, based on subsequently obtained information, to effect a termination as to any subsequently accruing commissions, for any of the reasons stated in the preceding subsections (a) and (b) above. The right of termination under this Section 5.3(c) is not restricted by the provisions in the subsections above.

(d) Effect of Termination. Except as set forth in any applicable Commission Schedule, in the event this Contract is terminated due to any other reason set forth in this Section 5, Agency shall automatically forfeit any and all rights to any further payments due or to become due under this Contract, and Agency shall immediately pay in cash to the Company any and all sums due and payable to the Company hereunder. In the event of the termination of this Contract for any reason, Agency and its agents and/or subagents shall immediately deliver to us all of the previously furnished materials, supplies, advertising and any other printed matter which mentions the Company by name, our rate books, and all other such supplies connected with our business. No Company Product information will be provided to Agency or any agents and/or subagents after termination of this Contract. Except as otherwise set forth herein, the obligations of Agency, and any agents and subagents arising under the Contract shall survive the termination of the Contract, whether such obligations arose prior or subsequent to the termination of this Contract. Until the effective date of termination, all rights of the Company to accept or reject applications for Company Products and determine underwriting or suitability standards as applicable. Following the effective date of termination, all new applications will be rejected by the Company, and pending applications may be closed.

5.4 **No Recourse.** Agency agrees that it shall have no recourse for any injury that it may suffer by reason of termination of this Agreement, and hereby waives all direct, indirect, incidental or consequential damages against Company.

6. PRIVACY/CONFIDENTIALITY OF INFORMATION

All information or knowledge exchanged pursuant to this Agreement is "Confidential Information." All nonpublic personal

information, as defined by the Gramm-Leach-Bliley Act, exchanged pursuant to this Agreement is "Customer Information."

All parties to this Agreement ("Parties") shall agree to protect and maintain the Confidential Information with reasonable care, which shall not be less than the degree of care each party uses to protect its own Confidential Information.

Parties shall not use or disclose any Confidential Information except as necessary to perform the terms of this Agreement, and then only on a strict "need to know" basis. However, Parties may share Customer Information as required or permitted by law.

At the conclusion of this Agreement, Parties shall represent and warrant in writing that they have: (1) returned all remaining Confidential Information; (2) purged, deleted or destroyed any Confidential Information that cannot be returned; or (3) will continue to safeguard all remaining Confidential Information, that cannot be returned, purged, deleted or destroyed.

7. ANTI-MONEY LAUNDERING

Agency shall comply with all applicable and effective Anti-Money Laundering ("AML") laws, regulations and rules including the Bank Secrecy Act as amended by Title III of the USA PATRIOT Act, its implementing regulations, and related rules promulgated by application regulators. Agency shall also comply with the laws and regulations administered by the Office of Foreign Assets Control ("OFAC"). Collectively, these laws and regulations include requirements to establish a written AML program, designate an AML officer, report suspicious activities involving Products to both Company and regulators, scan records as required by OFAC and make its AML program available to Company and regulators.

Agency shall report to Company, without any undue delay, any unusual or suspicious activity or transaction involving customers and/or potential customers involving the Products. Notice shall be made to the AML Compliance Director stated in the Notice Section of this Agreement. Agency shall ensure that any activity reported to Company remains confidential and that any report submitted to the Company and/or any information related to such report is not disclosed to the customer(s) involved in such report or to any third-party. Providing notice to Company of any suspicious activity shall not relieve Agency of any duty it may independently have to report suspicious activities.

8. MISCELLANEOUS

8.1 Assignment. This Agreement shall be binding upon the parties and their respective successors and assignees. Agency may not assign or pledge any rights under this Agreement without the prior written consent of the Company.

8.2 Entire Agreement. This Agreement (including Amendments, Exhibits, Addendums, and Compensation Addendums) constitutes the entire agreement among the parties and supersedes all prior agreements, understandings and arrangements, oral and written, among the parties with respect to the subject matter hereof.

8.3 Notice. Except as provided in Section 1.4, communications sent pursuant to provisions of this Agreement shall be in writing, shall be delivered personally, sent by U.S. mail, facsimile, or commercial courier, or delivered electronically via e-mail or Company's website and shall be deemed given upon mailing. However, any notice of change of address shall be deemed given only upon receipt of the party to be notified.

If to the Company:

North American Company for Life and Health Insurance
P.O. Box 14432
Des Moines, IA 50306-3432
Attention: Manager, Agency Services Contracting
Website: Northamericancompany.com
Telephone: 866-327-7068
FAX: 866-327-7072

or to such other address as Company may from time to time designate by written notice to the Agency.

If to the Agency: At the address set forth on the application or to such other address as Agency may from time to time designate by notice to the Company.

8.4 Notice of Legal Proceedings. Agency shall promptly transmit to the Home Office of Company, by certified mail, any paper or other documents served upon or delivered to the Agency or upon or to any of its respective directors, officers, employees, agents, or representatives in connection with any proceedings against or involving in any way Company or any of its directors, officers, employees, agents or representatives.

8.5 Waiver of Agreement. The forbearance or neglect of Company or Agency to insist upon strict compliance by a party with any of the provisions of this Agreement, whether continuing or not, or to declare a forfeiture of termination against that

party, shall not be construed as a waiver of any of the rights or privileges of the parties. No waiver of any right or privilege of the Company or Agency arising from any default or failure of performance by a party shall affect the rights or privileges of the other parties in the event of a further default of performance.

8.6 Enforceability. In case any provisions of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired.

8.7 Survival Provisions. The following provisions shall survive termination of the Agreement, 2.7, 2.10, 2.11, 2.13, 3.1, 3.2, 4.6, 4.9, 4.10, 4.12, 5.4, 6, and 8.

8.8 Laws of Iowa. This Agreement shall be governed and construed in accordance with the laws of the State of Iowa.

8.9 Further Assurances. The parties agree to execute and deliver, or cause to be executed and delivered, such other instruments, documents and undertakings as may reasonably be necessary to assure compliance with the terms of this Agreement.

8.10 Power and Authority. Agency has full power and authority to enter into and perform this Agreement, and the person(s) signing this Agreement on behalf of Agency has been properly authorized and empowered to do so. Each party acknowledges that it has read this Agreement, understands it and agrees to be bound by its terms.

8.11 Paragraph Headings. The paragraph headings are for reference purposes only and shall not be deemed to be a part of this Agreement or to affect the meaning or interpretation of this Agreement.

8.12 Counterparts. This Agreement may be executed in two or more counterparts. All counterparts shall collectively constitute a single instrument. The parties may execute and exchange facsimile counterparts of the signature page, and these facsimile signatures shall be binding as original signature.

8.13 Construction of Agreement. Neither of the parties hereto or their respective counsel shall be deemed to have drafted this Agreement for purposes of construing the terms hereof. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning, and not strictly for or against any party hereto.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered as of the effective date set forth below.

Your receipt of any compensation from the Company or your submission of the agent application, and your execution thereof, is hereby incorporated herein as acceptance of this Agreement and the terms and conditions hereof, which Agreement shall be deemed in full force and effect pursuant to and in accordance with Section 1 herein.

Executed as of the Effective Date
NORTH AMERICAN COMPANY FOR LIFE AND HEALTH INSURANCE®

By (Signature on Contract Application incorporated herein)

Agent

By _____
Company Officer

By (Signature on Contract Application incorporated herein)

Sammons FinancialSM 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.

AGENT CONTRACT

North American Company for Life and Health Insurance (hereinafter the “Company,” “we,” “us” or “our”) and the person named on the application (hereinafter “Agent,” “you” or “your”), in consideration of your undertaking to sell any life insurance policy, health insurance policy, annuity and/or other products offered by the Company (the “Company Products”) for the consideration as stated in this Agent Contract and the applicable Commission Schedule(s), as may be amended from time to time, provided or made available to you (collectively, the “Contract”) and made a part hereof, mutually agree to the terms contained herein. All Schedules to the Contract, including Commission Schedules, may be provided via regular mail following the notice provision contained herein, by email, or made available by other electronic means, including, but not limited to, posting such Commission Schedules on a Company website to which you are given access. In the event of any conflict between this Contract and any other documents, but specifically excluding the Commission Schedules attached hereto, the language of this Contract shall control. This Contract shall supersede all prior understandings, contracts and agreements between you and the Company as to Company Products issued after the Effective Date of this Contract.

1. Appointment. The Company hereby approves your agent application. This Contract will be effective on the date of your receipt of compensation or the Company's first receipt of an application for a Company Product from you, whichever occurs first (the “Effective Date”). Once this Contract becomes effective the Company shall appoint (where applicable) you as Agent of the Company to procure, personally and through other agents of the Company recruited by or assigned to you, applications for those Company Products set forth on the Commission Schedules applicable to you (“Authorized Company Products”), which may be amended from time to time, and for the purpose of providing usual and customary service to prospective and existing owners of Company Products. By accepting this appointment, you agree to the terms, conditions, and limitations of appointment set forth herein. You are authorized to do business under the terms of this Contract only in those states or territories where the Company is approved to conduct business and where you are duly licensed to conduct such business, but nothing herein exclusively assigns such territory to you.

2. General Agreements. You shall be duly licensed by and have an active appointment in good standing from all applicable state insurance departments, federal regulatory agencies and other governmental bodies having jurisdiction. You shall operate in strict conformance with all applicable laws and regulations in all states and territories in which you transact business and in conformity with the rules and regulations of the Company. You shall immediately notify the Company when any federal, state or regulatory body terminates or suspends your license. You acknowledge, understand and agree that the Company has the right itself, or through a third party, to periodically conduct background checks on you and to review publicly available resources related to you. You will act in good faith when dealing with owners of the Company Products and you acknowledge that all Company Products are the property of the Company. You agree to exert your best efforts in keeping all insurance effective under this Contract in full force and effect. You agree to be insured in such manner as we may, in our discretion, require. You are an independent contractor for the Company and not an employee of the Company. Nothing contained in this Contract shall create, or shall be construed to create, the relationship of an employer and employee between the Company and you. You shall be free to exercise your own judgment as to the persons from whom you will solicit applications and as to the time and place of solicitation, subject to the Company's business policies and practices and applicable federal and state regulations. You may represent other insurance companies while this Contract is in force, provided, however, that while doing so you may not hold yourself out in any manner as acting on behalf of the Company. You shall bear your own costs and expenses in performing your respective duties under this Contract. You agree that your compensation is determined by the terms of this Contract or addendums to the Contract. You are not eligible to participate in any employee benefit programs, including any employee welfare or pension benefit plan for employees of the Company.

You shall be responsible for training and supervising all of your agents and subagents. For purposes of this Contract, the terms “agents and subagents” as used in this Contract shall mean: (a) you and your employees, (b) any agent or broker you obtain or solicit who becomes a contracted agent or broker with the Company, (c) any corporation or business entity owned or controlled by you which becomes a contracted agency or broker of the Company, and/or (d) any agent or broker subsequently appointed or obtained by any agent or broker appointed by the Company directly or indirectly through you or any agent or broker network you have contracted. All recruitment of agents and subagents by you to submit business under this Contract shall be subject to written approval by us. All contracts with agents and subagents shall be between the Company and such agents and subagents. We reserve the right to terminate any such appointments and contracts at any time. The Company shall not be party to any agreement between you and such agents and subagents and we shall have no responsibility with regards to such relationship except as expressly set forth herein.

3. Authority and Responsibilities of Agent. You are not authorized, and are expressly forbidden, to bind the Company by any promise or agreement, to incur any debt, expense or liability in Company's name or account, to enter into any legal proceedings in connection with any matter pertaining to our business, or to make, alter, waive or discharge any of the provisions of any Company Products. Except for that provided by the Company, any material, supplies, advertising or other printed matter mentioning the Company by name or relating to any of its products or that results in, or is intended to result in, the sale of any Company Product may be used, or be permitted to be used, in any medium only with our prior written approval. You may distribute all such materials provided or approved by the Company at your expense. Sammons Financial Group, Inc. ("SFG") is the insurance holding company of the Company and is the owner of all common law and statutory trademark rights and accompanying goodwill of the names and marks associated with the Company Products provided by the Company. You may use the trademarks only for the purpose of promoting, advertising and selling the Company Products and related services of the Company for which you are authorized. All of your use of the trademarks inures to the benefit of SFG, and you acquire no ownership rights by virtue of such use. Without exception, all consumer advertising (including websites) and agent-use only recruiting material or sales literature mentioning the Company or any of the Company Products or using any of SFG's trademarks must be submitted for advertising review and approval prior to use. You must make any changes requested by the Company related to your use of trademarks. You are prohibited from registering trademarks, domain names and trade names that consist of or contain any of SFG's trademarks or any colorable imitation of any of SFG's trademark names or marks.

You agree to: (a) procure applications for the Authorized Company Products; (b) promptly forward all applications and initial premiums to the Company; (c) take all reasonable steps to ensure that all Company Products are delivered to the policyholder in accordance with the Company's underwriting guidelines and published rules and procedures and as required by applicable laws and regulations; provided that in the event policy delivery is not possible then you must return the policies immediately to the Company; (d) make reasonable efforts to maintain Company Products and provide reasonable assistance to prospective and existing owners of Company Products; (e) operate in compliance with all applicable laws and regulations; (f) be aware of and comply with all of our rules, guidelines, procedures and practices provided or published by us; (g) supervise and be responsible for keeping your agents and subagents aware of our rules, guidelines, procedures, and practices provided or published by us; (h) exercise reasonable due diligence for the faithful performance, fidelity and honesty of your agents and subagents and maintain responsibility for all funds collected and business done by or entrusted to you and your agents and subagents; (i) promptly report to the Company, in writing, any known or alleged misappropriation of funds by any of your agents or subagents regardless of whether such known or alleged misappropriation is with respect to funds of the Company or funds of any other person or company; (j) fully cooperate with the Company in any investigation or proceeding of any federal, state or other regulatory or governmental body, or court, if we determine that the investigation or proceeding affects matters covered by or arising out of this Contract; (k) immediately notify us of any complaints or if served with any legal document through any medium or if you have knowledge of any legal or administrative action; (l) maintain any and all applicable licenses and registrations and be in good standing with all applicable federal, state and other regulatory authorities; (m) keep full and accurate records of the business transacted by you under this Contract and forward records to the Company as we may prescribe; (n) have and maintain a business continuity plan; and (o) have and maintain reasonable and effective policies and procedures for the detection and prevention of illegal activity, including anti-money laundering and anti-terrorism financing procedures and controls as more specifically described herein.

You agree to maintain all books of account, correspondence and all books and supplies pertaining to or used in connection with the business of the Agent under this Contract for at least ten years following termination of this Contract. You further agree that all such books and records shall at all times be open to the inspection or audit by the Company, including, but not limited to, the ten year period following termination of this Contract, and shall, upon the termination of this Contract, be surrendered to the Company on demand. The business of the Agent under this Contract shall belong exclusively to the Company and shall not be transferred or sold by you without the prior written approval of the Company, in our sole discretion.

4. Delivery; Premiums. All Company Products must be delivered in accordance with applicable federal and state laws, rules and regulations and the Company's current rules and regulations. Where applicable, delivery of a Company Product may be made only if the proposed owner of the Company Product at the time of delivery is, to the best of your knowledge and belief, in as good a condition of health and insurability as is stated in the applications for such Company Product, the first premium has been fully paid, and thirty (30) days has not elapsed from the date said Company Product was issued by the Company. A Company Product not so delivered shall be immediately returned to the Company so that it is physically received by the Company no later than three (3) days thereafter. For each Company Product issued in a form as applied for and returned for cancellation on account of non-acceptance by the applicant or which is rewritten by us at your request, we may require you, upon request, to reimburse us for the cost of underwriting requirements.

You shall immediately forward to the Company any initial premium taken with an application and you shall not at any time deduct for any commission due you or your agents or subagents. The initial premium shall be made payable to the Company

and shall not be commingled with your funds. You are not authorized to pay any premium personally, rebate premium to any policyholder, or collect any other premiums. Any premiums you do receive are received as a fiduciary and held in trust, and all initial premiums, entire or partial, taken with an application shall be immediately forwarded to the Company.

5. Company's Rights. We may, at any time and in our sole discretion: (a) discontinue any Company Product in any state; (b) change any Company Product, including, but not limited to, premium rate; (c) determine maximum or minimum policy limits; (d) change the conditions under which any Company Product may be offered; (e) change, amend, delete or add any Company procedures, guidelines or practices; (f) cease doing business in any state; (g) unilaterally amend the payment of commissions, bonuses, and benefits under this Contract as to amount, conditions, and vesting of payment, including, without limitation, all Commission Schedules to this Contract, provided such amendments will be effective upon being provided or made available to you and will be prospective in effect, where such amendments are provided via regular mail following the notice provision contained herein or by email, or made available by other electronic means, including, but not limited to, posting such amendments on a Company website to which you are given access; (h) determine whether to accept any applications and determine underwriting standards; (i) recapture from you vendor expenses for underwriting requirements when applications for Authorized Company Products are not received and when inappropriate underwriting requirements are ordered by you or your agents and subagents; (j) terminate any agent or subagent for any reason with appropriate notice; (k) appoint as agents or subagents those persons recruited by you who are deemed acceptable by the Company or choose not to contract or appoint any agent or subagent recommended by you for any reason; (l) reject applications for Company Products submitted by you or your agents and subagents without specifying the cause; (m) examine your records of the business transacted by you or your agents and subagents under this Contract at any time prior to and/or after termination of this Contract and to make copies of such records as we may deem necessary; and (n) periodically conduct background checks and review publicly available resources related to you, either by us or through a third party. Amendments, changes, revisions or updates to Company Products, Commission Schedules, and any policies, guidelines or procedures of the Company shall be considered effective by posting on a Company website to which you are given access. You acknowledge, understand and agree that you have the affirmative responsibility to regularly check such Company website for such amendments, changes, revisions or updates.

6. Compensation. You shall be paid commissions and service fees, if applicable, on premiums received by the Company (no commissions will be payable on premiums paid in advance until such premiums are earned as determined by then current Company policies, guidelines or procedures) in accordance with the applicable Commission Schedule provided or made available to you. First year and renewal commissions shall be paid as set forth in the applicable Commission Schedule. Commissions shall be payable by the Company to the Agent less any commissions paid to your agents and subagents and less any deductions that may be required because of indebtedness to the Company or its affiliates in accordance with Section 7 hereof; provided, however, we reserve the right to establish an aggregate minimum dollar amount for commissions to be issued. The minimum amount shall be determined by the Company in its sole discretion and may be changed by the Company from time to time at its sole discretion with or without notice to you.

Should the Company, in its sole discretion deem it appropriate at any time and for any reason to refund any premium or payment on which you or your agents and subagents were paid any commission, then such commission may be charged back against any other commissions that are due or become payable to you. In the event no other commissions are due or become payable, you shall repay to the Company upon demand any such commissions received by you or your agents and subagents that have been charged back by the Company.

Notwithstanding anything to the contrary herein, we reserve the right to unilaterally revise the commission rates or conditions on any one or all of the Company Products, including, but not limited to, the Authorized Company Products, at any time at our sole discretion or for compliance with applicable federal and state regulations.

7. Indebtedness. You shall repay the Company for any indebtedness arising from your sales activities or transactions and you shall be jointly and severally liable with any agents and subagents to the Company for the payment of all such amounts, including any advance or liabilities due or owed to the Company, including any affiliated entity of the Company, by you or any of your agents and subagents. Liabilities due or owed include any chargebacks, advances, loans or liabilities under this contract and any agents or subagents contract and liabilities created by your or any agent's and subagent's misfeasance or malfeasance concerning the Company's (and our affiliates) business and any other amount due under a contract, agreement or arrangement of any kind between said agents and subagents with the Company (or any of its affiliates). Transactions which may result in your indebtedness to the Company include, but are not limited to: (a) the payment of a death benefit, which would have been denied, but for your prior knowledge that any material misrepresentation had been made; (b) cancellation fees, if any, charged to you when a Company Product is canceled or refused; (c) causing the Company expense in defending against a charge that you violated an insurance law or regulation; (d) causing the Company expense in settling a consumer complaint or regulatory action arising out of alleged negligent, fraudulent, illegal, or unauthorized acts or transactions by you or your agents and subagents; and (e) any other transactions or activity by you which results in your indebtedness to the Company.

The determination of the amount of any liabilities or advances due or owed shall be at the sole discretion of the Company. Any indebtedness owed by you to the Company is a legal debt. The Company is hereby given a first lien upon any amounts due you, your estate, successors, or assignments under this Contract or any other agreement with the Company or its affiliates as security for payment of any indebtedness owed to the Company by you. Such amounts due from you shall be debited on the books of the Company with the amount of such obligation, when the same is due and unpaid from you or your agents and subagents to the Company, and on demand, you shall promptly pay the Company the amount of such debt. Notwithstanding the foregoing, your indebtedness, together with interest at a rate to be set by the Company from time to time, may be offset by any sum due to you or thereafter becoming due from the Company for the satisfaction of the debt. The Company at any time may pursue additional means to satisfy your then-outstanding indebtedness to the Company, and may assign its right to collect this debt.

The parties hereto agree the Company retains the absolute and unilateral right to settle and resolve all claims or causes of action, in its sole discretion, raised or asserted by any person, concerning the actions by you or any agents and subagents. Your joint and several liability shall not be contingent on your input or participation or notice of or concerning any such claims or assertions. You agree to indemnify the Company for any attorney fees, court costs, expenses, and/or money damages that the Company incurs in the collection of any indebtedness owed by you to the Company pursuant to this Contract, and/or for any legal action brought by or against you, your agents or subagents, and/or the Company arising out of or relating to this contract.

8. Indemnification and Liability; Insurance. You will indemnify and hold the Company harmless from all expenses (including reasonable attorneys' fees incurred by the Company), loss or damages (including punitive and extra contractual damages) suffered by the Company because of violation of, or refusal or failure to comply with the terms of this Contract or with any federal or state laws, rules or regulations, or resulting from unauthorized acts or transactions, errors or omissions by you or your agents and/or subagents in the performance of your services under this Contract.

AGENT MAY NOT BRING ANY ACTION OR CLAIM, REGARDLESS OF FORM, ARISING UNDER OR RELATING TO THIS CONTRACT AGAINST THE COMPANY MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED. IN THE EVENT OF LITIGATION ARISING UNDER OR RELATING TO THIS CONTRACT, IN NO EVENT SHALL THE COMPANY BE LIABLE TO YOU FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR LOST PROFIT DAMAGES OF ANY NATURE OR PUNITIVE DAMAGES. IN THE EVENT LITIGATION ARISES IN WHICH AGENT ASSERTS THE COMPANY TERMINATED THIS AGREEMENT IN VIOLATION OF SECTION 10, AGENT'S DAMAGES SHALL NOT EXCEED THE COMMISSION PAYMENT AGENT WOULD HAVE EXPECTED TO RECEIVE FOR ONE HUNDRED EIGHTY (180) DAYS FOLLOWING SUCH TERMINATION.

During the term of this Agreement, you agree to maintain professional errors and omissions liability insurance coverage in such minimum amounts and including such terms as we may, in our discretion, require and which we shall provide or make available to you. You must provide evidence of such coverage with submission of this contract and subsequent renewal of coverage each year and shall give us immediate written notification of cancellation or changes in coverage.

9. Privacy and Confidentiality. You shall follow the Company's published Privacy Policy and comply with all applicable federal and state laws, rules and regulations related to privacy, security and confidentiality of personal information. In addition, you and the Company both acknowledge that as a result of this Contract, each party may have access to and receive from the other party non-public personally identifiable financial and/or health information ("NPI"), as defined under federal and state law, regarding consumers, customers, former customers and/or their beneficiaries. The parties hereto agree to maintain the confidentiality of such NPI and shall not use, disclose, furnish or make accessible such NPI to anyone other than authorized employees and agents of the party as necessary to carry out the party's obligations under this Contract. The parties agree to cooperate with each other and provide reasonable assistance in ensuring compliance with applicable laws, rules or regulations, report to the other party any unauthorized breaches of NPI, and cooperate with any security assessment the other party may determine is necessary. Each party further agrees to establish and maintain administrative, technical and physical safeguards to protect the security, confidentiality and integrity of the NPI. At the request of the party that owns the NPI, or in the absence of such request, upon termination of this Contract, the other party shall promptly return all NPI which has been provided to it, or dispose of such NPI in a manner agreed upon by the parties, unless the party is required to maintain such NPI under federal or state laws or regulations. The obligations of confidentiality, non-use and non-disclosure set forth in this Section shall survive the return and/or destruction of such confidential information and the termination or expiration of this Agreement. Each party acknowledges that any violation of the provisions of this Section 9 by either party may cause the other party immediate and irreparable damage for which the non-breaching party cannot be adequately compensated by monetary damages. Therefore, in the event of any such breach, the non-breaching party shall be entitled to seek preliminary or other injunctive relief, an order for specific performance, and any other equitable relief that a court may determine to be appropriate, and the non-breaching party shall not be required to post a bond or any other form of surety upon obtaining such equitable relief. The parties agree that such equitable relief will be in addition to any damages or other remedies provided by law and otherwise available to the non-breaching party by reason of the other party's breach.

10. Termination.

(a) **Automatic Termination.** Except to the extent prohibited by applicable law, this Contract shall be automatically terminated, without notice, in the event you (i) cease to be licensed to sell the products offered by the Company, including being placed on suspended status, as required by a state insurance department or governmental body having jurisdiction over such licensing; (ii) fail to pay, withhold or misappropriate any money or property belonging to the Company; (iii) commit any felony; fraud; embezzlement; or other acts of moral turpitude; or (iv) upon your death. Should you be terminated under this Section 10(a), you will forfeit all your rights to any further payments under this Contract.

(b) **Termination by the Company.** The Company may terminate this Contract, at any time, by delivering or mailing written notice of such termination as provided in this Contract in the event the Company determines, in its sole and exclusive discretion that you have: (i) exposed the Company to potential liability due to your misfeasance or malfeasance (ii) failed to conform to the business policies, guidelines, procedures and/or practices of the Company; (iii) failed to comply with the laws, rules or regulations of any federal, state or other governmental agency or body having jurisdiction over the products offered by the Company; (iv) replaced any Company Products with contracts, policies or products issued by another Company; (v) induced holders of Company Products or other agents of the Company to leave the Company; (vi) failed to pay indebtedness owed to the Company or our affiliates in accordance with Section 7 of this Contract. (vii) Should this Contract be terminated for any of the reasons set forth in this Section 10(b), you will forfeit all your rights to any further payments under this Contract. For purposes of determining whether this Contract has been breached under this Section 10(b), the acts of all your employees, and any agents and subagents, as the case may be, shall be deemed your acts. The Company may also elect to exercise its right to terminate this Contract at any time, upon giving notice (as provided in herein), in the event of an involuntary assignment by you for benefit of your creditors; your bankruptcy; or your total and permanent disability.

(c) **Termination by Either Party.** This Contract may also be terminated by either party for any reason or no reason, with or without cause, by giving thirty (30) days advanced written notice to the other party. The Company retains the right, based on subsequently obtained information, to effect a termination as to any subsequently accruing commissions, for any of the reasons stated in the preceding subsections (a) and (b) above. The right of termination under this Section 10(c) is not restricted by the provisions in the subsections above.

(d) **Effect of Termination.** In the event this Contract is terminated due to your death or the termination of the Contract by either party as provided under subsection (c) above, you or your estate shall receive the payments under this Contract, if any; provided, however, that upon termination for death, the Company will pay to your estate the present fair market value as determined by the Company of all future payments owed under this Contract. All such payments shall be subject to offset for indebtedness as provided herein. Except as set forth in any applicable Commission Schedule, in the event this Contract is terminated due to any other reason set forth in this Section 10, you shall automatically forfeit any and all rights to any further payments due or to become due under this Contract, you shall immediately pay in cash to the Company any and all sums due and payable to the Company hereunder. In the event of the termination of this Contract for any reason, you and your agents and/or subagents shall immediately deliver to us all of the previously furnished materials, supplies, advertising and any other printed matter which mentions the Company by name, our rate books, and all other such supplies connected with our business. No Company Product information will be provided to you or any agents and/or subagents after termination of this Contract. Except as otherwise set forth herein, the obligations of you, and any agents and subagents arising under the Contract shall survive the termination of the Contract, whether such obligations arose prior or subsequent to the termination of this Contract. Until the effective date of termination, all rights of the Company to accept or reject applications for Company Products and determine underwriting standards as set forth in Section 5 of this Contract shall be applicable. Following the effective date of termination, all pending business and new applications will be rejected by the Company.

11. Assignment. You shall not have the right, power or authority to assign, pledge or hypothecate all or any portion of this Contract or its rights hereunder, or to delegate any duties or obligations arising under this Contract, voluntarily, involuntarily, or by operation of law, without the Company's prior written consent or acceptance in its sole discretion. In addition, you shall notify the Company at least thirty (30) days in advance of any assignment, assumption or other transfer of this Contract to another party will be subject to the Company's prior written consent or acceptance in its sole discretion, which shall include the right to request additional information of such new party. The Company does not assume any responsibility for, or guarantee the validity or sufficiency of any assignment. No assignment shall be operative while any indebtedness to the Company remains unsatisfied and any such assignment shall be subject to any existing or future indebtedness of yours to the Company hereunder.

12. Entire Agreement; Amendments. This Contract, including all schedules hereto no matter how provided or made available to you, contains the entire agreement between us with respect to the subject matter hereof and supersedes all prior oral and written agreements, understandings and commitments between us. Supplements to this Contract, including the applicable

Commission Schedule(s), shall run concurrently with this Contract and are subject to the terms and conditions hereof, except as specifically modified by the supplement. Commission Schedules may be updated, amended, revised or modified by the Company in its sole discretion effective upon such updated, amended, revised or modified Commission Schedules being provided or made available to you (using the means set forth herein), which updated, amended, revised or modified Commission Schedule shall be considered accepted by you as a result of your continuing to write business under this Contract. Except as expressly set forth herein, no other amendments or modifications to this Contract may be made except by writing signed by you and the Company.

13. No Waiver. No modification or waiver of this Contract, or any terms hereof, shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Contract shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

14. Severability. Any provision or part of this Contract which is invalid or unenforceable in any situation, in any jurisdiction, shall, as to such situation and such jurisdiction, be ineffective only to the extent of such invalidity and shall not affect the enforceability of the remaining provisions hereof, or the validity or enforceability of any such provision in any other situation or in any other jurisdiction.

15. Anti-Money Laundering. You agree to comply with all applicable anti-money laundering ("AML") laws, regulations, rules and government guidance currently and as may be amended, including, but not limited to, the reporting, record keeping and compliance requirements of the Bank Secrecy Act ("BSA"), as amended by The International Money Laundering Abatement and Financial Anti-Terrorism Act of 2002, Title III of the USA PATRIOT Act (the "Patriot Act"), its implementing regulations, and related SEC, NASD and other self-regulatory organization ("SRO") rules. These requirements include requirements to identify and report currency transactions and suspicious activity, to implement a customer identification program to verify the identity of customers and to implement AML compliance program that includes policies, procedures and internal controls for complying with the BSA; policies, procedures and internal controls for identifying, evaluating and reporting suspicious activity; a designated compliance officer or officers, training for employees and registered representatives; and an independent audit function.

You represent that, to the extent required by the BSA, the Patriot Act and any of their implementing regulators or other related SEC, NASD or SRO rules, you have established and maintain a comprehensive AML compliance program, including but not limited to a Customer Identification Program ("CIP"). You certify that your CIP, at a minimum, requires: (i) the verification of identity of any customer seeking to open an account; (ii) the retention of record of the information used to verify each customer's identity; and (iii) the determination, within a reasonable time before or after the account is opened, as to whether the customer appears on any lists of known or suspected terrorist organizations as provided to it by any government agency. In addition, you agree that you will verify the identity of each customer you introduce to the Company, or its affiliates where applicable, whether through documentary or non-documentary means, and hereby acknowledge that the Company, or its affiliates where applicable, shall rely upon such verification, as prescribed by the regulations promulgated under Section 326 of the Patriot Act in accordance with the safe-harbor provided in Section 103.122(b)(6) of the regulations under the Patriot Act. You certify, and shall certify to the Company, or its affiliates where applicable, annually hereafter, that you have: (i) provided AML training to your agents and subagents and that such AML training is in full compliance with the final regulations set by the U.S. Treasury, and any subsequent updates, revisions, changes made; and (ii) established and implemented a CIP, in compliance with applicable laws, as part of your AML compliance program.

Further, you agree to comply with the economic sanctions programs administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"). You certify and shall certify to the Company, or its affiliates where applicable, annually hereafter, that you have an OFAC compliance program in place which includes procedures for checking customer names and the names of persons with signature authority over accounts against the OFAC lists of sanctioned governments and specially-designated nationals, terrorists and traffickers; the screening of wire transfers and other payments against the OFAC lists; a designated compliance officer; an internal communication network; training of appropriate personnel; and an independent audit function. You agree to promptly notify the Company whenever questionable activity, suspicious activity or OFAC matches are detected. You further agree to investigate any potentially suspicious activity and to take appropriate action, including the blocking of accounts, the filing of suspicious activity reports and the reporting of matches to OFAC.

16. Prior Contracts. This Contract replaces all other contracts between you and the Company, except as to vested rights under such prior contracts. All prior contracts are otherwise terminated effective as of the Effective Date hereof.

17. Notice. Except as provided herein, any notice or other communication under this Contract shall be in writing and shall be considered given when (i) mailed by U.S. mail return receipt requested; (ii) by a nationally recognized courier service (e.g., Federal Express); or (iii) via electronic means to the Agent at your physical or e-mail address on record with the Company. Any

legal notices to the Company shall be sent to the attention of General Counsel at P.O. Box 14432, Des Moines, IA 50306-3432; all other communications or notices regarding the administration of this Contract or the Company Products shall be sent electronically to your e-mail address on record with the Company. Either party may change the address to which such notices are to be addressed by giving the other party notice in the manner herein set forth.

18. Counterparts. This Contract may be executed in two or more counterparts, including via electronic means and use of your signature, including an electronic signature, on this Contract and related forms, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

19. Construction. This Contract shall not be construed more strongly against any party regardless of who was more responsible for its preparation. The captions and headings of the sections of this Contract are for convenience of reference only and are not to be considered in construing this Contract. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural.

20. Choice of Law and Forum. This Contract, and the legal relations between the parties hereto, will in all respects be governed by, and construed and enforced in accordance with, the laws of the State of Iowa. The parties agree that all actions or proceedings arising in connections with this Agreement shall be tried and litigated exclusively in the State and Federal courts located in the County of Polk, State of Iowa, except such action as may be necessary by the Company to protect, preserve and realize its interest in your assets located in another jurisdiction. This choice of venue is intended by the parties to be mandatory and not permissive in nature, thereby precluding the possibility of litigation between the parties with respect to or arising out of the Contract in any jurisdiction other than that specified in this paragraph. Each party hereby waives any right it may have to assert the doctrine of *forum non conveniens* or similar doctrine or to object to venue with respect to any proceeding brought in accordance with this paragraph, expressly submits themselves to the jurisdiction of the named courts for these purposes, and stipulates that the State and Federal courts located in the County of Polk, State of Iowa shall have *in personam* jurisdiction and venue over each of them for the purpose of litigating any dispute, controversy, or proceeding arising out of or related to this Contract. Each party hereby authorizes and accepts service of process sufficient for personal jurisdiction in any action against it as contemplated by this Section by registered or certified mail, to its address for the giving of notices if specifically set forth in this Contract and if not, to its last known address. Any final judgment rendered against a party in any action or proceeding shall be conclusive as to the subject of such final judgment and may be enforced in other jurisdictions in any manner provided by law.

21. Waiver of Jury Trial. TO THE EXTENT AUTHORIZED BY LAW, THE AGENT AND COMPANY HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS CONTRACT, OR ANY INSTRUMENT OR DOCUMENT DELIVERED IN CONNECTION THEREWITH.

Your receipt of any compensation from the Company or your submission of the agent application, and your execution thereof, is hereby incorporated herein as acceptance of this Contract and the terms and conditions hereof, which Contract shall be deemed in full force and effect pursuant to and in accordance with Section 1 herein.

Executed as of the Effective Date

NORTH AMERICAN COMPANY FOR LIFE AND HEALTH INSURANCE®

By (Signature on Contract Application incorporated herein)
Agent

By _____
Company Officer

By (Signature on Contract Application incorporated herein)

Sammons FinancialSM 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.

AGENT CONTRACT TRANSMITTAL FORM

PLEASE PRINT ALL INFORMATION CLEARLY

Complete this form for new agents (supervised by another agent), or to make changes to an existing agent's commission level and/or supervising agent (also known as the upline hierarchy).

☐ New Agent

☐ Existing Agent Code _____

Agent and/or Agency Name (please print)

Contract Level for Agent

Any pending annuity business will be paid according to the agent contract (if any) in effect prior to receipt of this Transmittal Form by North American Company for Life and Health Insurance.

Commissions are payable based on the date on which the annuity application was signed - not the date that commissions are actually paid by North American.

Agent Signature

Signature Date

Supervising Agent Name - Agent Code (please print)

Signature Date



**AFTER COMPLETING THIS FORM,
PLEASE FAX BACK TO 866-322-7072**



North American Company
for Life and Health Insurance

Annuity contract transmittal form



Agent name: _____ Agent code (if known): _____

If New Business is submitted with or prior to a contracting application or contract change please indicate below:

Issue state of pending business	Client name	Contract number
---------------------------------	-------------	-----------------

Choose the contract type and level for the agent/agency:

Contract type: ☐ License only producer ☐ Producer ☐ Distributor ☐ Contract change (Agent signature required)

Commission level

Complete the reporting broker dealer information if registered or affiliated with BD:

Broker dealer	Code	CRD number
---------------	------	------------

Indicate the appropriate hierarchy below:

Immediate upline name*	Code
Top level upline name*	Code

* Required field

Comments or special instructions:

Any pending business will be paid according to the agent contract (if any) in effect prior to receipt of this Transmittal form by North American Company for Life and Health Insurance®.

Certain states require a supervising agent/agency to be licensed to receive override commissions. If a license is not held in these states when business is written, override commissions will not be paid.

Distributor signature	Distributor number	Date (mm/dd/yyyy)
Agent signature (if applicable)	Agent code	Date (mm/dd/yyyy)

Life Contract transmittal



Agent name (please print):		Agent code (if known):
Issue state of pending business	Client name	Policy number

Choose the Contract type and commission level for the agent/agency:

Contract type: ☐ License only producer ☐ Producer ☐ General agency ☐ Contract change (agent signature required)

Commission level: _____

Please indicate the appropriate hierarchy below:

Immediate upline name* _____ Code _____

Top level upline name* _____ Code _____

*Required field

Comments or special instructions:

Any pending business will be paid according to the agent contract (if any) in effect prior to receipt of this transmittal form by North American Company for Life and Health Insurance®.

Certain states require a supervising agent/agency to be licensed to receive override commissions. If a license is not held in these states when business is written, override commissions will not be paid.

MGA/Distributor signature:	MGA/Distributor code:	Date (mm/dd/yyyy):
Agent signature (if applicable):	Agent code:	Date (mm/dd/yyyy):



O2682

Business entity certificate



This Certificate is delivered to North American Company for Life and Health Insurance® (the "Company"), pursuant to the contract application on behalf of _____ [name of entity], a _____ [State of entity's domicile; insert type of entity: corporation; limited liability company; partnership; sole proprietorship] to be a Producer or Distributor of the Company (the "Contract Applicant").

The undersigned, on behalf of the Contract Applicant, and not in his or her individual capacity, hereby certifies to the Company as follows:

1. The undersigned is authorized to execute and deliver this Certificate on behalf of the Contract Applicant.
2. The Federal Tax I.D. of the Contract Applicant is: _____.
3. The officers of the Contract Applicant are (attach additional pages of necessary) *(Required for Corporations and LLC's; only required for other entity types if applicable)*:

Name	Office
	President
	Vice president
	Secretary
	Treasurer

4. The directors or managers of the Contract Applicant are (attach additional pages if necessary) *(Required for Corporations and manager-managed LLC's; only required for other entity types if applicable)*:

Name	Director/manager

5. The four (4) largest stockholders, members or partners of the Contract Applicant are *(Required of all entity types)*:

Name	Name

6. As of the date of this Certificate, the following persons are those authorized to execute each document to which the Contract Applicant is or will be a party and who is authorized to act on behalf of the Contract Applicant. *(Required for all entity types)*:

Name	Office

IN WITNESS WHEREOF, the undersigned has executed this Certificate this _____ day of _____, 20_____.

Signature

Printed name

Title



02839

Commission direct deposit authorization form



Instructions

It is North American's policy to deposit your commissions directly to an account of your choosing at any designated financial institution. Please be advised, all active and terminated codes for each designated line of business will be updated per this request.

1. Mark the appropriate box specifying the line of business the direct deposit information applies to.
2. Mark the appropriate box specifying that your pay will be deposited to either your checking account or savings account.
3. Complete the requested information about you, your financial institution, and your account.
4. Submit a voided check for verification of all financial institution information.
5. Review and sign the completed form.

Complete all fields below

Line of business (check all that apply) ☐ Annuity ☐ Life

Type of account (select one)

☐ Checking account - **Voided check required.**

☐ Savings account - Provide account verification information on bank letterhead.

Financial institution's name	Financial institution account owner
Agent/agency name	Agent/agency code(s)
Routing number	Account number

Authorization

Only one bank account per Social Security number (SSN) or Tax Identification number (Tax ID) is allowed for each line of business (Life/Annuity).

Should an incorrect deposit be made, the financial institution is authorized to debit my account and return the funds to North American.

Taxable earnings will be reported on the Tax ID in which they are earned, regardless of the payee/account to which they are paid.

In the event you incur a commissions debt to North American we will not debit your account without prior permission from you.

This agreement will remain in effect until I have cancelled/changed it in writing.

I authorize North American and the financial institution listed above to automatically deposit my payable and net amounts earned.

Agent/principal signature	Date (mm/dd/yyyy)
---------------------------	-------------------

Voided check required

Commission direct deposit authorization form



Instructions

It is North American's policy to deposit your commissions directly to an account of your choosing at any designated financial institution. Please be advised, all active and terminated codes for each designated line of business will be updated per this request.

1. Mark the appropriate box specifying the line of business the direct deposit information applies to.
2. Mark the appropriate box specifying that your pay will be deposited to either your checking account or savings account.
3. Complete the requested information about you, your financial institution, and your account.
4. Submit a voided check for verification of all financial institution information.
5. Review and sign the completed form.

Complete all fields below

Line of business (check all that apply) ☐ Annuity ☐ Life

Type of account (select one)

☐ Checking account - **Voided check required.**

☐ Savings account - Provide account verification information on bank letterhead.

Financial institution's name	Financial institution account owner
Agent/agency name	Agent/agency code(s)
Routing number	Account number

Authorization

Only one bank account per Social Security number (SSN) or Tax Identification number (Tax ID) is allowed for each line of business (Life/Annuity).

Should an incorrect deposit be made, the financial institution is authorized to debit my account and return the funds to North American.

Taxable earnings will be reported on the Tax ID in which they are earned, regardless of the payee/account to which they are paid.

In the event you incur a commissions debt to North American we will not debit your account without prior permission from you.

This agreement will remain in effect until I have cancelled/changed it in writing.

I authorize North American and the financial institution listed above to automatically deposit my payable and net amounts earned.

Agent/principal signature	Date (mm/dd/yyyy)
---------------------------	-------------------

Voided check required

North American annuity contracting checklist



This checklist is intended to provide you with a list of steps to help have a successful appointment with North American.

Follow these easy steps to get an agent contracted:

☐ **Complete a Contract application in its entirety.**

- If you are contracting your corporation, include your name and Social Security number as well as the corporation's name and Taxpayer ID number.
- If you have a Broker/Dealer, include their information.
- If you are a resident of California, Minnesota or Oklahoma, the Credit authorization form is required.

☐ **Transmittal form**

This form will need to be completed by your supervising entity, FMO or MGA office.

☐ **Include proof of current Errors and Omissions (E&O) coverage (declaration page).**

North American requires coverage of \$1 million aggregate and \$1 million per occurrence. Typically this comes in the form of a declaration page from the contract.

☐ **Anti-Money Laundering (AML)**

This is a USA PATRIOT ACT requirement. We have LIMRA training available to you or, if you have completed this through another source, provide a copy of the certificate for the course completed.

☐ **It is required to have your commissions deposited directly into your bank account. Send a completed Direct deposit authorization form along with a voided check. Please be sure to complete the form in its entirety.**

Annuity product training:

☐ **Annuity product training** may be required to be completed **before** the solicitation of annuity business as deemed necessary by the specific state in which you are writing business.

- The product training must be completed before any pending annuity business will be processed.
- To complete product training via the RegED Platform, visit <https://secure.reged.com/TrainingPlatform/> at any time to register your account.

☐ **Read the product details of Fixed annuity product guide.**

☐ **State-specific suitability CE requirement as applicable**

Be sure to check with your state's department of insurance for any suitability requirements that are required to sell annuities. The state-specific suitability requirement is for both residents and non-residents alike to be completed as the states deem necessary before soliciting annuity business.

☐ **Read the procedures outlined in the Annuity Compliance manual.**

Note: If you are submitting a new business application, please complete the above requirements prior to meeting with the client. This will help your future business process efficiently.

Life contracting checklist



This checklist is intended to provide you with a list of steps to help have a successful appointment with North American Company for Life and Health Insurance.®

Follow these easy steps to get an agent contracted:

☐ Complete a Contract application in its entirety.

- If you are contracting your corporation, include your name and Social Security number as well as the corporation's name and Taxpayer ID number.
- If you have a Broker/Dealer, include their information.
- If you are a resident of California, Minnesota or Oklahoma, the credit authorization form is required.

☐ Transmittal form

This form will need to be completed by your supervising entity, FMO, or MGA office.

☐ Include proof of current errors and omissions (E&O) coverage (declaration page).

North American requires coverage of \$1 million aggregate and \$1 million per occurrence. Typically this comes in the form of a declaration page from the Contract.

☐ Anti-Money Laundering (AML)

This is a USA PATRIOT ACT requirement. We have LIMRA training available to you or, if you have completed this through another source, please provide a copy of the certificate for the course completed.

☐ It is required to have your commissions deposited directly into your bank account. Send a completed direct deposit authorization form along with a voided check. Be sure to complete the form in its entirety.

☐ Read the procedures outlined in the Life Compliance guide.

Note: If you are submitting a new business application, please complete the above requirements prior to meeting with the client. This will help your future business process efficiently.



O2916

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-				-	
or									
Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ►	Date ►
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

Credit authorization for:
California, Minnesota and Oklahoma Residents



Thank you for completing an application for appointment with North American Company for Life and Health Insurance®.

Under state law we must inform you that we utilize Business Information Group, Inc., a consumer-reporting agency, to obtain records of employment history, credit history, financial status, or record of any illegal activity on applicants for appointments with our company. Your signature on the Contract application authorizes North American, or its duly authorized representative, to contact Business Information Group, Inc., its successors, or any organization designated to replace Business Information Group, Inc., in order to obtain a record of employment history, credit history, financial status, or record of any illegal activity on you; and also authorizes the release of such information by Business Information Group, Inc., its successors, or any organization designated to replace Business Information Group, Inc. in connection with your application. In addition, your signature on the application authorizes North American to release information about any debit balance you may incur to Vector One, its successors, or any organization designated to replace Vector One.

With your signature below, we will obtain an employment-only credit check that does not include a credit score. An employment credit check will not negatively affect your credit score or status with the credit-reporting agencies.

Also, under state law, you are entitled to a copy of the record North American obtains from Business Information Group, Inc. Please indicate by checking the appropriate box whether or not you would like a copy of the report.

- ☐ Yes, send a report to the residence address I indicated on my application.
- ☐ No, I do not wish to have a copy of the report sent to me.

Send this authorization back along with your completed Contract application, including your signature and report choice above in order to complete the processing of your application. Your agent Contract will remain at a pending status and a consumer report will not be ordered until this requirement is satisfied. Thank you.

Signature	Social Security number	Date (mm/dd/yyyy):
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Advance addendum



Distributor/Producer information

Distributor/Producer name (please print):

Distributor/Producer code:

In signing this advance addendum, I acknowledge I have read the applicable terms and conditions. I understand that advance amounts will be distributed in the same cycle as my standard compensation. I understand any amounts paid as advance commissions are loans. In the event I am no longer under Contract, any unearned advance commission amounts paid to me are to be repaid to the company on demand. The company reserves the right to accept or reject this addendum and I understand and acknowledge the company may terminate this addendum at any time and for any reason. This addendum shall terminate automatically upon termination of my Contract with the company.

Please set maximum amount of advance per annualized policy at \$ _____ ("Advance cap").

Signature of distributor/producer (required):	Date (mm/dd/yyyy):
Signature of distributor (required):	Date (mm/dd/yyyy):

Please retain a copy of this addendum for your records and send the original to the company.

Terms and conditions

1. Definitions.

- a. All capitalized terms not otherwise defined in this addendum shall have the meaning set forth in your Contract with the company (the "Contract").
- b. An "advance commission" is an annualization of a percentage of first year commissions on new business to you. Advance commissions are computed by multiplying the advance percentage by the first year commission rate for new business, as specified in the applicable commission schedule. Commissions will only be annualized in year 1 of the company product.
- c. The "advance percentage" is the percentage of first year commissions that the company will pay you. The advance percentage is identified above and may be modified from time to time by the company upon written notice to you as set forth in the Contract.
- d. "Annualized policy" means new business for which an advance commission has been paid to you.
- e. "New business" means a life insurance policy issued by the company for which the company has received full payment of the first modal premium and all outstanding policy requirements. New business does not include annuities or unscheduled or excess premiums on universal life products.
- f. "Unearned advance commissions" means advance commissions for which the first year commission on new business has not been earned.

2. Advance commission payment.

- a. The company will pay an advance commission to you on new business eligible for advance. The company reserves the right, in its sole discretion, to determine whether new business is eligible for advance under this addendum.
- b. An advance commission will be reported as income for tax purposes at the time it is paid to and received by you.
- c. The company will credit first year commissions, as those commissions are earned, against the sum of advance commissions paid on annualized policies pursuant to the automatic commission withholding process set forth in section 3. Any remaining balance of first year commissions, after crediting those commissions against paid advance commissions, will be paid to you as earned.
- d. Commissions will not be paid outside of the regular cycle for advances.

- e. The advance addendum must be submitted with new contracting or before your first policy is placed in force. Advance is not eligible for retroactive commissions on any policy that is placed in force and has paid out.
- f. The maximum advance amounts allowed as a percentage of advance commissions shall be seventy-five percent (75%).
- g. The company reserves the right to determine the maximum amount of Advance commissions to be paid in any calendar month to you.
- h. The advance cap is the maximum amount of advanced commissions to be paid on new business. Such amount shall not exceed: \$10,000.

3. Automatic commission withholding process

- a. Agent shall be provided a commission statement via the company's website, which statement shall accumulate new available advance commissions and generate electronic funds transfers for amounts payable of \$50 or more.
- b. Advance commissions will be deposited to your bank account on the second working day after a commission cut-off is completed.
- c. In consideration for receipt of advance commissions under the advance Addendum, you authorize the company to withhold first year commissions earned on an annualized policy until the sum of those first year commissions equals the amount of advance commissions paid for that annualized policy.
- d. If first year commissions earned on an annualized policy are insufficient to offset unearned advance commissions for that annualized policy, the company reserves the right to offset any unearned advance commissions from all first year and renewal commissions otherwise be payable to you.
- e. In the event an outstanding balance of unearned advance commissions exists despite (c) and (d) above, the company reserves the right to seek repayment of that outstanding balance from you pursuant to the Contract.
- f. Any indebtedness incurred under this Addendum for which recovery cannot be made pursuant to (c), (d) or (e) of this Section 3 shall be governed by the terms for indebtedness included in the Contract.

4. The terms and conditions of the Contract are applicable to this addendum.



O-2844

Compliance guide for producers



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I. Introduction

North American takes great pride in being an industry-leading provider of life insurance and annuities for our distribution partners and the customers who purchase our products. We are committed to following fair and ethical principles in the sale of life insurance and annuities, and as an independent producer contracted to represent North American, we believe you share in this commitment.

It is important that you are fully aware of the applicable laws and regulatory requirements that affect our industry. We believe following high standards of market conduct strengthens our competitive advantage and enables you to focus on developing relationships with customers to offer them appropriate products and services.

We are providing this Compliance Guide to help you remain informed and aware of North American's policies and your role as an independent sales producer. These policies may periodically be superseded by regulatory announcements and other communications from the Company. By accepting appointment with North American, you are consenting to comply with applicable state and federal regulatory requirements and to adhere to Company policies and procedures.

All insurance producers must understand and comply with the state and federal laws that apply in the jurisdictions where they do business. In states that have not yet adopted laws and regulations regarding a particular topic, it is prudent for producers doing business in those states to adhere to the standards set forth in model laws. Producers are encouraged to review state insurance regulator websites for specific information.

Demonstrating the highest ethical standards in all dealings with the Company and customers is essential to the relationship we have with you. Violations of regulatory requirements or Company policies may result in action up to and including termination of your contractual relationship with the Company.

You may access this Compliance Guide any time online through the agent portal at NorthAmericanCompany.com in the Training Center.

II. Fair Competition

North American will engage in active and fair competition and believes that such competition is the most effective and efficient means of providing products and services to customers. Such competition; however, must be carried out in a manner consistent with applicable laws, including those that exist to preserve a competitive economy in which free enterprise can flourish. North American supports the purposes of such laws and insists that producers act in full compliance with applicable federal and state statutes and regulations governing trade practices, antitrust, and restraint of trade. North American and its producers will:

- Comply with applicable state and federal laws fostering fair competition;
- Refrain from using or producing any manner of misrepresentative or false advertising;
- Refrain from making, publishing, disseminating or circulating, directly or indirectly, or aiding, abetting or encouraging the making, publishing, disseminating or circulating of, any oral or written statement which is false or maliciously critical of, or derogatory to the financial condition of an insurer, for the purpose of injuring any person or insurer engaged in the business of insurance;
- Refrain from entering into any agreement to commit or by any concerted action committing

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any boycott, coercion, or intimidation resulting in an unreasonable restraint or monopoly in the business of insurance;

- Make no agreement or understanding with competitors to fix or control prices, to allocate products, markets or territories, to boycott certain customers or suppliers, or to refrain from or limit the sale of any product; and
- Avoid replacing existing life insurance policies and annuity contracts without meeting the requirements of applicable federal and state law, or without providing information to the customer that he or she needs in order to ascertain whether replacement of existing contracts may be in his or her best interest.

Except as set forth above, in order to meet the requirements of applicable state and federal law, North American will compete freely and actively in markets or market segments determined by its management to be appropriate and consistent with its marketing plans and goals, both financially and in the marketplace. A violation of the above guidelines by any producer will result in action including, if appropriate, termination of his or her contractual relationship with the Company.

III. Marketing Considerations

Professional Designations, Titles, and Tax Advice

The nature of our business requires a high degree of transparency and accuracy in how we present our professional credentials to the public. Certain state solicitation regulations require that, prior to a sales presentation, you inform a prospective purchaser that you are an insurance producer and disclose your full name. When soliciting the sale of North American products, be certain your customers understand what capacity you are acting in. It is your responsibility to know and comply with each respective state's regulatory requirements for all states in which you conduct business.

Much of what insurance producers do is involved with the planning and advising on financial matters; however, from a regulatory perspective, "financial planning" requires qualifications, knowledge, and coordination of products and services that goes far beyond the training and education required of producers limiting their offerings to fixed and variable insurance products. Accordingly, during the sale of a North American product, you may not use the following or similar titles in such a way as to imply that you are generally engaged in an advisory business in which fee-based compensation is unrelated to sales, unless that is actually the case and you are properly registered as an investment advisor representative.

- "financial planner"
- "investment advisor"
- "consultant"
- "financial counselor"

Note that this prohibition is not intended to preclude persons who hold some form of formal recognized financial planning or consultant designation from using the designation even when they are only selling insurance; however, **producers are not permitted to charge a fee for services that are customarily associated with the solicitation or servicing of a life insurance policy or annuity contract.**

Practice good judgment and encourage your customers to consult with other professionals on matters that you are not qualified and/or licensed to discuss, such as matters pertaining to legal or tax issues. While you may discuss the general tax treatment of the Company's products, you

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should not offer or be viewed as offering tax, legal or investment advice for specific circumstances, unless you are qualified and authorized as such and clearly disclose to the customer that you are acting in that capacity and not as a producer of North American. The Company will not be responsible for any tax consequences that may arise or result from any transaction.

Senior-Specific Certifications and Professional Designations

Professional designations used to solicit insurance products, particularly designations that imply an insurance producer has achieved special expertise in the area of financial planning and/or are related to senior markets, have come under heightened scrutiny from various state and federal regulators. The focus is primarily on designations that lack substance and/or are awarded to any person who pays a fee or completes a minimal amount of study.

The National Association of Insurance Commissioners (“NAIC”) has adopted its Model Rule on the Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities, and various states have enacted the rule or their own version of it. These laws seek to protect consumers from producers who misrepresent their level of expertise in marketing and sales activities related to life insurance and annuities.

In order to prevent the use of designations that lack substance, incorrectly imply expertise in the special needs of seniors, and/or are issued by organizations primarily engaged in marketing or sales instruction, North American requires that all designations must be approved prior to use on all advertising, including but not limited to mass mailings, business cards, email signatures, letterhead, seminar presentations, and websites, and in relation to solicitation of the Company’s products.

The Company has developed a limited list of approved designations associated with the business of insurance, and producers who have properly earned an approved designation(s) may use such designation(s) in relation to the advertising and solicitation of North American products.

To review a list of currently approved designations, please refer to our website, NorthAmericanCompany.com. You will find the Professional Designations list in the Training Center under Compliance Information. Please be certain to keep any sales materials and website(s) that you maintain current and compliant.

North American may evaluate designations and certifications that represent a meaningful achievement through sufficient coursework, examinations and experience, and which are issued and accredited by nationally recognized organizations, for use in advertising on a case-by-case basis. Questions or requests for review should be submitted to the North American Advertising Review department at AdReview@sfgmembers.com.

Selling Appropriately and Accurately

Products change quickly in today’s marketplace. Make sure you understand the benefits and features of the products you are recommending. Make clear and competent presentations to be sure your customers understand how the product you are recommending works and how it will help address their needs and objectives.

You are required to carefully consider each customer’s circumstances and future expectations when making product recommendations. While we expect you to customize your sales presentation to fit particular customers, it is essential that you describe product features –

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including limitations and charges – accurately and clearly. We strongly recommend you refer to the product brochure and any required disclosure statements to assist you in describing product features. These documents are worded to describe the way the product works in language that your customer will likely understand. **A copy of the product brochure and all other sales materials must also be left with the customer.**

Practical Matters to Consider with Senior Customers and Vulnerable Adults

There are many important matters to consider when dealing with senior customers and vulnerable adults. Although the following guidelines are not comprehensive, they do illustrate some points to consider. Selling life insurance or annuities to seniors requires special care and diligence. Senior Protection legislation has been adopted in most states. Along with suitability, replacement and consumer protection laws, this legislation generally provides broad protection to seniors. North American producers are expected to be familiar and comply with the applicable laws of the states in which you conduct business.

Although producers cannot be expected to “diagnose” mental or cognitive impairment, those who work with senior customers and vulnerable adults should always be alert to issues regarding the competency of the customer. It is unethical to sell insurance products to a person who appears to suffer from mental impairments and cannot understand the basic features of the products. It is also against the law in many, if not all, states.

Various indicators can be used in determining whether the prospective insured may have diminished capacity and their ability to make decisions is impaired. This can include, but is not limited to, the following indicators:

- Another family member seems to be making all the decisions for the customer
- The person has a legal guardian, lives in a long-term care facility, or has a developmental disability
- The person exhibits memory loss, inability to process information or gives confusing or conflicting information
- The person forgets appointments or to return phone calls
- The person shows signs of fearfulness, extreme anxiety, erratic behavior or dementia

While a producer is not expected to be able to assess the cognitive function of a senior, many states expect producers to understand that any person of unsound mind is legally restricted from entering into an insurance contract. If it is determined that a policy is purchased by a person who is not competent to make such a decision, North American reserves the right to rescind the contract and chargeback any commissions paid.

Many seniors are conservative by nature in financial strategies. Whenever you have doubt, it is always best to rely on more conservative strategies and recommendations.

Many people go through “buyer’s remorse” after making a major financial decision. Again, proper documentation, a conservative strategy and making sure that the customer fully understands what they have purchased will help address this issue.

Some seniors may give the impression of being “market-savvy” because they might have owned stocks/bonds or mutual funds in the past but realistically have little or no market knowledge. Producers must not assume that seniors (or any customer) understand insurance concepts without proper instruction. Most seniors have other advisors, such as a Certified Public Accountant (CPA), a tax advisor, an attorney, producer-in-fact or even family members. These advisors may have different recommendations for the senior customer. It may be beneficial to

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include these advisors. Additionally, we recommend that you offer to involve a senior customer's family members in your discussions.

Advertising Guidelines and Review

Advertising includes any material, written or electronic, that is designed for distribution to the general public, producers, or prospective producers, including but not limited to:

- Print and all other forms of media advertising (e.g. newspaper, magazine, TV, radio) including "pre-approved" ad slicks that have been personalized
- Internet and Internet websites or home pages and any form of e-commerce, which must be submitted with link to website or in printed format
- Product brochures, circulars, pamphlets and published articles
- Sales presentations, prepared sales talks, seminar/symposium presentations and handouts, telemarketing scripts and materials (includes guest presenter materials at sales or producer meetings and events)
- Newsletters, research reports and performance reports or summaries
- Prospecting, target market and form letters
- Emails or email signatures referencing the North American name, logo, description, products, services, rates or features
- Lead cards and lead generating material
- Business cards and letterhead
- Producer biographies
- Producer recruiting and training materials
- Sales illustrations
- Third-party software
- Materials used to recruit other producers
- Facebook, Twitter, LinkedIn, Phonebook and Yellow Page listings
- Websites that contain any North American material, name, or logo

Without exception, all consumer-focused advertising and "producer use only" recruiting material or sales literature mentioning North American, or referencing any of our products and services, must be approved by the Advertising Review Team before use. This includes products referenced by name, description, rates, or features.

Generic ads that do not specifically reference North American or our products by name, feature, or description, are not required to be submitted. However, it is your responsibility to understand and apply all advertising requirements for any material considered advertising under this policy. If you choose to submit generic ads, we will be happy to assist you by reviewing for general information, accuracy, and compliance with Company marketing standards and rules. We may also make suggestions to help you comply with state laws and regulations. While we may suggest revisions based on this review, we will not provide approval on generic ads.

The Advertising Review Team offers streamlined procedures for submitting advertising for review and approval via e-mail to AdReview@sfgmembers.com. Periodically new issues arise pertaining to advertising. At those times special bulletins are released to advise you of changes and possible necessary revisions to advertising pieces. The Company's complete Agent Advertising Guidelines may be accessed through the agent portal at NorthAmericanCompany.com. Producers are required to review and follow these guidelines. If you are uncertain whether or not something falls within the definition of "advertising," you may contact the Advertising Review Team for guidance. The Advertising Review Team does not provide assistance with general branding or design.

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Annuity Illustrations

If you use a Company-provided illustration as part of your solicitation process, you must ensure this is disclosed on the application paperwork and the Company will provide an updated illustration when the contract is issued.

It is our general policy that no outside sales illustrations, proposals, projections, or software be used during the application, sale, purchase, or any other aspect of marketing our fixed index annuity products, other than Company illustration software and calculators. This includes, but is not limited to, sales illustrations, proposals, projections, or software that provide hypothetical or past index performance to demonstrate or predict product returns.

Life Insurance Illustrations

State regulations require the Company to obtain an illustration signed by both the producer and the applicant for all products that require an illustration ("Illustrated Products").

For Illustrated Products, producers must obtain a signed illustration or a signed Illustration Statement at the point of sale and for certain Policy Change transactions. The illustration must disclose the name and address of the producer who prepared the illustration and all pages of the illustration must accompany the submitted application or applicable Policy Change Application form.

If an Illustration Statement is submitted with the application instead of a signed illustration, all pages of an illustration signed by both the producer and the applicant must be submitted to the Company before the policy will be placed in effect. Do not provide this statement if an illustration has been used.

Revised Life Insurance Illustrations

Revised illustrations are required for changes to an original application or illustration. If a policy is issued other than as applied for, the Company will provide a revised illustration for delivery with the policy. The producer and applicant must sign the revised illustration and return all pages of the illustration to the Company before the policy will be placed in effect.

Common situations that require a revised illustration include, but are not limited to:

- Changes from the original application or illustration (this may include changes of the product, riders selected, non-guaranteed interest rate, policy rating or classification, death benefit, or death benefit option)
- Changes in the initial planned premium amount or frequency (for example, changing from annual to monthly planned premium)

If a submitted illustration does not correspond with the application or policy change request, the Company will provide a revised illustration for delivery with the policy. The producer and applicant must sign the revised illustration and return all pages to the Company before the policy will be placed in effect.

Some states (OH, NC, IL, NE and OR) require an illustration to be signed on or before the signature date of the application and also require the illustration to include the date it was created.

Marketing by Telephone and “Do Not Call”

In response to the Telephone Consumer Protection Act, the Federal Communications Commission (FCC) and several states have adopted “Do Not Call” rules that govern telephone communications with the public. As a result, you may not use the North American name as part of your telephone solicitation calls unless you comply with FCC requirements and applicable state laws.

You are required to do the following if you make telephone solicitation calls (including cold calls) using the North American name:

- Search the National Do Not Call Registry and applicable state registries before making any calls to residential telephone numbers. You may not make solicitation calls to any individual whose number is on either of these registries.
- Contact North American Policy Administration or Customer Communications Department to confirm that the individual has not been placed on a North American Do Not Call list.
- Establish a personal Do Not Call list. You are responsible for maintaining a Do Not Call list of individuals who have asked not to receive calls placed by you, or on your behalf. Individuals must be kept on this list for five years.

In addition, some states have adopted restrictions around text messaging solicitations. You must check the laws and regulations of each state in which you do business to ensure you are in compliance with any state-specific requirements. Information regarding the FCC rules and any applicable state laws is available on the FCC’s website at www.fcc.gov.

Marketing by E-mail

If you engage in any marketing activity via e-mail, the Federal CAN-SPAM Act provides guidelines you must follow. Violations of the CAN-SPAM act can result in significant fines for each individual e-mail. Basic requirements of the law include the following:

- The email message must not have misleading or falsified header information (i.e., “From”, “Reply-To”, etc.).
- Don’t use misleading subject lines.
- Clearly identify that the email is an advertising message, and the message must come from a functioning return email address.
- Commercial email must display the physical postal address of the sender.
- Display a prominent notice that provides the recipient the opportunity to decline further emails from you (unsubscribe/opt-out).
- Honor all opt-out requests within 10 business days.
- Monitor what others are doing on your behalf.

Additional information and guidance is available at <https://www.ftc.gov/tips-advice/business-center/guidance/can-spam-act-compliance-guide-business>. You are also responsible for following any applicable state laws regarding e-mail marketing. North American encourages you to seek legal advice if you engage in any e-mail marketing.

Social Media

Social Media is the social interaction among people in which ideas and information are created, shared or exchanged in virtual communications and networks. Examples of Social Media sites include Facebook, Twitter, and LinkedIn. It is very important to remember that the use of a Social Media site to solicit or induce a person to purchase or inquire about an annuity or life

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insurance product would be considered solicitation and must follow our standard advertising pre-approval process.

The Company's social media policy is included in the Agent Advertising Guidelines, which may be accessed through the producer portal at NorthAmericanCompany.com.

Seminar Selling and Lead-Generating Material

Seminar selling, complimentary lunch or dinner offers, and the use of lead-generating material continues to be under increased scrutiny by regulators and the media. These activities are not prohibited, but all such promotions must disclose that a licensed insurance producer is involved and that life insurance and annuity products may be discussed or offered for sale, then or at a later time.

You may not use materials that contain exaggerated or misleading claims, or that are intended to pressure the consumer into making an immediate decision, by reference to the continued availability of certain product features or through other methods. Any reference in any material that suggests the involvement of any regulatory or governmental agency, or any organization that focuses on seniors, such as American Association of Retired Persons (AARP), is also prohibited.

If you plan on hosting a seminar with the ultimate goal of promoting North American or securing appointments in order to solicit sales of North American products, you are required to submit all materials associated with the seminar for review before offering the seminar to the public. Specific requirements about seminar selling and required disclosures are outlined in the North American Agent Advertising Guidelines, which may be accessed through the Producer portal at NorthAmericanCompany.com.

Wills, Trusts, and Medicaid Planning

Use caution when using or offering living trusts as a financial planning tool. While we believe that in the appropriate circumstances a living trust can be a valuable planning mechanism, mass distribution of this concept is not appropriate. Trust related sales have been the focus of private and government litigation against marketers of living trusts, insurance companies, and producers. These activities have also generated national media attention. This litigation focuses on so-called "Trust Mills" that allegedly market living trusts on a mass basis as a "door opener" for the sale of insurance products. It is therefore important that your customers understand that the purchase of an annuity or life insurance policy is in no way required in conjunction with the establishment of a trust and that the fees or expenses associated with the establishment of a trust are independent of any premium paid for the purchase of the annuity or life insurance policy.

Some states have laws that provide limitations on when a living trust is used and restricts insurance producers who are not licensed as an attorney to deliver living trusts and other non-insurance legal documents to individuals aged 65 or older. Check the laws and regulations of each state you are licensed to do business in to ensure you are adhering to state requirements.

North American will accept business involving the use of a trust as an owner or beneficiary, regardless of the effective date of the trust. If your business involves the use of trusts, you may be asked to provide information regarding your business practices to North American.

North American will require a current executed copy of its Certification of Trust Agreement Form, signed by the authorized trustee(s), to be on file whenever a contract will involve a trust

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as owner. Additional requirements may exist when a trust is named beneficiary as well.

As a result of the Certification of Trust Agreement form, North American does not automatically require a copy of trust documents. However, North American reserves the right to require additional documentation for sales involving trusts and, if circumstances warrant, may deny an application or allow rescission of a policy if it determines that a trust used in conjunction with an application is inconsistent with its procedures.

Neither North American nor its producers provide tax or legal advice. We strongly encourage customers to consult with and rely on their own tax or legal advisor prior to establishing a living trust or purchasing any North American product in connection with a living trust. The provisions of the contract being purchased should be discussed with the trustee in detail so that the trustee can ensure that those provisions are consistent with the terms and objective(s) of the living trust.

When a trust is named as owner of an insurance product, it is imperative that the trustee has obtained an independent determination that the products are suitable for the trust's purpose, that the product conform to the income distribution requirements of the trust and that the trustee has considered any tax consequences of the purchase and administration of the product.

Finally, products offered by North American are not designed for use in "Medicaid-friendly" or other state or federal programs and should not be represented as such. Our producers should not represent our products as being a tool for protecting or "sheltering" a customer's assets with regard to any aspect of Medicaid or any other state or federal program means tested benefits program (including Veteran's benefits). Our producers also must not induce, or attempt to induce, a sale by representing our products as financial vehicles that allow an individual to protect accumulated assets while at the same time qualifying for Medicaid benefits or other benefits to cover the cost of long-term care in a nursing home or similar facility.

Annuity Ownership Requirements

Corporate entities, nonprofits, and trusts all have different considerations when evaluating whether an annuity is appropriate and will help meet their needs. Please contact a qualified tax or legal advisor to discuss these matters before recommending such a purchase.

Certain types of corporate entities and trusts are not eligible to receive the tax-deferred benefits of annuity ownership. North American does not provide tax reporting or administration for such contracts, and therefore prohibits certain types of entities and trusts to be annuity owners. For example, North American prohibits ownership by partnerships and limited liability corporations, among others. For a current, complete list of acceptable and prohibited owners and beneficiaries, please contact the New Business Department. Find a full list of department contacts on our website at NorthAmericanCompany.com.

Trust ownership requires, at a minimum, that all beneficiaries of the trust (not the annuity) are natural persons. Certain additional documentation may be required at the time of application or claim and should be reviewed carefully for accuracy by not only you but the applicable trustee(s) and authorized corporate signor(s).

IV. Application and Producer Solicitation Guidelines

The application provides valuable information about the customer and is a part of the insurance contract; it should be filled out completely and accurately. If the answers on the application are incorrect, incomplete, or untrue, North American has the right to deny an application or benefits, rescind a contract, or take additional action.

Premium payments, other than the first, are to be remitted directly to the Company by the policy/contract owner. We do not allow submission of agency checks or personal checks from producers for premium payment on a policy that insures someone other than a direct family member of the producer. These guidelines are enforced to guard against commingling of funds and potential complaint/legal situations.

Submit the application to North American exactly as completed at the point of sale. If a mistake is made on the application, do not use correction material to change it. Place a line through the mistake and have the applicant date and initial above the strike out. Applications or other documents submitted with correction material will be rejected when identified.

Customer Signatures

You should ensure that your customers understand that by signing the application, they are verifying that the information they have provided is accurate and complete. You must never ask your customers to sign a blank or incomplete application or any other document. Doing so may result in action up to and including termination of your producer contract. North American may also be required to report such conduct to insurance regulators.

The applicant must initial modifications to the application or other sales materials prior to signing them. Any modification made to the application or any other document at or after the point of sale without the knowledge and approval of the applicant is an unethical sales practice, may be illegal, and could result in termination or legal liability. Further, you must not sign or initial any document on a customer's behalf, even if the customer has authorized you to provide his or her signature or initials. Additionally, signature stamps are not permitted.

Please be aware of individual state guidelines for selling outside of a customer's resident state, discussed further in the non-resident sales section.

Only Company-approved electronic signature methods are allowed. Any Company-allowed e-signature submitted by a producer, agency, or BD portal or platform requires that the e-signature process include appropriate identity-validation of the signer. If you are using an e-application process and your customer is not in person with you for the signing ceremony, you are expected to use the available e-mail e-signature option to obtain their signature.

Finally, remember that it is your responsibility to protect the privacy and confidentiality of the information obtained during the application process. Personal information intended to be transmitted to North American should be maintained in the utmost confidence.

Powers of Attorney – Verification of Identity

The Verification of Identity section provided on the application must be completed with the owner's information, not that of their attorney-in-fact.

Producer Signatures

Only the licensed producer(s) who solicited the business at the time of sale may sign the application and must explain the product to the customer. You should only sign the application if you personally solicited the sale. The only exception to this requirement is if another producer assisted in the sale. In this scenario, he or she should *also* sign the application—even if they are not taking any commission. This makes it clear to everyone involved in the sale the role of the parties and who the soliciting producer of record is.

Your signature on the application is your personal assurance that the information supplied therein is, to the best of your knowledge, given voluntarily by an eligible applicant in a complete and accurate manner. By signing the application and other sales documentation, you are taking responsibility for the sale and the information provided.

North American, as well as the regulations of many states, requires that the producer signing an application be the same producer that meets with the customer, explains the product to the customer and delivers the contract to the customer.

For transactions that involve the transfer of funds, producers are not permitted to sign a Letter of Acceptance on behalf of North American.

Failure to comply with these requirements may result in rejection of new business, the termination of your appointment with North American and any affiliated companies, commission chargeback, and/or a referral to an applicable regulatory agency.

Fact Finding, Needs Analysis, and Documentation

Competent and customer-focused appropriate sales are based on an analysis of the customer's insurable needs and financial objectives. You are required to conduct a thorough assessment of each customer's needs and objectives, as well as their circumstances and future expectations, when making product recommendations. Insurance product recommendations should be made only upon having reasonable information to determine that such recommendations are appropriate to meet the customer's needs.

North American encourages the use of fact finders or other needs analysis tools to assist you in determining your customer's needs and objectives. In addition, documentation of that assessment and presentation is key to proper compliance in any market but is especially important with senior customer sales.

Annuity Suitability

You have an important job in assisting your customers in determining the products that are appropriate for them. State regulations and your obligations to your customer require you to gather enough information to make a recommendation of a suitable product. Uncovering information about your customer's financial situation means more than asking how much they earn each year and how much money is "in the bank." Make sure you also understand your customer's lifestyle, recent or upcoming life events (divorce, marriage, college tuition, retirement and planned medical expenses, etc.), financial experience, insurance needs, financial objectives, taxes owed, income needs (income compared to expenses), time horizon, and liquid assets outside of this annuity or other annuities already owned. This information will assist you in completing this critical task.

In addition, states have begun adopting an updated version of the "Suitability in Annuity Transactions" rule that aligns with a new federal "best interest" standard. Versions may vary by issue state and we expect you to know and understand your obligations in your state(s).

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Refer to our Agent Suitability Guide, available on the producer website, for additional detailed information about the suitability process and requirements. You can also call the Suitability Team for further assistance. Your full understanding of and compliance with those requirements is appreciated and expected.

Non-Resident Sales

A non-resident sale occurs when a resident of one state purchases an insurance product in another state. Whenever a sale occurs in a state other than the policy owner's state of residence, certain rules must be followed to ensure compliance with Company policy and the laws and regulations of the applicable state insurance departments.

Residents of Alabama, Massachusetts, Minnesota, Oregon, Utah, and Washington are not allowed to purchase products that have not also been approved for sale in their state of residence. Additionally, we are not licensed to sell products in the state of New York, and we will not accept any sales for New York residents. Disguising or otherwise hiding an applicant's New York residence is strictly prohibited.

When a non-resident sale is permissible in a state, the consumer must provide a valid reason to be in the non-resident state (other than solely to purchase insurance products). Acceptable reasons for a customer to purchase a product outside of his or her resident state may include the fact that the customer maintains a second residence in the state or has regular business dealings or is employed in the state. Vacationing in the non-resident state is not a sufficient reason for a non-resident sale; additionally, the fact that the product is not approved in the customer's resident state is insufficient.

The entire sales process must occur in the *application* state, including but not limited to 1) the sale discussions, 2) application signing and 3) policy/contract delivery. You cannot mail the policy/contract to the customer's resident state.

If you are involved in a non-resident sale, North American requires that you:

- Confirm product availability and state approval
- Make certain the customer has a valid connection to the non-resident state and accurately complete the Non-Resident Verification Form
- Be currently licensed to sell the product in all states in which any aspect of the sale occurs
- Sell, sign, and deliver the contract in the application state.

If you have questions about your responsibility with respect to non-resident sales, please contact the New Business or Compliance Department to discuss the specific case.

V. Replacements

The definition of "replacement" goes beyond the surrender of one policy/contract and subsequent purchase of another policy/contract. You should be aware of—and help your customer to understand—all of the transactions that are considered to be replacements. What constitutes a replacement transaction is defined quite broadly. Using funds from a full or partial surrender of an existing annuity or life insurance policy to purchase another annuity or life insurance policy may be considered a replacement transaction under state law and should follow our replacement procedures. The mere fact that the funds came from a cash source, such as a checking account, does not alone define the transaction as a non-replacement. If in fact the original source for the funds was another policy/contract, then the transaction may need to be classified as a replacement and our replacement procedures need to be followed. This is

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true even if the customer placed the funds in a money market or checking account prior to purchasing another policy/contract.

For example, a replacement may occur when a new policy or contract is to be purchased and that by reason of the transaction, an existing policy or contract has been or will be:

- Lapsed, forfeited, surrendered, or otherwise terminated;
- Reduced in value through a loan, withdrawal or partial surrender;
- Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of other benefits or other policy values;
- Changed or amended to result in a reduction of benefits or in the term for which coverage would otherwise remain in effect or for which benefits would be paid;
- Reissued with a reduction in cash value; or
- Used in a financed purchase.

If writing business in a state that follows the NAIC Replacement Model regulation, a replacement notice will be required if the applicant has an existing life insurance policy or annuity contract whether or not the sale is a replacement.

Intentionally circumventing North American's replacement procedures may result in termination of your producer contract and a referral to the applicable regulator.

A Replacement can be Internal or External

An internal replacement occurs when an existing policy or contract is exchanged for a new policy/contract with the same insurer or affiliated insurers. An external replacement occurs when a policy/contract is replaced by one of another insurer. Penalty-free or partial withdrawals from an annuity or life insurance contract are still considered a replacement. It is the producer's responsibility to always ensure that the appropriate replacement forms are completed and submitted for both internal and external replacements. Some internal replacement transactions may not be commissionable or permissible and may also be subject to additional paperwork.

Your Replacement Obligations

As with any transaction, you have a responsibility to ensure that your customer has all of the necessary facts in order to determine whether the replacement will be in his or her best interest. Although this list is not exhaustive, some factors to consider in order to help determine whether a replacement demonstrates a clear benefit to the customer:

- Whether the premium payment period is shorter for the same or similar premium;
- Surrender charge length and/or percent;
- Liquidity provisions with consideration of the customer's current and expected liquidity needs;
- Whether the customer can purchase or obtain a greater benefit for the same or similar premium; and
- Consideration of the customer's current financial circumstances and objectives.

Comparisons between a customer's existing product and a proposed product must accurately and fairly describe each product's provisions and values. You should discuss the advantages and disadvantages of any potential replacement with your customer, and document those in any required disclosure or comparison forms. Along with any other relevant issues, you must

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remember to address:

- Any required evidence of insurability;
- Minimum guarantees;
- Any contestability and/or suicide provisions of the existing and proposed policies;
- Applicable loan provisions and loan interest rates of both products;
- Surrender charges, expenses and/or fees associated with both products;
- Premium requirements of the proposed product;
- Present and future (if permissible) values of both products;
- Current interest rates and any mortality charges of both products;
- Potential tax treatment of the replacement, such as whether the replacement may qualify as a 1035 Exchange;
- Rider value on existing product may not be available on proposed product;
- Length of time the customer has been in the existing product;
- Whether the new contract provides a significant benefit unavailable on the existing product; and
- Ability to demonstrate and document the clear benefit to the customer from the replacement transaction in light of his or her individual needs and objectives

Various states have specific requirements when a replacement is involved. Check the laws and regulations of each state you are licensed to do business in to ensure you are adhering to state-specific requirements when making recommendations to your customers.

Just as insurance products may only be sold by licensed insurance producers, securities products (variable annuities, variable universal life policies, stocks, etc.) may only be sold by properly securities licensed Registered Representatives (Series 6 or 7). **Without appropriate securities licensing, neither North American nor its producers, representatives, or employees should recommend the liquidation of securities, otherwise provide any investment advice, or make any representations regarding losses or gains in respect to an owner's portfolio. The owner should make an independent judgment to purchase the product offered by the producer and should discuss the liquidation of securities with a properly licensed securities representative.**

Churning/Twisting is Prohibited

Churning is the practice where values in an existing policy or contract are used to purchase another product solely for the purpose of earning additional commissions or other compensation. Twisting is the use of misrepresentation of information to entice the transfer of one policy or contract for another. Many states have adopted Insurance Regulations which define Twisting and Churning as unfair methods of competition and unfair and deceptive acts. You should familiarize yourself with the laws and regulations within the states(s) you do business.

Monitoring of Replacement Activity

North American recognizes that replacement activity varies by product type. Regardless, North American monitors replacement activity on an ongoing basis. Should the replacement activity of a producer or agency present a concern, the Company will investigate the matter further and discuss the issue with the producer and/or agency.

VI. Policy/Contract Delivery and Receipt Requirements

North American is committed to the highest standards of market conduct and fundamental business practices and requires new policies be delivered to the owner in a timely manner. Delivering policies/contracts to the customer shortly after issuance allows producers the opportunity to reaffirm the sale and to review the policy/contract and answer any questions.

We recommend that you personally deliver the new policy/contract whenever possible. Delivery by mail must meet all delivery requirements in your state, and you must use a service that provides for tracking of delivery and maintain proof of mailing in your files. Mailing to any location outside of the issue state may constitute a violation of state regulations, so be certain of the non-resident sales regulations in the issue and residence states before mailing.

Proof of delivery is important, and some states require the use of a delivery receipt. Even in states where this is not a requirement, the use of a delivery receipt provides protection not only to the Company but to the producer as well by confirming proof of required delivery of the policy and of the date the right to examine or free-look period begins. We therefore include a delivery receipt with every issued contract/policy and expect you to return a signed copy to the Company for filing.

VII. Document Retention

It is important to maintain a record of customer information collected, whether or not the customer elected to purchase life insurance or an annuity. You may be asked to make your documentation available upon request to North American or the insurance department of your state. Certain documents should always be maintained. At a minimum, these include:

- Original sales proposals
- A copy of any needs analysis completed during the solicitation
- A copy of any sales material and advertisements used during the sales process
- Any written correspondence to or from the owner regarding the solicitation, issuance of the contract, or subsequent service of the product sold
- Documentation of phone calls to or from the owner addressing the above issues
- Notes from meetings with the owner
- A copy of the owner's signed delivery receipt

State regulations vary regarding the length of time that customer files are to be maintained. However, a general rule of thumb is to maintain all active customer files indefinitely and all inactive files for seven years.

VIII. Privacy and Information Security

Protection of customer information is a growing challenge that North American takes seriously. The federal Gramm- Leach-Bliley Act and numerous state privacy laws impose certain legal obligations on financial institutions, including insurance companies, with respect to the collection, use, and protection of customers' non-public personal information. This information may include, but is not limited to:

- Customer name
- Gender
- Age
- Address
- Bank account number

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- Contract number
- Social Security Number
- Health and financial information
- Contract values
- Beneficiary information
- Passwords, PINs, and other personal identifiers

North American's Privacy Notice is provided directly to our contract owners and is posted on our website at NorthAmericanCompany.com. As an insurance producer appointed with the Company, you are expected to protect your customers' non-public personal information.

Insurance producers are also expected to comply with certain privacy laws and regulations individually. As an independent producer, you may have an obligation to provide your own privacy notice to customers and to meet the other legal requirements, depending on how your independent business is conducted. **You should consult with your legal advisor to determine if you have additional obligations with respect to your business separate from your relationship with North American.**

Additionally, your obligation to protect the privacy of customer information also includes the implementation of security measures to guard against the theft, loss, or dissemination of such information. Please understand that fraudsters target producers in an effort to obtain any information that will better enable them to steal funds (from an agent or a customer). North American has defined and adheres to Corporate Information Security Policies and expects its independent producers to implement their own safeguards, including but not limited to:

- Use appropriate levels of encryption on laptop computers or other mobile devices, including external storage devices such as flash drives and external hard drives
- Install and regularly update anti-virus/anti-spyware software
- Create strong passwords and never share passwords with others
- Do not create or access a customer's online account with North American
- Protect appropriate IT systems by firewalls
- Secure servers in an isolated, locked room
- Don't send private information via e-mail (even with a customer) without the proper security
- Ensure all confidential information has been permanently removed prior to the disposal of equipment or documents
- Ensure that office visitors and customers are not able to view or access restricted or confidential information
- Ensure that all desks or cabinets containing files and confidential information are securely locked and accessible only to authorized personnel
- If you use the Company's secure upload procedures to transmit documents to North American, ensure you have a process in place with respect to any copies of documents you have transmitted
- Ensure your business mailing and email addresses are kept updated with the Company

Improper disclosure or loss of North American customer information, whether accidental or malicious, must be reported to the Company immediately upon discovery of the disclosure or loss. This may occur, for example, if you experience unauthorized access, loss or theft of your computer, paper files, CDs, or other media containing customers' non-public private information, or if such information is sent to an unintended address, fax number or email address. To report a security breach, contact the North American Information and Security Department at 800-843-3316.

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Producers' Personal Information

North American gathers personal information during the application process in order to evaluate your application for appointment and to maintain appointment records.

Personal information we obtain during the application process is private and confidential. We will not disclose such information to other persons or organizations without your written authorization, except to the extent necessary to conduct our business, or as permitted or required by law. We do not sell your personal information and it is only used to evaluate your producer application and maintain appointment records.

Categories of personal information	Purpose for which categories of personal information shall be used
Identifiers – such as real name, alias, postal address unique personal identifier, online identifier, internet protocol address, geolocation, email address, account name, social security number, driver's license number, passport number	Evaluating application for appointment and to maintain appointment records.
Information protected against security breaches – name and financial account number, driver's license, social security number, user name and password.	Evaluating application for appointment and to maintain appointment records.
Commercial information – records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies	Evaluating application through background checks and other means, for employment/appointment and to maintain employment/appointment records.
Biometric information (fingerprinting)	Evaluating application for appointment and to maintain appointment records.
Professional or employment related information	Evaluating application for appointment and to maintain appointment records.
Education information	Evaluating application for appointment and to maintain appointment records.
Inferences drawn from the foregoing to create a profile about the producer reflecting the producer's preferences or behavior.	Evaluating application for appointment and to maintain appointment records.

IX. Consumer Complaints

North American has an obligation to monitor producer conduct and to ensure ethical and appropriate customer service.

Customers may contact you, the Company, or others for a variety of reasons such as service requests, inquiries, questions and concerns, lack of understanding, or a serious grievance. If the Company receives a complaint related to a sales practice used in sales or service by you, you may be contacted and required to provide a written statement and also may be asked to provide copies of sales materials (if applicable) and other documentation related to the matter. The

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Company is committed to handling all customer complaints fairly and expeditiously and expects your full cooperation. In an effort to keep the investigative process objective, the Compliance staff is not able to assist you in formulating your substantive response.

The Company takes seriously and thoroughly investigates all complaints, and where called for, seeks to fairly and amicably resolve them. We track and monitor complaints to identify trends and also use the information to improve service and operational standards.

All complaints received directly by you should immediately be forwarded to the Compliance Department for handling:

North American Company for Life and Health Insurance
Attn: Compliance Department
8300 Mills Civic Parkway
West Des Moines, IA 50266
Email: compliance@sfgmembers.com

Once reported to the Company, producers may not respond directly to the customer or anyone other than the Company Compliance Department with respect to the complaint (unless the producer receives a request for a response directly from a regulator).

Complaints must be identified, evaluated and handled according to applicable laws and regulations. It is inappropriate and unacceptable for any North American producer to initiate discussion of a settlement of any complaint or related matter with a customer. While your input may be solicited and your cooperation is required, the Company retains the absolute and unilateral right to settle and resolve all complaints and related matters in its sole discretion. The Company also retains absolute and sole discretion to charge back commissions pursuant to the terms of the producer contract.

Questions relating to customer complaints or related matters should be directed to the Compliance Department at compliance@sfgmembers.com.

X. Anti-Money Laundering Compliance

As you conduct business, you must always watch for signs of illegal activities such as money-laundering. Money-laundering refers to a series of financial transactions that aim to conceal the identity, source and destination of illegally obtained money; in other words, the conversion of criminal proceeds into seemingly legitimate funds. Money-laundering facilitates a broad range of serious underlying criminal activities and ultimately threatens the integrity of the financial services industry.

Following the terrorist acts of September 11, 2001, Congress enacted the USA PATRIOT Act, which strengthened anti-money laundering ("AML") laws to prevent the financial services industry from being used for money-laundering and terrorist financing by criminals and terrorists. As part of the USA PATRIOT Act, financial institutions, including insurance companies, are required to establish and maintain AML procedures to comply with minimum standards for customer identification as developed by the U.S. Department of the Treasury. North American has taken appropriate steps to adhere to the compliance requirements under the Act and has established a formal anti-money laundering program. As a person who deals directly with customers and is often in a critical position to obtain information regarding the customer's source of funds and reasons for purchasing an insurance product, you play an important role in the program.

To sell North American's insurance products, the Company's anti-money laundering program requires you to ensure that all information disclosed on the application is correct and that associated documents are accurate and complete. Record of this information must be retained as long as the contract is in effect and for five years thereafter. If a customer resists providing information, please contact the Compliance Department at 866-384-0384 for guidance.

You must notify the Company if you detect any money-laundering "red flags" so that the Company can determine if a suspicious activity report ("SAR") must be filed with the Financial Crimes Enforcement Network ("FinCen"), a bureau of the U.S. Department of Treasury. "Red flags" that may be indicative of a money-laundering situation include, but are not limited to:

- A customer's purchase of a product that is not consistent with their insurance needs
- The purchase or funding of an insurance product that appears to exceed the customer's known income or net worth
- Any attempted unusual method or form of payment, particularly cash or money orders
- Payment of a large amount broken into multiple smaller amounts
- Payments received from apparently unrelated third parties to your customer (other than transfers and exchanges from other insurers and broker/dealers)
- "Not taken" contracts, particularly if there are patterns or trends with a particular customer
- Little or no concern by a customer for the performance of an insurance product, but much concern with respect to the early termination features of the product
- Reluctance of a customer to provide routine identifying information, or the provision of information that seems suspicious or turns out to be false
- The customer is unusually concerned about privacy or their appearance and/or demeanor is suspiciously unusual
- Any other activity which you believe is suspicious

"Willful Blindness" is a violation of the USA Patriot Act, meaning it is illegal for you to "look the other way" if you know of, or reasonably should have known of red flags indicating suspicious activity. As a producer for North American, you have a legal duty to "know your customer," detect suspicious activity and report it to the Company.

Verification of identification is a section under the Patriot Act that requires producers and insurance companies to "Know Your Customer." In addition to identifying our customers, we must take care to identify the ownership and source of payments received (e.g. premium payments and loan payments). As part of the Company's AML program, the following guidelines have been established as to acceptable and unacceptable forms of payments:

Acceptable	Not Acceptable
<ul style="list-style-type: none"> • Personal, business, cashier's or certified check drawn on a U.S. Bank (must originate from customer's account) • Electronic Funds Transfer from a U.S. Bank (must originate from customer's account) 	<ul style="list-style-type: none"> • Producer or Agency Checks • Cash • Checks drawn on foreign banks • Generic or starter checks • Money orders • Third party checks • Traveler's checks • Western Union transfers

Please also note that Agents are prohibited from accepting cash from customers and converting those funds into one of the acceptable forms of payment listed above. Any

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form of payment deemed not acceptable will be returned to the owner or payor with instructions on acceptable payment types.

The Company requires all producers to complete periodic Anti-Money Laundering training and utilizes the course offered by LIMRA International, Inc. You may access the course at <http://aml.limra.com>. Your User ID will be your National Producer Number (NPN). The password, if you are a first-time user, will be your last name which must be entered in lower case characters. If you need assistance please contact LIMRA's technical support team at 866-364-2380. Please note that you will not receive a physical certificate upon completion of the course; however, LIMRA will provide the Company with documentation following your completion.

Acceptable forms of AML training may include, but are not limited to the following:

- AML training course provided by LIMRA International, Inc.
- Completion of a Broker/Dealer's AML training will be accepted by the Company for producers who are also Registered Representatives of a B/D with which the Company, or one of its affiliates, has an active selling agreement.
- The Company may accept a signed certification from another insurance company's AML Compliance Officer for producers appointed with other insurance companies who have completed another company's AML training program as mandated by the USA PATRIOT Act.

The Company and its producers share an important responsibility to comply with all applicable anti-money laundering laws. A producer's failure to do so constitutes cause for action up to and including termination of your appointment. Additionally, violation of anti-money laundering laws may result in criminal or civil penalties under federal law. If you have questions regarding acceptable methods of payment, customer identification requirements or any other new business issues, please contact the appropriate Sales department for your line of business.

To report suspicious activity, or if you have questions regarding the Company's AML policy, please email the North American AML Department at AML@sfgmembers.com or contact the AML Reporting Line at 866-384-0384.

XI. Prohibited or Restricted Practices

Rebating is Prohibited

Rebating involves an applicant being given something of value that is not mentioned in the contract as an inducement to purchase or retain a life insurance or annuity contract. Rebating also includes refunding any part of a commission to induce the purchase or retention of a contract.

Most states have specific regulations that prohibit rebates in connection with the sale of life insurance policies or annuity contracts. Typically, the statutes provide that no insurer or producer shall pay, allow, give or offer to pay as an inducement with the purchase of any policy of life insurance or annuity contract, any valuable consideration or inducement whatsoever that is not specified in such policy or contract. Most states also have insurance laws which specifically prohibit any person from receiving rebates on life insurance policies, including deductions from any premiums, or any valuable consideration, special favor or advantage whatsoever not specified in the policy as an inducement to take such policy or annuity contract.

North American prohibits producers from giving anything of value in conjunction with the sale of insurance that is not specified in the policy or contract or approved by Compliance, from rebating commissions received, and from making any premium payments from funds or accounts under the control of the producer, regardless of applicable state law.

Stranger- and Investor- Owned Life Insurance

North American is aware of the evolution of the sales practices in the industry involving Stranger Owned Life Insurance (STOLI), Investor Owned Life Insurance (IOLI), “Lending of Lives” and other non-traditional or speculative uses of life insurance. STOLI and IOLI involve an individual lending his or her insurability to an unrelated third person or entity. Some are presented under the pretense of charitable giving. The individuals targeted may be offered financial incentives to consent to the purchase and the policy is owned by a trust to facilitate the transaction. Premiums are typically financed through non-recourse type loans where the policy will eventually be transferred to the stranger or investor in the future to satisfy the loan. Not all sales involve these features and as this market evolves, new variations are being developed.

North American will not participate in the STOLI and IOLI market, or other speculative uses of life insurance where it appears the intent from the outset is to sell the policy in the secondary market. We believe this type of insurance undermines the vital role life insurance plays in providing financial security and death-benefit protection necessary for millions of individuals and businesses. Applications will not be accepted where it appears it is part of an investor-owned or stranger-owned transaction as described previously. Our application includes an inquiry into the various factors we will consider to identify this type of business, such as the following:

- Whether the proposed insured or applicant is being compensated in any way to purchase the policy;
- The source of funding for the policy;
- Whether a “non-recourse” loan is involved, which can be satisfied by transferring the policy to the lender or third party;
- Whether any confidentiality or other agreements have been entered into regarding the purchase or funding;
- Whether a third party or lender is hiding its ownership interest in the policy;
- Whether the policy is being purchased with the intent to sell to investors or other third party; and
- Whether the proposed insured is purchasing a new policy to replace a policy that had or has been sold previously

Premium Financing

Producers are currently prohibited from recommending or selling any third-party premium financing investment in conjunction with the sale of a North American life insurance product. This prohibition does not apply to a policyholder using funds from his or her existing annuity or life insurance policy.

Conflicts of Interest are Prohibited

Our producers should not serve in any capacity that may be construed as creating a conflict of interest. Additionally, producers may not use their family members, business associates or any other party to accomplish what they themselves are otherwise prohibited from doing in this regard. In addition, producers should not engage in or be involved in the writing of a trust for customers.

Although the following list is not exhaustive, current Company practice does not allow a producer/registered representative to be named as, or to act as, the following:

- beneficiary or contingent beneficiary
- beneficiary of an owner's beneficiary trust
- trustee, co-trustee or successor trustee for an owner's trust
- attorney-in-fact or successor attorney-in-fact for an owner
- estate executor/executrix
- an owner of the customer's contract

The exception to this exists when the producer is "immediate family" of a customer, defined as spouse, child, step-child, mother, father, grandparent, brother or sister, or as otherwise determined by Company procedure or state law.

It is equally unacceptable to use an agency or producer's home and/or business address or telephone number as the owner's address or phone number of record if the owner does not reside at the address. The customer should list his or her primary residence (where property taxes are paid) as the address. A producer must scrupulously avoid real or apparent conflicts of interest involving customers to whom North American products are sold.

Customer Loans are Prohibited

The acceptance of a loan from a customer is an unacceptable conflict of interest that the producer must avoid and like other prohibited activities, may result in termination and a referral to the appropriate regulatory body. North American, and the laws of many states, prohibit a producer from receiving loans from their customers unless the customer is the producer's "immediate family" member, defined as a spouse, child, step-child, mother, father, grandparent, brother or sister. North American further prohibits a producer from soliciting or accepting an investment from a North American policy/contract owner in a producer's business.

Serving as an Expert Witness is Prohibited

Unless prior written consent is received from the Compliance Department, producers are not allowed to act as expert witnesses in legal, regulatory, or legislative proceedings.

Mortgage and Refinancing

Encouraging or directing a customer with substantial home equity to take out a reverse mortgage, refinance and/or obtain home equity funds to purchase a life insurance policy or annuity contract is prohibited.

Use of Customer Statements in the Sales Process

North American prohibits using copies of customers' Annual Statements during the application, sale, purchase, or any other aspect of marketing products regardless of whether or not policy owner information is visible. The Company values the integrity of our customer relationships and works to ensure that the personal and financial information of our customers is protected. Additionally, the past performance of a particular customer's annuity or life insurance policy is not intended to predict future performance of similar products.

Impersonations

You (including your staff or associates) may never contact the Company acting as the customer, even if the customer has given you permission to do so. Producers identified as impersonating a customer will be referred to the Compliance Department for appointment review and are subject to possible termination. We may also refer the producer to the appropriate regulatory agencies. Customers may also be contacted in these situations.

Use of Faith/Religion in Advertising

Given the diversity of our producers and our policy owners, we need to be sensitive in the messages we use in advertising. We recommend that you refrain from using faith, religion or religious conviction in advertising, sales literature, seminars, policy owner correspondence or any other materials used to promote our Company and/or the sale of our products. Submitted materials with such themes will not be approved through our standard advertising approval process.

XII. Additional Important Information and Instructions

Index Account Allocations

North American fixed index annuities and indexed universal life products offer many choices for your customers. In most cases, your customers can choose how their premium is allocated among crediting methods, as well as selecting from a variety of index account options.

The index account options are used as a measuring tool for a potential interest credit to these products, which are not securities investments and therefore do not participate directly in any index or indices. If an index option is chosen by your customer it is important that you are not providing investment/allocation advice unless you are qualified and registered to do so.

Pre-Issue Withdrawals

North American does not typically allow pre-issue withdrawals except for pension/401(k) funds. Requests for funds prior to issue should be handled with the transferring company.

Free Looks

If your customer is not satisfied with their annuity contract or life insurance policy for any reason, he or she may return it to the Company during its contractual Right to Examine (Free Look) Period. **A Right to Examine Period begins when the policy/contract is delivered.** This means that delayed delivery simply delays the start of the Right to Examine Period. If your customer informs you that they wish to cancel the contract or policy, please let the customer know that they are required to notify the Company in writing.

Producer Licensing and Contracting

North American follows all state licensing regulations regarding producer licensing and appointments. Your appointment to sell insurance with North American requires that you abide by all of the laws, rules, and regulations of any state in which you are licensed to conduct business. Furthermore, it is your obligation to ensure that you keep up to date regarding all changes to any laws, rules, and regulations governing your activities as a producer. You must also comply with all Company policies and procedures. Current Company practice also requires you to notify the Licensing and Contracting team of any felony charges or regulatory action against you within 30 days.

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT TO BE USED FOR CONSUMER SOLICITATION PURPOSES.

Please note that some states prohibit taking applications prior to product training or appointment with the state.

If you have questions, contact Agency Services.

State-Specific Rules and Regulations

Each state has various rules and regulations concerning the sale of insurance products. It is your responsibility to know and follow your state's (and the solicitation state's) rules and regulations. If you have any questions about the rules and regulations in your state, you are strongly encouraged to discuss them with your legal advisor.

Errors and Omissions Coverage

North American requires all of its producers to maintain Errors and Omissions insurance coverage of at least \$1 million aggregate and \$1 million per claim per year of coverage. In the event that a claim is presented against you, your Errors and Omissions carrier should be notified within 24 hours of your receipt of the claim. You are responsible for making this notification.

Producer Education Requirements

North American believes that continuing education about products, industry, and regulatory issues is critical to being able to provide competent, customer-focused sales and service. A variety of resources are available for obtaining this education, including the Company, professional trade groups, and independent third party vendors.

In addition, for annuity sales nearly every state requires two types of training: product specific training provided by the carrier(s) with whom you are appointed; and a one-time, four hour general fixed annuity training course. For the general training, please refer to your state's licensing body. We also offer continual training opportunities that will be required when we introduce new products and features. This training may include additional materials. New product training will be required prior to your solicitation of a sale.

You are responsible for ensuring that you meet all continuing education requirements associated with your insurance and other licenses.

For specific information regarding the resources available to you from the Company, including product-specific training, please contact the appropriate Sales department for your line of business.

Adverse Action

You are required to notify North American if you have been the subject of an adverse action (for example, a complaint, investigation, or regulatory action), have filed bankruptcy, have unsatisfied judgments or tax liens, been charged with or found guilty of a felony or misdemeanor, have lawsuits against you, or been refused E & O coverage. This notice should be provided within 10 days. Further, if you have been terminated by another carrier for any reason other than lack of production, you are also to notify the Company.

XIII. Conclusion

We hope that you find this Compliance Guide to be helpful; however, please keep in mind that it is not intended to discuss all topics, laws, or regulations that may affect your activity as a producer. Because the guidelines are general in nature they will not address all details of any specific circumstance; therefore, if you need additional assistance in applying this guide, please contact the Compliance Department.

**North American Company for Life and Health Insurance
Compliance Department
8300 Mills Civic Parkway
West Des Moines, IA 50266
Compliance@sfgmembers.com
866-384-0384**

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.

Life insurance compliance guide for producers



North American Company
for Life and Health Insurance
Since 1886

| *Life*

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Introduction

North American takes great pride in being an industry-leading life insurance Company and trusted authority for life insurance products for our distribution partners and the customers who purchase our products. We are committed to following fair and ethical principles in the sale of life insurance, and as an independent producer contracted to represent North American, we believe you share in this commitment.

It is important that you are fully aware of the applicable laws and regulatory requirements that affect our industry. We believe following high standards of market conduct strengthens our competitive advantage and enables you to focus on developing relationships with customers to offer them appropriate products and services.

We are providing this Compliance Guide to help you remain informed and aware of North American's policies and your role as an independent sales producer. These policies may periodically be superseded by regulatory announcements and other communications from the Company. By accepting appointment with North American, you are consenting to comply with applicable state and federal regulatory requirements and to adhere to the following Company policies.

All insurance producers must understand and comply with the state and federal laws that apply in the jurisdictions where they do business. In states that have not yet adopted laws and regulations regarding a particular topic, it is prudent for producers doing business in those states to adhere to the standards set forth in model laws. Producers are encouraged to review state insurance regulator websites for specific information.

As a valued distribution partner, demonstrating the highest ethical standards in all dealings with the Company and customers is essential to the relationship we have with you as an independent producer. Violations of regulatory requirements or Company policies may result in action up to and including termination of your contractual relationship with the Company.

You may access this Compliance Guide at any time online through the agent portal at northamericancompany.com in the Life Insurance Training Center. If you have questions concerning the topics referenced in this Guide, you may contact the Compliance Department at compliance@sfgmembers.com or 866-384-0384 or the Life Sales Support team at salessupport@sfgmembers.com or 800-843-3316, extension 32150.

Fair competition

North American will engage in active and fair competition and believes that such competition is the most effective and efficient means of providing products and services to customers. Such competition; however, must be carried out in a manner consistent with applicable laws, including those that exist to preserve a competitive economy in which free enterprise can flourish. North American supports the purposes of such laws and insists that producers act in full compliance with applicable federal and state statutes and regulations governing trade practices, antitrust, and restraint of trade. North American and its producers will:

- Comply with applicable state and federal laws fostering fair competition;
- Refrain from utilizing or producing any misrepresentative or false advertising:
 - (1) regarding insurance products or the product benefits, advantages, conditions, or terms of any insurance contract;
 - (2) concerning interest, dividends or surplus to be received on any insurance contract; or
 - (3) involving the use of any name or title misrepresenting the true nature of an insurance product;
- Refrain from making, publishing, disseminating or circulating, directly or indirectly, or aiding, abetting or encouraging the making, publishing, disseminating or circulating of, any oral or written statement which is false or maliciously critical of, or derogatory to the financial condition of an insurer, for the purpose of injuring any person or insurer engaged in the business of insurance;
- Refrain from entering into any agreement to commit or by any concerted action committing any boycott, coercion or intimidation resulting in an unreasonable restraint or monopoly in the business of insurance;
- Make no agreement or understanding with competitors to fix or control prices, to allocate products, markets or territories, to boycott certain customers or suppliers, or to refrain from or limit the sale of any product; and
- Avoid replacing existing life insurance policies and annuity contracts without meeting the requirements of applicable federal and state law, or without providing information to the customer that he or she needs in order to ascertain whether replacement of existing contracts may be in his or her best interest.

Except as set forth above, in order to meet the requirements of applicable state and federal law, North American will compete freely and actively in markets or market segments determined by its management to be appropriate and consistent with its marketing plans and goals, both financially and in the marketplace. A violation of the above guidelines by any producer will result in action including, if appropriate, termination of his or her contractual relationship with the Company.

Professional designations and titles

The nature of our business requires a high degree of transparency and accuracy in how we present our professional credentials to the public. Certain state solicitation regulations require that, prior to a sales presentation, you inform a prospective purchaser that you are an insurance agent and disclose your full name. When soliciting the sale of North American products, be certain your customers understand what capacity you are acting in. It is your responsibility to know and comply with each respective state's regulatory requirements for all states in which you conduct business.

Much of what insurance producers do is involved with the planning and advising on financial matters; however, from a regulatory perspective, "financial planning" requires qualifications, knowledge, and coordination of products and services that goes far beyond the training and education required of producers limiting their offerings to fixed and variable insurance products. Accordingly, during the sale of a North American product, you may not use the following or similar titles in such a way as to imply that you are generally engaged in an advisory business in which fee-based compensation is unrelated to sales, unless that is actually the case and you are properly registered as an investment advisor representative.

- "financial planner"
- "investment advisor"
- "consultant"
- "financial counselor"

Note that this prohibition is not intended to preclude persons who hold some form of formal recognized financial planning or consultant designation from using the designation even when they are only selling insurance; however, producers are not permitted to charge a fee for services that are customarily associated with the solicitation or servicing of a life insurance policy.

Practice good judgment and encourage your customers to consult with other professionals on matters that you are not qualified and/or licensed to discuss, such as matters pertaining to legal or tax issues. While you may discuss the general tax treatment of the Company's products, you should not offer or be viewed as offering tax, legal or investment advice for specific circumstances, unless you are qualified and authorized as such and clearly disclose to the customer that you are acting in that capacity and not as an agent of North American. The Company will not be responsible for any tax consequences that may arise or result from any transaction.

SENIOR-SPECIFIC CERTIFICATIONS AND PROFESSIONAL DESIGNATIONS

Professional designations used to solicit insurance products, particularly designations that imply an insurance producer has achieved special expertise in the area of financial planning and/or are related to senior markets, have come under heightened scrutiny from various state and federal regulators. The focus is primarily on designations that lack substance and/or are awarded to any person who pays a fee or completes a minimal amount of study.

The National Association of Insurance Commissioners ("NAIC") has adopted its Model Rule on the Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities, and various states have enacted the rule or their own version of it. These laws seek to protect consumers from producers who misrepresent their level of expertise in marketing and sales activities related to life insurance and annuities.

In order to prevent the use of designations that lack substance, incorrectly imply expertise in the special needs of seniors, and/or are issued by organizations primarily engaged in marketing or sales instruction, North American requires that all designations must be approved prior to use on all advertising, including but not limited to mass mailings, business cards, email signatures, letterhead, seminar presentations, and websites, and in relation to solicitation of the Company's products.

The Company has developed a limited list of approved designations associated with the business of insurance, and agents who have properly earned an approved designation(s) may use such designation(s) in relation to the advertising and solicitation of North American products.

To review a list of currently approved designations, please refer to our website, northamericancompany.com. You will find the Professional Designations list in the Training Center under Compliance Information. Please be certain to keep any sales materials and website(s) that you maintain current and compliant.

North American may evaluate designations and certifications that represent a meaningful achievement through sufficient coursework, examinations and experience, and which are issued and accredited by nationally recognized organizations, for use in advertising on a case-by-case basis. Questions and/or requests for review should be submitted to the North American Advertising Review department at AdReview@sfgmembers.com.

Life insurance marketing considerations

SELLING APPROPRIATELY & ACCURATELY

You are required to carefully consider each customer's circumstance and future expectations when making product recommendations. You are also required to review all the proposed policy features with the customer, including values and benefits, premium structure, expenses, surrender charge period and existing coverage. Products change quickly in today's marketplace. Make sure you understand the benefits and features of the products you are recommending. Make clear and competent presentations to be sure your customer understands how the product you are recommending works and how it will address his or her needs and financial objectives. All our product brochures provide specific, current information.

ADVERTISING GUIDELINES & REVIEW

Advertising includes any material, written or electronic, that is designed for distribution to the general public, producers, or prospective producers, including but not limited to:

- Print and all other forms of media advertising (e.g. newspaper, magazine, TV, radio) including "pre-approved" ad slicks that have been personalized
- Internet and Internet websites or home pages and any form of e-commerce, which must be submitted with link to website or in printed format
- Product brochures, circulars, pamphlets and published articles
- Sales presentations, prepared sales talks, seminar presentations and handouts, telemarketing scripts and materials (includes guest presenter materials at sales or producer meetings and events)
- Newsletters, research reports and performance reports or summaries
- Prospecting, target market and form letters
- All consumer advertising
- Emails or email signatures referencing the North American name, logo, description, products, services, rates or features
- Lead cards and lead generating material
- Business cards and letterhead
- Producer biographies
- Producer recruiting and training materials
- Sales illustrations
- Third-party software
- Materials used to recruit other producers
- Facebook, Twitter, LinkedIn, Phonebook and Yellow Page listings
- Websites that contain any North American material, name, or logo

Without exception, all consumer focused advertising and "agent use only" recruiting material or sales literature mentioning North American, or that references any of our products and services, must be approved by the Advertising Review Team prior to use. This includes products referenced by name, description, rates, or features.

Generic ads that do not specifically reference North American or our products by name, feature, or description, are not required to be submitted. However, it is the producer's responsibility to understand and apply all advertising requirements for any material considered advertising under this policy. If choosing to submit Generic Ads, we will be happy to assist by

reviewing for general information, accuracy and compliance with Company marketing standards and rules as set out in this Guide. We may also make suggestions to help comply with state laws and regulations. While we may suggest revisions based on this review, we will not provide approval on generic ads.

The Advertising Review Team offers streamlined procedures for submitting advertising for review and approval. Take advantage of this by e-mailing marketing materials to AdReview@sfgmembers.com. Following the submission guidelines will help expedite the review and approval process.

Periodically new issues arise pertaining to advertising. At those times special bulletins are released to the field to advise them of changes and possible necessary revisions to advertising pieces.

The Company's complete Agent Advertising Guidelines may be accessed through the agent portal at northamericancompany.com. Producers are required to review and follow these guidelines.

If uncertain whether or not something falls within the definition of "advertising," producers may contact the Advertising Review Team for guidance. For assistance with branding or designing an advertisement, please contact the Sales Support team at 800-843-3316 Ext. 32150.

USE OF ILLUSTRATIONS

State regulations require the Company to obtain an illustration signed by both the producer and the applicant for all products that require an illustration ("Illustrated Products").

For Illustrated Products, producers must obtain a signed illustration or a signed Illustration Statement at the point of sale and for certain Policy Change transactions. The illustration must disclose the name and address of the producer who prepared the illustration and all pages of the illustration must accompany the submitted application or applicable Policy Change Application form.

If an Illustration Statement is submitted with the application in lieu of a signed illustration, all pages of an illustration signed by both the producer and the policy owner must be submitted to the Company before the policy will be placed in effect. Do not provide this statement if an illustration has been utilized.

REVISED ILLUSTRATIONS

Revised illustrations are required for changes to an original application or illustration. If a policy is issued other than as applied for, the Company will provide a revised illustration for delivery with the policy. The producer and applicant must sign the revised illustration and return all pages of the illustration to the Company before the policy will be placed in effect.

Common situations that require a revised illustration include, but are not limited to:

- Changes from the original application or illustration (this may include changes of the product, riders selected, non-guaranteed interest rate, policy rating or classification, death benefit and/or death benefit option)
- Changes in the initial planned premium amount or frequency (for example, changing from annual to monthly planned premium)

If an illustration submitted does not correspond with the application or policy change request, the Company will provide a revised illustration for delivery with the policy. The producer and applicant must sign the revised illustration and return all pages to the Company before the policy will be placed in effect.

Some states (OH, NC, IL, NE and OR) require an illustration to be signed on or prior to the signature date of the application and also require the illustration to include the date it was created for the Illustrated Product.

MARKETING BY TELEPHONE

In response to the Telephone Consumer Protection Act, the Federal Communications Commission (FCC) and several states have adopted "Do Not Call" rules that govern telephone communications with the public. As a result, you may not use the North American name as part of your telephone solicitation calls unless you comply with FCC requirements and applicable state laws.

You are required to do the following if you make telephone solicitation calls (including cold calls) using the North American name:

- Search the National Do Not Call Registry and applicable state registries before making any calls to residential telephone

numbers. You may not make solicitation calls to any individual whose number is on either of these registries.

- Contact North American Policy Administration or Customer Communications Department to confirm that the individual has not been placed on a North American Do Not Call list.
- Establish a personal Do Not Call list. You are responsible for maintaining a Do Not Call list of individuals who have asked not to receive calls placed by you, or on your behalf. Individuals must be kept on this list for five years.

In addition, some states have adopted restrictions around text messaging solicitations. You must check the laws and regulations of each state in which you do business to ensure you are in compliance with any state-specific requirements.

Information regarding the FCC rules and any applicable state laws is available on the FCC's website at www.fcc.gov.

MARKETING BY E-MAIL

If you engage in any marketing activity via e-mail, the Federal CAN-SPAM Act provides guidelines you must follow. Violations of the CAN-SPAM act can result in significant fines for each individual e-mail. Basic requirements of the law include the following:

- The email message must not have misleading or falsified header information (i.e., "From", "Reply-To", etc.)
- Don't use misleading subject lines
- Clearly identify that the email is an advertising message, and the message must come from a functioning return email address
- Commercial email must display the physical postal address of the sender
- Display a prominent notice that provides the recipient the opportunity to decline further emails from you (unsubscribe/opt-out)
- Honor all opt-out requests within 10 business days
- Monitor what others are doing on your behalf

Additional information and guidance is available at <https://www.ftc.gov/tips-advice/business-center/guidance/can-spam-act-compliance-guide-business>. Producers are also responsible for following any applicable state laws regarding e-mail marketing. North American encourages you to seek legal advice if you engage in any e-mail marketing.

SOCIAL MEDIA

Social Media is the social interaction among people in which ideas and information are created, shared or exchanged in virtual communications and networks. Examples of Social Media sites include Facebook, Twitter, and LinkedIn. It is very important to remember that the use of a Social Media site to solicit or induce a person to purchase or inquire about a life insurance product would be considered solicitation and must follow our standard advertising pre-approval process.

The Company's social media policy is included in the Agent Advertising Guidelines which may be accessed through the agent portal at northamericancompany.com.

SEMINAR SELLING/LEAD-GENERATING MATERIAL

Seminar selling, complimentary lunch or dinner offers, and the use of lead generating material continues to be under increased scrutiny by regulators and the media. These activities are not prohibited, but all such promotions must disclose that a licensed insurance agent is involved and that life insurance and annuity products may be discussed or offered for sale, then or at a later time. You may not use materials that contain exaggerated or misleading claims, or that are intended to pressure the consumer into making an immediate decision, by reference to the continued availability of certain product features or through other methods. Any reference in any material that suggests the involvement of any regulatory or governmental agency, or any organization that focuses on seniors, such as AARP, is also prohibited.

If you plan on hosting a seminar with the ultimate goal of promoting North American or securing appointments in order to solicit sales of North American products, you are required to submit all materials associated with the seminar for review before offering the seminar to the public. Specific requirements about seminar selling and required disclosures are outlined in the North American Agent Advertising Guidelines, which may be accessed through the agent portal at northamericancompany.com.

Application and agent solicitation guidelines

The life insurance application provides valuable information about the client and is a part of the insurance contract; therefore, it should be filled out completely and accurately. If the answers on the application are incorrect, incomplete, or untrue, North American may have the right to deny benefits or rescind a contract.

Premium payments, other than the first, are to be remitted directly to the Company by the policy owner. Our corporate guidelines do not support submission of agency checks or personal checks from producers for premium payment on a policy that insures someone other than a direct family member of the producer. These guidelines are enforced to guard against commingling of funds and potential complaint/legal situations.

If a mistake is made on the application, do not use correction material to change it. Place a line through the mistake and have the applicant date and initial above the strike out. Applications or other documents submitted with correction material will be rejected when identified.

You should ensure that your clients understand that by signing the application, they are attesting that the information provided therein is accurate and complete. You must never ask your customers to sign a blank or incomplete application or any other document. Doing so may result in disciplinary action up to and including termination of your agent/agency contract. North American may also be required to report such conduct to insurance regulators.

The life insurance application is to be submitted to North American exactly as completed at the point of sale.

The applicant must initial modifications to the application or other sales materials prior to signing them. Any modification made to the application or any other document/material at or after the point of sale without the knowledge and approval of the applicant is an unethical sales practice, may be illegal, and could result in termination and/or civil or criminal liability. Further, you must not sign or initial any document on a customer's behalf, even if the customer has authorized you to provide his or her signature or initials.

Please be aware of individual state guidelines for selling outside of a customer's resident state, discussed further in the non-resident sales section.

For transactions that involve the transfer of funds, producers are not permitted to sign a Letter of Acceptance on behalf of North American.

Finally, remember that it is your responsibility to protect the privacy and confidentiality of the information obtained during the application process. Personal information intended to be transmitted to North American should be maintained in the utmost confidence.

AGENT SIGNATURES

Only the licensed agent who solicited the business at the time of sale may sign the application and must explain the product to the customer. The signing of an application by a non-soliciting agent is prohibited. You should only sign the application if you personally solicited the sale. By signing the application and other sales documentation, you are taking responsibility for the sale and the information provided.

Your signature on the application is your personal assurance that the information supplied therein is, to the best of your knowledge, given voluntarily by an eligible applicant in a complete and accurate manner. North American, as well as the regulations of many states, requires that the agent signing an application be the same agent that meets with the customer, explains the product to the customer and delivers the contract to the customer. If another agent assisted in the sale, he or she should also sign the application—even if they are not taking any commission. This makes it clear to everyone involved in the sale the role of the parties and who the agent is.

Failure to comply with these requirements may result in rejection of new business, the termination of your appointment with North American and any affiliated companies, commission chargeback, and/or a referral to an applicable regulatory agency.

Replacements

The definition of "replacement" goes beyond the surrender of one policy/contract and subsequent purchase of another policy/contract. You should be aware of—and help your customer to understand—all of the transactions that are considered to be replacements. What constitutes a replacement transaction is defined quite broadly. Using funds from a full or partial

surrender of an existing annuity or life insurance policy to purchase another annuity or life insurance policy may be considered a replacement transaction under state law and should follow our replacement procedures. The mere fact that the funds came from a cash source, such as a checking account, does not alone define the transaction as a non-replacement. If in fact the original source for the funds was another policy/contract, then the transaction may need to be classified as a replacement and our replacement procedures need to be followed. This is true even if the customer placed the funds in a money market or checking account prior to purchasing another policy/contract.

For example, a replacement may occur when a new policy or contract is to be purchased and that by reason of the transaction, an existing policy or contract has been or will be:

- Lapsed, forfeited, surrendered, or otherwise terminated
- Reduced in value through a loan, withdrawal or partial surrender
- Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of other benefits or other policy values
- Changed or amended to result in a reduction of benefits or in the term for which coverage would otherwise remain in effect or for which benefits would be paid
- Reissued with a reduction in cash value
- Used in a financed purchase

If writing business in a state that follows the NAIC Replacement Model regulation, a replacement notice will be required if the applicant has an existing life insurance policy or annuity contract whether or not the sale is a replacement.

Intentionally circumventing North American's replacement procedures may result in termination of your agent contract and a referral to the applicable regulator.

A REPLACEMENT CAN BE INTERNAL OR EXTERNAL

An internal replacement occurs when an existing policy or contract is exchanged for a new policy/contract with the same insurer or affiliated insurers. An external replacement occurs when a policy/contract is replaced by one of another insurer. Penalty-free or partial withdrawals from an annuity or life insurance contract are still considered replacement. It is the producer's responsibility to always ensure that the appropriate replacement forms are completed and submitted for both internal and external replacements. Some internal replacement transactions may not be commissionable or permissible and may also be subject to additional paperwork.

YOUR REPLACEMENT OBLIGATIONS

As with any transaction, you have a responsibility to ensure that your customer has all of the necessary facts in order to determine whether the replacement will be in his or her best interest. Although this list is not exhaustive, some factors to consider in order to help determine whether a replacement demonstrates a clear benefit to the customer:

- Whether the premium payment period is shorter for the same or similar premium
- Surrender charge length and/or percent
- Liquidity provisions with consideration of the customer's current and expected liquidity needs
- Whether the customer can purchase or obtain a greater benefit for the same or similar premium
- Consideration of the customer's current financial circumstances and objectives

Comparisons between a customer's existing product and a proposed product must accurately and fairly describe each product's provisions and values. You should discuss the advantages and disadvantages of any potential replacement with your customer, and document those in any required disclosure or comparison forms. Along with any other relevant issues, you must remember to address:

- Any required evidence of insurability
- Minimum guarantees
- Any contestability and/or suicide provisions of the existing and proposed policies
- Applicable loan provisions and loan interest rates of both products
- Surrender charges, expenses and/or fees associated with both products

- Premium requirements of the proposed product
- Present and future (if permissible) values of both products
- Current interest rates and any mortality charges of both products
- Potential tax treatment of the replacement, such as whether the replacement may qualify as a Section 1035 Exchange
- Rider value on existing product may not be available on proposed product
- Length of time the customer has been in the existing product
- Whether the new contract provides a significant benefit unavailable on the existing product
- Ability to demonstrate and document the clear benefit to the customer from the replacement transaction in light of his or her individual needs and objectives

Various states have specific requirements when a replacement is involved. Check the laws and regulations of each state you are licensed to do business in to ensure you are adhering to state-specific requirements when making recommendations to your customers.

Just as insurance products may only be sold by licensed insurance agents, securities products (variable annuities, variable universal life policies, stocks, etc.) may only be sold by properly securities licensed Registered Representatives (Series 6 or 7). North American and its agents, representatives, or employees should not recommend the liquidation of securities, otherwise provide any investment advice, or make any representations regarding losses or gains in respect to an owner's portfolio. The owner should make an independent judgment to purchase the product offered by the agent of North American and should discuss the liquidation of securities with a properly licensed securities representative.

MONITORING OF REPLACEMENT ACTIVITY

North American recognizes that replacement activity varies by product type. Regardless, North American monitors replacement activity on an ongoing basis. Should the replacement activity of an agent or agency present a concern, the Company will investigate the matter further and discuss the issue with the agent and/or agency.

Replacing North American business is prohibited by your producer contract. Violating this provision is grounds for termination of your contract as well as forfeiting the right to service North American contract owners.

Non-resident sales

A non-resident sale occurs when a resident of one state purchases an insurance product in another state. Whenever a sale occurs in a state other than the policy owner's state of residence, certain rules must be followed to ensure compliance with Company policy and the laws and regulations of the applicable state insurance departments.

Residents of Alabama, Massachusetts, Minnesota, Oregon, Utah, and Washington are not allowed to purchase products that have not been approved for sale in their state of residence. Additionally, we are not licensed to sell products in the state of New York, and we will not accept sales for New York residents.

Other than for residents of the states listed above, when a product is not approved for sale in the policy owner's resident state, the customer is allowed to purchase the product in a non-resident state only if they can provide a valid reason to be in the non-resident state (other than solely to purchase life insurance). Acceptable reasons for a customer to purchase a policy outside of his or her resident state may include the fact that the customer maintains a second residence in the state or has regular business dealings or is employed in the state. Vacationing in the non-resident state is not a sufficient reason for a non-resident sale; additionally, the fact that the product is not approved in the customer's resident state is insufficient.

It is important to note the entire non-resident sales process must occur in the application state, including but not limited to the sale discussions, application signing and policy delivery. The life insurance policy cannot be mailed to the customer's resident state.

If you are involved in a non-resident sale, North American requires that you:

- Confirm product availability and state approvals
- Make certain the customer has a valid connection to the non-resident state and complete the Non-Resident Verification Form (#O-2824)
- Be currently licensed to sell the product in all states in which any aspect of the sale occurs

- Sell, sign and deliver the contract in the application state.

If you have questions about your responsibility with respect to non-resident sales, please contact the New Business or Compliance Department to discuss the specific case.

Practical matters to consider with senior customers and vulnerable adults

There are many important matters to consider when dealing with senior customers and vulnerable adults. Although the following guidelines are not comprehensive, they do illustrate some points to consider. Selling life insurance to seniors requires special care and diligence. Senior Protection legislation has been adopted in most states. Along with Suitability, Replacement and consumer protection laws, this legislation generally provides broad protection to seniors. North American producers are expected to be familiar and comply with the applicable laws of the states in which you conduct business.

Although producers cannot be expected to “diagnose” mental or cognitive impairment, those who work with senior customers and vulnerable adults should always be alert to issues regarding the competency of the customer. It is unethical to sell insurance products to a person who appears to suffer from mental impairments and cannot understand the basic features of the products. It is also against the law in many, if not all, states.

Various indicators can be used in determining whether the prospective insured may have diminished capacity and their ability to make decisions is impaired. This can include, but is not limited to, the following indicators:

- Another family member seems to be making all the decisions for the customer
- The person has a legal guardian, lives in a long-term care facility, and/or has a developmental disability
- The person exhibits memory loss, inability to process information or gives confusing or conflicting information
- The person forgets appointments or to return phone calls
- The person shows signs of fearfulness, extreme anxiety, erratic behavior or dementia

While a producer is not expected to be able to assess the cognitive function of a senior, many states expect producers to understand that any person of unsound mind is legally restricted from entering into an insurance contract. If it is determined that a policy is purchased by a person who is not competent to make such a decision, North American reserves the right to rescind the contract and chargeback any commissions paid.

Many seniors are conservative by nature in financial strategies. Whenever you have doubt, it is always best to rely on more conservative strategies and recommendations.

Many people go through “buyer’s remorse” after making a major financial decision. Again, proper documentation, a conservative strategy and making sure that the customer fully understands what they have purchased will help address this issue.

Some seniors may give the impression of being “market-savvy” because they might have owned stocks/bonds or mutual funds in the past but realistically have little or no market knowledge. Producers must not assume that seniors understand life insurance concepts without proper instruction. Most seniors have other advisors, such as a CPA, a tax advisor, an attorney, agent-in-fact or even family members. These advisors may have different recommendations for the senior customer. It may be beneficial to include these advisors. Additionally, we recommend that you offer to involve a senior customer’s family members in your discussions.

Document retention

It is important to maintain a record of customer information collected, whether or not the customer elected to purchase a life insurance policy. You may be asked to make available upon request to North American or the insurance department/division of your state. Certain documents should always be maintained. At a minimum, these include:

- Original sales proposals
- A copy of any needs analysis completed during the solicitation.
- A copy of any sales material and advertisements used during the sales process

- Any written correspondence to or from the owner regarding the solicitation, issuance of the contract, or subsequent service of the product sold
- Documentation of phone calls to or from the owner addressing the above issues
- Notes from meetings with the owner
- A copy of the owner's signed delivery receipt

State regulations vary regarding the length of time that customer files are to be maintained. However, a general rule of thumb is to maintain all active customer files indefinitely and all inactive files for seven years.

Privacy and information security

Protection of customer information is a growing challenge that North American takes seriously. The federal Gramm-Leach-Bliley Act and numerous state privacy laws impose certain legal obligations on financial institutions, including insurance companies, with respect to the collection, use, and protection of customers' non-public personal information. This information may include, but is not limited to:

- Customer name
- Gender
- Age
- Address
- Bank account number
- Contract number
- Social Security Number
- Health and financial information
- Contract values
- Beneficiary information
- Passwords, PINs, and other personal identifiers

North American's Privacy Policy is provided directly to our contract owners and is posted on our website at northamericancompany.com. As an insurance producer appointed with the Company, you are expected to protect your customers' non-public personal information according to the Company's Privacy Policy.

Insurance producers are also expected to comply with certain privacy laws and regulations individually. As an independent producer, you may have an obligation to provide your own privacy notice to customers and to meet the other legal requirements, depending on how your independent business is conducted. **You should consult with your legal advisor to determine if you have additional obligations with respect to your business separate from your relationship with North American.**

Additionally, your obligation to protect the privacy of customer information also includes the implementation of security measures to guard against the theft or loss of such information. North American has defined and adheres to Corporate Information Security Policies and expects its independent producers to implement their own safeguards, including but not limited to:

- Use appropriate levels of encryption on laptop computers or other mobile devices, including external storage devices such as flash drives and external hard drives
- Install and regularly update anti-virus/anti-spyware software
- Create strong passwords and never share passwords with others
- Do not create or access a customer's online account with North American
- Protect appropriate IT systems by firewalls
- Secure servers in an isolated, locked room
- Don't send private information via e-mail (even with a customer) without the proper security

- Ensure all confidential information has been permanently removed prior to the disposal of equipment or documents
- Ensure that office visitors and customers are not able to view or access restricted or confidential information
- Ensure that all desks or cabinets containing files and confidential information are securely locked and accessible only to authorized personnel
- If you use the Company's secure upload procedures to transmit documents to North American, ensure you have a process in place with respect to any copies of documents you have transmitted.
- Ensure your business mailing and email addresses are kept updated with the Company

Improper disclosure or loss of North American customer information, whether accidental or malicious, must be reported to the Company immediately upon discovery of the disclosure or loss. This may occur, for example, if you experience unauthorized access, loss or theft of your computer, paper files, CDs, or other media containing customers' non-public private information, or if such information is sent to an unintended address, fax number or email address. To report a security breach, contact the North American Information and Security Department at 800-843-3316.

Producer's personal information

North American gathers personal information during the application process in order to evaluate your application for appointment and to maintain appointment records.

Personal information we obtain during the application process is private and confidential. We will not disclose such information to other persons or organizations without your written authorization, except to the extent necessary to conduct our business, or as permitted or required by law. We do not sell your personal information and it is only used to evaluate your agent application and maintain appointment records.

Categories of personal information	Purpose for which categories of personal information shall be used
Identifiers – such as real name, alias, postal address, unique personal identifier, online identifier, internet protocol address, geolocation, email address, account name, social security number, driver's license number, passport number	Evaluating application for appointment and to maintain appointment records.
Information protected against security breaches – name and financial account number, driver's license, social security number, user name and password.	Evaluating application for appointment and to maintain appointment records.
Commercial information – records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies	Evaluating application through background checks and other means, for employment/appointment and to maintain employment/appointment records.
Biometric information (fingerprinting)	Evaluating application for appointment and to maintain appointment records.
Professional or employment related information	Evaluating application for appointment and to maintain appointment records.
Education information	Evaluating application for appointment and to maintain appointment records.
Inferences drawn from the foregoing to create a profile about the agent reflecting the agent's preferences or behavior.	Evaluating application for appointment and to maintain appointment records.

Consumer complaints

North American has an obligation to monitor producer conduct and to ensure ethical and appropriate customer service. Customers may contact you, the Company, or others for a variety of reasons such as service requests, inquiries, questions and concerns, lack of understanding, or a serious grievance. If the Company receives a complaint related to a sales practice or life insurance sold or serviced by you, you may be contacted and required to provide a written statement and also may be asked to provide copies of sales materials (if applicable) and other documentation related to the matter. The Company is committed to handling all customer complaints fairly and expeditiously and expects your full cooperation. In an effort to keep the investigative process objective, the Compliance staff is not able to assist you in formulating your substantive response.

Please note that all complaints received directly by you should immediately be forwarded to the Compliance Department for handling:

North American Life Insurance Company
Attn: Compliance Department
4350 Westown Parkway
West Des Moines, IA 50266
Email: compliance@sfgmembers.com

Once reported to the Company, producers may not respond directly to the customer, any customer representatives, or to regulators with respect to the complaint.

Complaints must be identified, evaluated and handled according to applicable laws and regulations. It is inappropriate and unacceptable for any North American producer to initiate discussion of a settlement of any complaint or related matter with a customer. While your input may be solicited and your cooperation is required, the Company retains the absolute and unilateral right to settle and resolve all complaints and related matters in its sole discretion. The Company also retains absolute and sole discretion to charge back commissions pursuant to the terms of the agent contract.

The company takes seriously and thoroughly investigates all complaints, and where called for, seeks to fairly and amicably resolve them. We track and monitor complaints to identify trends and also use the information to improve service and operational standards.

Questions relating to customer complaints or related matters should be directed to the Compliance Department at compliance@sfgmembers.com.

Anti-money laundering compliance

As you conduct business, you must always watch for signs of illegal activities such as money-laundering. Money-laundering refers to a series of financial transactions that aim to conceal the identity, source and destination of illegally obtained money; in other words, the conversion of criminal proceeds into seemingly legitimate funds. Money-laundering facilitates a broad range of serious underlying criminal activities and ultimately threatens the integrity of the financial services industry.

Following the terrorist acts of September 11, 2001, Congress enacted the USA PATRIOT Act, which strengthened anti-money laundering (“AML”) laws to prevent the financial services industry from being used for money-laundering and terrorist financing by criminals and terrorists. As part of the USA PATRIOT Act, financial institutions, including insurance companies, are required to establish and maintain AML procedures to comply with minimum standards for customer identification as developed by the U.S. Department of the Treasury. North American has taken appropriate steps to adhere to the compliance requirements under the Act and has established a formal anti-money laundering program. As a person who deals directly with customers and is often in a critical position to obtain information regarding the customer’s source of funds and reasons for purchasing an insurance product, you play an important role in the program.

To sell North American’s insurance products, the Company’s anti-money laundering program requires you to ensure that all information disclosed on the application is correct and that associated documents are accurate and complete. Record of this information must be retained as long as the contract is in effect and for five years thereafter. If a customer resists providing information, please contact the Compliance department at 866-384-0384 for guidance.

You must notify the Company if you detect any money-laundering “red flags” so that the Company can determine if a suspicious activity report (“SAR”) must be filed with the Financial Crimes Enforcement Network (“FinCen”), a bureau of the U.S. Department of Treasury. “Red flags” that may be indicative of a money-laundering situation include, but are not limited to:

- A customer's purchase of a product that is not consistent with their insurance needs
- The purchase or funding of an insurance product that appears to exceed the customer's known income or net worth
- Any attempted unusual method or form of payment, particularly cash or money orders
- Payment of a large amount broken into multiple smaller amounts
- Payments received from apparently unrelated third parties to your client (other than transfers and exchanges from other insurers and broker/dealers)
- "Not taken" contracts, particularly if there are patterns or trends with a particular client
- Little or no concern by a customer for the performance of an insurance product, but much concern with respect to the early termination features of the product
- Reluctance of a customer to provide routine identifying information, or the provision of information that seems suspicious or turns out to be false
- The customer is unusually concerned about privacy or their appearance and/or demeanor is suspiciously unusual
- Any other activity which you believe is suspicious

"Willful Blindness" is a violation of the USA Patriot Act, meaning it is illegal for you to "look the other way" if you know of, or reasonably should have known of red flags indicating suspicious activity. As a producer for North American, you have a legal duty to "know your client", detect suspicious activity and report it to the Company.

Verification of identification is a section under the USA PATRIOT Act that requires producers and insurance companies to "Know Your Customer". In addition to identifying our customers, we must take care to identify the ownership and source of payments received (e.g. premium payments and loan payments). As part of the Company's AML program, the following guidelines have been established as to acceptable and unacceptable forms of payments:

Acceptable	Not Acceptable
<ul style="list-style-type: none"> • Personal, business, cashier's or certified check drawn on a U.S. Bank • Electronic Fund Transfer from a U.S. Bank 	<ul style="list-style-type: none"> • Cash • Money orders • Agent or agency checks • Generic or starter checks • Third party checks • Traveler's checks • Western Union transfers • Checks drawn on foreign banks

If a customer provides a form of payment that is not acceptable, it must be returned to the customer immediately with instructions on acceptable payment types.

The Company requires all producers to complete periodic Anti-Money Laundering training and utilizes the course offered by LIMRA International, Inc. You may access the course at <http://aml.limra.com>. Your User ID will be your National Producer Number (NPN). The password, if you are a first-time user, will be your last name which must be entered in lower case characters. If you need assistance please contact LIMRA's technical support team at 866-364-2380. Please note that you will not receive a physical certificate upon completion of the course; however, LIMRA will provide the Company with documentation following your completion.

Acceptable forms of AML training may include, but are not limited to the following:

1. AML training course provided by LIMRA International, Inc.
2. Completion of a Broker/Dealer's AML training will be accepted by the Company for agents who are also Registered Representatives of a B/D with which the Company, or one of its affiliates, has an active selling agreement.
3. The Company may accept a signed certification from another insurance company's AML Compliance Officer for producers appointed with other insurance companies who have completed another company's AML training program as mandated by the USA PATRIOT Act.

The Company and its producers share an important responsibility to comply with all applicable anti-money laundering laws.

A producer's failure to do so constitutes cause for disciplinary action up to and including termination of the agent contract relationship. Additionally, violation of anti-money laundering laws may result in criminal or civil penalties under federal law. If you have questions regarding acceptable methods of payment, customer identification requirements or any other new business issues, please contact the Sales Support Department at 800-843-3316, Ext. 32150. Questions regarding AML training requirements may be directed to the Agency Services department at 800-843-3316, Ext. 32280.

To report suspicious activity, or if you have questions regarding the Company's AML policy, please email the North American AML Department at AML@sfgmembers.com or contact the AML Reporting Line at 866-384-0384.

Wills and trusts

Use caution when using or offering living trusts as a financial planning tool. While we believe that in the appropriate circumstances a living trust can be a valuable planning mechanism, mass distribution of this concept is not appropriate. Trust related sales have been the focus of private and government litigation against marketers of living trusts, insurance companies and agents. These activities have also generated national media attention. This litigation focuses on so-called "Trust Mills" that allegedly market living trusts on a mass basis as a "door opener" for the sale of insurance products. It is therefore important that your customers understand that the purchase of a life insurance policy is in no way required in conjunction with the establishment of a trust and that the fees, costs and/or expenses associated with the establishment of a trust are independent of any premium paid for the purchase of the life insurance policy.

North American will accept business involving the use of a trust as an owner or beneficiary, regardless of the effective date of the trust. If your business involves the use of trusts, you may be asked to provide information regarding your business practices to North American.

North American will require a current executed copy of its Certification of Trust Agreement Form, signed by the authorized trustee(s), to be on file whenever a contract will involve a trust as either an owner or beneficiary.

As a result of the Certification of Trust Agreement form, North American does not automatically require a copy of trust documents. However, North American reserves the right to require additional documentation for a life insurance application/contract involving trusts and may, if circumstances warrant, deny an application or allow rescission of a contract if it determines that a trust used in conjunction with an application for a contract is inconsistent with its procedures.

Neither North American nor its agents provide tax or legal advice. We strongly encourage customers to consult with and rely on their own tax and/or legal advisor prior to establishing a living trust or purchasing any North American product in connection with a living trust. The provisions of the contract being purchased should be discussed with the trustee in detail so that the trustee can ensure that those provisions are consistent with the terms and objective(s) of the living trust.

When a trust is named as owner of an insurance product, it is imperative that the trustee(s) has obtained an independent determination that the contract(s) are suitable for the trust's purpose, that the contract(s) conform to the income distribution requirements of the trust and that the trustee(s) has considered any tax consequences of the purchase and administration of the contract(s).

Prohibited or restricted practices

REBATING IS PROHIBITED

Rebating involves an applicant being given something of value that is not mentioned in the contract as an inducement to purchase or retain a life insurance or annuity contract. Rebating also includes refunding any part of a commission to induce the purchase or retention of a contract.

Most states have specific regulations that prohibit rebates in connection with the sale of life insurance policies or annuity contracts. Typically, the statutes provide that no insurer or producer shall pay, allow, give or offer to pay as an inducement with the purchase of any policy of life insurance or annuity contract, any valuable consideration or inducement whatsoever that is not specified in such policy or contract. Most states also have insurance laws which specifically prohibit any person from receiving rebates on life insurance policies, including deductions from any premiums, or any valuable consideration, special favor or advantage whatsoever not specified in the policy as an inducement to take such policy or annuity contract.

North American prohibits producers from giving anything of value in conjunction with the sale of life insurance that is not specified in the policy or contract, from rebating commissions received, and from making any premium payments from funds

or accounts under the control of the producer, regardless of applicable state law.

CHURNING/TWISTING IS PROHIBITED

Churning is the practice where values in an existing policy or contract are used to purchase another product solely for the purpose of earning additional commissions or other compensation. Twisting is the use of misrepresentation of information to entice the transfer of one policy or contract for another. Many states have adopted Insurance Regulations which define Twisting and Churning as unfair methods of competition and unfair and deceptive acts. You should familiarize yourself with the laws and regulations within the states(s) you do business.

CONFLICTS OF INTEREST

Our producers should not serve in any capacity that may be construed as creating a conflict of interest. Additionally, producers may not use their family members, business associates or any other party to accomplish what they themselves are otherwise prohibited from doing in this regard. In addition, producers should not engage in or be involved in the writing of a trust for customers.

Although the following list is not exhaustive, current Company practice does not allow a producer/registered representative to be named as, or to act as, the following:

- beneficiary or contingent beneficiary
- beneficiary of an owner's beneficiary trust
- trustee, co-trustee or successor trustee for an owner's trust
- attorney-in-fact or successor attorney-in-fact for an owner
- estate executor/executrix
- an owner of the customer's contract

The exception to this exists when the producer is "immediate family" of a customer, defined as spouse, child, step-child, mother, father, grandparent, brother or sister, or as otherwise determined by Company procedure or state law.

It is equally unacceptable to use an agency or producer's home and/or business address or telephone number as the owner's address or phone number of record if the owner does not reside at the address. The customer should list his or her primary residence (where property taxes are paid) as the address. A producer must scrupulously avoid real or apparent conflicts of interest involving customers to whom North American products are sold.

CUSTOMER LOANS ARE PROHIBITED

The acceptance of a loan from a customer is an unacceptable conflict of interest that the producer must avoid. North American, and the laws of many states, prohibit a producer from receiving loans from their customers unless the customer is the producer's "immediate family" member, defined as a spouse, child, step-child, mother, father, grandparent, brother or sister. North American further prohibits a producer from soliciting or accepting an investment from a North American policy/contract owner in a producer's agency.

EXPERT WITNESS

Unless prior written consent is received from the Compliance Department, producers are not allowed to act as expert witnesses in legal, regulatory, or legislative proceedings.

MORTGAGE AND REFINANCING

Encouraging or directing a customer with substantial home equity to take out a reverse mortgage, refinance and/or obtain home equity funds to purchase a life insurance policy is not acceptable to North American. Engaging in such sales tactics may result in action up to and including the termination of your North American contract.

USE OF CUSTOMER STATEMENTS IN THE SALES PROCESS

North American prohibits using copies of customers' annual statements during the application, sale, purchase, or any other aspect of marketing products regardless of whether or not policy owner information is visible. The Company values the integrity of our customer relationships and works to ensure that the personal and financial information of our customers is protected. Additionally, the past performance of a particular customer's fixed index life insurance policy is not intended to predict future performance of similar products.

IMPERSONATIONS

You (including your staff or associates) may never contact the Company acting as the customer, even if the customer has given you permission to do so. Producers identified as impersonating a customer will be referred to the Compliance Department for appointment review and are subject to possible termination. We may also refer the agent to the appropriate regulatory agencies. Customers may also be contacted in these situations.

USE OF FAITH/RELIGION IN ADVERTISING

Given the diversity of our producers and our policy owners, we need to be sensitive in the messages we use in advertising. Please refrain from using faith, religion or religious conviction in advertising, sales literature, seminars, policy owner correspondence or any other materials used to promote our company and/or the sale of our products. Submitted materials with such themes will not be approved through our standard advertising approval process.

Additional important information and instructions

FACT FINDING, NEEDS ANALYSIS, AND DOCUMENTATION

Competent and customer-focused appropriate sales are based on an analysis of the customer's insurable needs and financial objectives. You are required to conduct a thorough assessment of each customer's needs and objectives, as well as their circumstances and future expectations, when making product recommendations. Insurance product recommendations should be made only upon having reasonable information to determine that such recommendations are appropriate to meet the customer's needs.

North American encourages the use of fact finders or other needs analysis tools to assist you in determining your customer's needs and objectives. In addition, documentation of that assessment and presentation is key to proper compliance in any market but is especially important with senior customer sales.

INDEX ACCOUNT ALLOCATION

North American fixed index products offer many choices for your customers. In most cases, your customers can choose how their premium is allocated among crediting methods, as well as selecting from a variety of index account options.

The index account options are used as a measuring tool for a potential interest credit to their fixed index products, Fixed index products are not securities investments and; therefore, do not participate directly in any index or indices. If an index option is chosen by your customer it is important that you are not providing investment/allocation advice unless you are qualified and registered to do so.

POWERS OF ATTORNEY - VERIFICATION OF IDENTITY

The Verification of Identity section provided on the Life Insurance Application must be completed with the Owner's information, not that of the Attorney-in-Fact.

FREE LOOKS

If your customer is not satisfied with their life insurance policy for any reason, he or she may return it to the Company during its contractual Free Look Period (Right to Examine). If your customer informs you that they wish to cancel the policy, please notify us and require the customer to notify the Company in writing.

POLICY DELIVERY RECEIPT REQUIREMENTS

North American is committed to the highest standards of market conduct and fundamental business practices and requires new policies be delivered to the policy owner in a timely manner. Delivering policies to the customer shortly after issuance allows producers the opportunity to reaffirm the sale and to review the policy and answer any questions.

Proof of policy delivery is required by the Company or by law or regulation in the states¹ listed below. For policies issued in these states, producers are required to return to the Company, a policy delivery receipt signed and dated by both the policy owner and the producer.

California	Colorado	Louisiana	Missouri
Ohio	Pennsylvania	South Dakota	Virginia
West Virginia			

1. List compiled as of the effective date of this Guide and is subject to change without notice. North American will not pay commissions on policies issued in a state that requires proof of policy delivery until an appropriately signed delivery receipt has been received at the Company's Administrative Office.

North American includes a policy delivery receipt with every policy issued and strongly encourages that regardless of whether or not required by state law or regulation, that a producer obtain and submit to the Company a copy of a signed and dated delivery receipt for every policy issued.

The use of a policy delivery receipt provides protection not only to the Company but to the producer as well by confirming proof of required delivery of the policy and of the date the right to examine or free-look period begins.

PRODUCER LICENSING AND CONTRACTING

North American follows all state licensing regulations regarding agent licensing and appointments. Your appointment to sell insurance with North American requires that you abide by all of the laws, rules, and regulations of any state in which you are licensed to conduct business. Furthermore, it is your obligation to ensure that you keep up to date regarding all changes to any laws, rules, and regulations governing your activities as an agent. You must also comply with all Company policies and procedures. Current Company practice also requires you to notify the Licensing and Contracting team of any felony charges or regulatory action against you within 30 days.

Please note that some states prohibit taking applications prior to product training or appointment with the state.

If you have questions, you may contact Agency Services at 800-843-3316, extension 32280.

STATE-SPECIFIC RULES AND REGULATIONS

Each state has various rules and regulations concerning the sale of insurance products. It is your responsibility to know and follow your state's (and the solicitation state's) rules and regulations. If you have any questions about the rules and regulations in your state, you are strongly encouraged to discuss them with your legal advisor.

ERRORS AND OMISSIONS COVERAGE REQUIREMENTS

North American requires all of its producers to maintain Errors and Omissions insurance coverage of at least \$1M aggregate and \$1M per claim per year of coverage. You must provide proof of Errors and Omissions coverage on an annual basis. In the event that a claim is presented against you, your Errors and Omissions carrier should be notified within 24 hours of your receipt of the information. You are responsible for making this notification.

PRODUCER EDUCATION REQUIREMENTS

North American believes that continuing education about products, industry, and regulatory issues is critical to being able to provide competent, customer-focused sales and service. A variety of resources are available for obtaining this education, including the Company, professional trade groups, and independent third party vendors.

You are responsible for ensuring that you meet all continuing education requirements associated with your insurance and other licenses.

For specific information regarding the resources available to you from the Company, including product-specific training, please call Sales Support and Development at 800-843-3316, extension 32150.

ADVERSE ACTION

If you have been the subject of an adverse action (for example, a complaint, investigation or regulatory action) have filed bankruptcy, have unsatisfied judgments or tax liens, been charged with/found guilty of a felony or misdemeanor, have lawsuits against you or been refused E & O coverage, you are to notify North American of the action and circumstances within 10 days. Further, if you have been terminated by another carrier for any reason other than lack of production, you are also to notify the Company.

DELIVERY OF A LIVING TRUST

Some states have laws that provide limitations on when a living trust is used and restricts insurance producers who are not licensed as an attorney to deliver a living trust other legal document other than an insurance contract to a person aged 65 and older. Check the laws and regulations of each state you are licensed to do business in to ensure you are adhering to state requirements.

We hope that you find this compliance guide to be helpful; however, please keep in mind that it is not intended to discuss all topics, laws, or regulations that may affect your activity as a producer. Because the guidelines are general in nature they will not address all details of any specific circumstance; therefore, if you need additional assistance in applying these guidelines, please contact the compliance department.

North American Company for Life and Health Insurance
Compliance Department
4350 Westown Parkway
West Des Moines, IA 50266
Compliance@sfgmembers.com
866-384-0384

For sales support, please call 800-843-3316, extension 32150 or email salesupport@mnlife.com.

NOT FDIC INSURED. NO BANK GUARANTEE.

We're Here For Life®

northamericancompany.com



Annuity

Understanding Your Client's Needs

Fixed Annuity Product Guide



FIXED ANNUITY PRODUCT GUIDE

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POINTS TO CONSIDER

It is important to ensure that our products meet the needs of your clients. Carefully read this guide in its entirety and call Sales Support at 866-322-7066 with any questions.

This booklet is intended to serve as a guide in helping you identify some of the important factors to consider for each of your clients. By applying this information, you should have a foundation from which an appropriate product recommendation can be made. Please note that the information provided herein is not intended to be all-inclusive. Individual client circumstances will vary and you are expected to adhere to all requirements applicable to insurance producers doing business in your state and your customer's state of residence, if applicable.

Understanding your client's needs is vital before recommending the purchase of an annuity. Simply knowing the features of the annuity is not enough to make a proper recommendation. It is imperative that fact-finding take place as well.

It is our general policy that no outside sales illustrations, proposals, projections, and/or software, be used during the application, sale, purchase, or any other aspect of marketing our fixed index annuity products, other than Company provided illustration software and approved calculators. The use of any third party vendor illustration software is prohibited. This includes, but is not limited to, sales illustrations, proposals, projections, and/or software that provide hypothetical or past index performance to demonstrate or predict product returns.

An annuity can be an excellent insurance product for your clients. Clients have various factors that will help indicate which annuity, if any, is appropriate for their individual situation. In discussing an annuity with your client the following factors, in addition to those previously mentioned, must be considered for each annuity purchase. *Please refer to the Compliance Manual for Company guidelines and a comprehensive discussion of each topic.*

- Broad protection of Senior Protection Laws
- Evaluating the buyer—mental or cognitive impairment
- Need to err on side of being conservative
- “Buyer’s remorse”
- Some clients may be less sophisticated than they appear
- Seniors often work closely with other advisors
- Full fact finding and documentation is very important
- Reverse Mortgage, Mortgage and refinancing
- Beneficiaries sometimes have different objectives than the Contract owner
- Index account allocations
- Use of illustrations
- Use of clients’ statements in the sales process
- Wills, trusts and Medicaid planning
- Use of professional designations
- Replacements

KNOWING YOUR CLIENT

With good fact-finding, the starting point should seem logical. Start with easy questions, even ones with obvious answers. This will give your clients a chance to become comfortable with the process and provide a foundation of knowledge to build upon. We highly recommend the use of a “Fact Finder” form to aid in gathering this information. Please see our website for an example of a Fact Finder. The following are some basic points to consider during your initial interview.

Personal Information

Basics

- Client’s name and date of birth.
- Spouse’s name and date of birth.

Occupation of Client (and Spouse if Applicable)

- Current occupation. (A 5-year employment history is helpful.)
- Length of employment.
- Length of time until retirement.
- Current income. (Projections of possible changes in income.)
- Other sources of income. (Some examples to consider may be: pension, side business, part-time work, investment income, rental property.)
- Current debt obligations.
- Annual income needs.
- Future income needs.

Dependents

Dependents may be anyone for whom your clients are financially responsible. This could be anyone from stay-at-home spouses who don’t have a retirement account of their own, a child who wants to go to college, or an elderly parent who is in your client’s care. All of these factors affect how long and how much your clients may be able to invest. The following are some basic considerations.

Spouse

- Is the spouse currently employed?
- Does the spouse have a pension?
- What type of preparation has the spouse made for retirement?

Children

- Age of children, if applicable. (Include addresses and social security numbers.)
- Will they be named as a beneficiary?
- Are they planning on attending college? Is there a savings plan in place now?
- Do you want to include your child(ren) in your financial planning discussion?

Other

- Is there an elder dependent living in the home?
- What additional concerns/needs might they have?
- Medical expenses.
- Health-related issues. (e.g. mental or cognitive impairment.)
- Home equity, mortgage, credit card debt.

KNOWING YOUR CLIENT

Goals and Objectives

Your clients' goals for their money will vary and may range from short to long-term. All major financial considerations should be accounted for during planning. It is important that, as the person making a recommendation, you understand their needs. For example, are your clients looking to put a down payment on a house or are they attempting to save for retirement?

There will be different factors that motivate each client. It is your duty to understand the client's financial needs, objectives and goals in order to ensure a suitable sale.

1. Retirement

- **Be diversified.** Rarely, if ever, does one type of financial product solve all of your client's retirement needs.
- **Make a plan.** Whatever action you take should be logical. Follow the plan you establish.
- **Make sure your clients won't outlive their income.** Whatever the plan, make sure there will be sufficient income available when needed and for as long as needed.

2. Medical/Long-term Care

- Be sure to discuss these needs.
- Make sure money will be available in the amount needed.
- Consider the liquidity features or riders the annuity offers to accommodate these concerns.

3. Life's Emergencies

- Err on the side of caution when it comes to liquidity needs.
- Leave adequate funds in a savings account or money market for unplanned emergencies.
- Make sure your client is aware of the withdrawal provisions.

4. Higher Education

- Make sure the client's potential purchase does not impede a prior commitment to save for college expenses.
- Pay special attention to the age of the children, as that will affect the time horizon.

5. Life Insurance

- Consider life insurance needs.
- Know what assets your clients need to protect (house, family, lifestyle) and address those concerns specifically.

6. Other

- It may take a little probing to determine what the "other" factors are, but they almost always exist. "Other" may be a new car or second home.
- In addition, how important are these goals in relation to the other concerns listed above? Have they set aside funds for these goals?

The order of these points does not necessarily reflect the level of importance to your client.

KNOWING YOUR CLIENT

Income and Assets

It is important to understand just what assets your clients have available. You will need to know the total household income, sources of income, available savings, etc. The more fact-finding you do here, the better. You will gain perspective on just how attainable their goals are, given the income or assets they have available. Below are questions that will assist in this process.

- Net worth?
- Yearly household income?
- Source of this income? (Employment, pension, outside investments, social security, or other.)
- Potential short-term change in income? (Current annuities, life insurance, enhanced withdrawal benefits, etc.)
- How much of the client's savings and available funds will be used to fund this product?
- Current tax bracket?
- Investment experience?
- What kinds of investments or purchases have they made in the past?
- How familiar are they with the concepts you are presenting?

Obtaining this information will give you a better sense of your clients' assets and how an annuity purchase may affect them. As you do this, you may find that they already have an annuity, but no life insurance, and additional annuity products may be inappropriate or unnecessary.

Here are some other points to consider before recommending the purchase of any annuity product:

- What is the source of the funds for the purchase?
- What major expenses do they have that need to be addressed first? (Examples include: mortgage, car payments, health insurance, etc.)
- Are the withdrawal provisions adequate to meet current and anticipated future needs?
- Are other funds available if needed?
- Will they be making a monthly contribution? Is that amount acceptable?
- Who will be the beneficiaries?
- What concerns, if any, may arise specific to the intended beneficiary designation?
- Are the proper beneficiaries provided for the annuitant's beneficiary and the owner's beneficiary?
- Is the product, as applied for, designed to pay the intended beneficiaries at the proper time?
- Is the beneficiary a person or other entity?
- Will the beneficiary/owner in any way impact the tax-deferral status of the annuity contract?

REPLACEMENT

As you meet with clients, it may become apparent that all or a portion of funds intended for the purchase of a North American annuity could come as the result of a replacement of another company's annuity or life insurance policy. North American strictly adheres to all state laws and regulations regarding replacements. As an insurance agent, there are several factors that you should consider before recommending a transaction involving a replacement.

The following list provides some of those factors:

- Company ratings/financial strength.
- Safety of premium.
- Surrender charges length and/or product.
- Market Value Adjustment (Interest Adjustment)
- Similarities between products.
- Issue date and term remaining on existing contract.
- Rate comparison.
- How a Premium bonus(es) may affect the rate(s).
- Mortality and Expense charges.
- Tax consequences of the replacement.
- Riders on either contract.
- Death Benefit of either contract.
- Collateral effects of replacement. (e.g. How has the need for life insurance been addressed if the life insurance policy is being replaced by an annuity?)
- Each replacement must demonstrate a clear benefit to the client.
- Living/Income benefit of either contract.

Please be aware that North American requires a replacement form for all replacement transactions, regardless of state regulations.

Depending upon the circumstances, a replacement may or may not be in the best interest of a client. In some cases, a change to a currently-owned product may benefit the client more than the purchase of a new product.

Additionally, the definition of "replacement" goes beyond the surrender of one contract and subsequent purchase of another contract. As an agent, you should be aware of all the transactions that are considered a replacement.

For example, a replacement may occur when a life insurance policy or annuity contract has been or is to be:

- Lapsed, forfeited, surrendered, or otherwise terminated;
- Converted to reduced paid-up insurance, continued as extended term insurance or otherwise reduced by the use of nonforfeiture benefits;
- Reduced in value through a withdrawal or partial surrender;
- Reissued with a reduction in cash value;
- Pledged as collateral or subjected to borrowing where the aggregate loan exceeds a state-specified percentage of the loan value of the existing contract; or
- Amended by reducing or eliminating ancillary benefits, such as waiver of premium or accidental death benefits.
- Surrendered to the customer and then used as a cash purchase.
- Reduced in value through a withdrawal or policy surrender with funds sent to the client. Using any portion of these funds to establish a new life insurance policy or annuity contract or fund a subsequent premium on an existing contract.

Replacing North American business is prohibited by our agent contract. Violating this provision is grounds for termination of your Contract as well as forfeiting the right to service North American contract owners.

PRODUCT FEATURES

Traditional and Fixed Index Annuities

North American has a wide variety of traditional fixed and fixed index annuities. Although each annuity product is different, there are features that are consistent with all of our annuity products. The next section will give you a brief overview and help explain some of the main product features. Following that section is a product-specific summary of our current portfolio. Please also refer to the product-specific brochures, Annuity Disclosure Statements or Annuities At a Glance for additional information. Review the current product approval chart for availability in your state.

Please note: North American's fixed index annuity products are not investments in the stock market and do not participate in any index, stock, bond or equity investments. In addition, market indices do not include the payment or reinvestment of dividends in the calculation of their performance.

Products that have premium bonuses may offer lower credited interest rates, lower Index Cap Rates and or lower Participation Rates than products that don't offer a premium bonus. Over time and under certain scenarios the amount of the premium bonus may be offset by the lower interest rates, lower Index Cap Rates and/or lower Participation Rates.

Withdrawals

Each contract has specific penalty-free withdrawal provisions that may vary by product. Any excess amount will be subject to a surrender charge and possibly a Market Value Adjustment during the surrender charge period. For most products, the penalty-free withdrawal amount is non-cumulative between contract years. *Please refer to the product brochure for details. Withdrawals prior to age 59½ may be subject to an IRS penalty.*

Surrender Charges

A surrender charge will be deducted from the Accumulation Value as a result of a full or partial surrender exceeding the penalty-free amount described above. Surrender charges on IRS-Required Minimum Distributions exceeding the penalty-free amount are waived by current Company practice, on most products. Potential earnings may be reduced if your client surrenders the Contract before the end of the surrender charge period or the withdrawal exceeds the penalty-free amount. *Please refer to the product-specific brochure or Annuity Disclosure Statement for a complete listing of surrender charges for each product.*

Note: Surrender charge schedules may vary by product and issue state.

Market Value Adjustment (also referred to as Interest Adjustment in certain contracts/endorsements)

North American's fixed annuity products may include a Market Value Adjustment. It is applied to the full amount of all full and partial surrenders exceeding the penalty-free amount. The Market Value Adjustment will be assessed during the period specified by the Contract. This adjustment will either decrease or increase the Surrender Value based on the change in the interest rates since the client purchased their annuity. Lower interest rates at time of issue may result in less opportunity for a positive Market Value Adjustment in future contract years. In certain rate scenarios at the time of issue, it may not be possible to experience a positive Market Value Adjustment. *Please refer to the product-specific consumer brochure and Understanding the Market Value Adjustment brochure for more information.*

Note: The Market Value Adjustment feature may not be available in all states or on all products.

Death Benefit

North American will waive all surrender charges upon the death of the owner or annuitant and will pay out the full Accumulation Value to the beneficiary. If joint annuitants are named in the annuity, the Death Benefit will be paid at the second death. If joint owners are named in the annuity, the Death Benefit will be paid upon the first death.

Distributions will be taxed to the beneficiary at distribution. Clients should consult with and rely on their own tax advisor.

PRODUCT FEATURES

Fixed Index Annuities

North American offers innovative fixed index annuity products for you and your clients. With numerous companies offering a wide array of fixed index annuity product designs, it is important to understand all available features and options. The following section explains the features of North American's fixed index annuity portfolio. While this section explains the main features, all North American fixed index annuity products are different; therefore, please refer to the product-specific brochures, Annuity Disclosure Statements or Annuities At a Glance for additional information.

Fixed Account

The Fixed Account will earn the current Fixed Account interest rate. This rate will be guaranteed for the entire contract year, thereafter a new rate will be declared annually. Please refer to the **Interest Rate Sheet (6745Z)** or our website for current rate information.

Index Account

North American offers Interest Credits (also referred to as Index Credits) based on the performance of various market indices. Each year, provided there is a gain in the index, the resulting Interest Credit is applied to the Index Account.* An Index Cap Rate and/or Participation Rate may also be applied to this Interest Credit on certain products. Please refer to the product-specific brochure for additional information. *For the Biennial option, Interest Credits are applied every 2 years. For the 3-Year Monthly Average option, Interest Credits are applied every 3 years.

Participation Rate

The Participation Rate is a percentage that is multiplied by the gain each year to determine the Interest Credit. For the 3-Year Monthly Average, the Participation Rate is a percentage that is multiplied by the gain at the end of 3-years to determine the Interest Credit.

Index Cap Rate

The Index Cap Rate is the maximum percentage of Interest Credit that can be earned. The Index Cap Rate is set at the beginning of each contract year and is guaranteed for one year (except on the Biennial Point to Point option which is set for two years). The Index Cap Rate may be applied to the following Interest Accounts: Annual Point-to-Point, Monthly Average, Monthly Point-to-Point, Biennial Point-to-Point and Daily Average. The Index Cap Rate does not apply to the Fixed Account or the Inverse Performance Trigger. The Fixed Index Annuity may also have a Participation Rate.

If that is the case, the Index Cap Rate may be applied either before or after the Participation Rate depending on the product. If the Index Growth is zero or negative after applying any Index Cap Rate and/or deducting the Participation Rate, the amount credited in that year to the Index Value will be zero.

Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate that is set in advance each year. The Annual Declared Performance Rate is guaranteed never to go below the minimum guarantee set for this Index Account Option.

Annual Reset

The Annual Reset allows an Interest Credit, if any, to be added to the Index Account each contract anniversary. That amount, when added, becomes "locked-in" because it can never be taken away due to negative index performance. The "locked-in" Interest Credit will be added to the Accumulation Value, giving the client the advantage of compounding in subsequent years. This feature also resets the starting index point each year on the contract anniversary. Annual Reset minimizes the risk when the index experiences a severe downturn during the year. Your clients then can take advantage of gains from that point forward. Without this feature, they would have to wait for the index to climb up to its original level before any gains could be realized.

Transfer Options

The client may elect to transfer the values between the Fixed Account and Index Account options. They may also elect to transfer between crediting methods within the Index Account options on an annual basis for all Annual Crediting Method options, every two years for the Biennial Crediting Method or every 3 years for the 3-year Monthly Average Crediting Method. By current Company practice, they will have 30 days following each contract anniversary to reallocate. Transfers are not allowed until after the first contract anniversary for money allocated to the annual options, until their second contract anniversary for money allocated to the biennial option, until their third contract anniversary for money allocated to the three-year options.

FIXED INDEX ANNUITY MARKET CONDUCT ISSUES

A Fixed Index Annuity (FIA) is a fixed annuity with a feature that allows the credited interest rate to be related to an external benchmark (such as the S&P 500®) over which the insurance company has no control. The annuity can earn Interest Credits based upon the performance of the selected indices; however, they are not an actual investment in the stock market or in the applicable index. It is critical that you use accurate terminology when selling North American FIAs. If you do not, you risk giving clients the impression they are buying a registered/variable product, which North American's FIAs are not.

We strongly recommend you refer to the product brochure and disclosure statement to assist you in describing product features. These documents are worded to describe the way the product works in language that your client will likely understand. While we expect you to customize your sales presentation to fit particular clients, it is essential that you describe product features, including surrender charges, liquidity, limitations and withdrawal options, accurately and clearly. A copy of the product brochure must be left with the client.

The brochure and disclosure statement present the product fairly and describe how the interest rate crediting works for all the index options your client has available. First, our disclosure statement details the workings of our product, describing both the features and the contractual obligations. It then requires the client to initial either the product option chosen and/or next to the surrender charge depending on the product. The Annuity Suitability form asks questions to demonstrate that you have considered issues related to the appropriateness of the product for your client. After both you and the client sign the applicable Annuity Suitability form and disclosure statement, submit one copy to North American with the rest of the completed paperwork — leaving copies with the client.

Many states have adopted or proposed legislation that requires a Buyer's Guide to Annuities. North American provides your client, along with their Annuity Contract, a copy of this Buyer's Guide to Annuities, written by the NAIC. The Buyer's Guide is an excellent information resource for annuities in general. It covers the basic definition of an annuity, features and benefits, and the different kinds of annuities, including Fixed Index Annuities. The guide also provides clients a list of questions to ask their agent and points to consider before purchasing an annuity. North American makes available two different versions of the guide; the **Buyer's Guide to Fixed Deferred Annuities (14513Z)** and the **Buyers Guide to Fixed Index Annuities (6828Z-FIA)**. Contact the Annuity Service Center for more information on obtaining copies of the Buyer's Guide to Annuities.

FEATURED NORTH AMERICAN ANNUITY PRODUCT INFORMATION

Following you will find details on our featured annuity products. This Product Guide does not include our complete line of annuity products. Please visit our website at www.NorthAmericanCompany.com, reference our Annuities at a Glance resource or contact Sales Support at 866-322-7066 for our full list of annuity products.

NAC RetireChoice® 10 and 14 Fixed Index Annuity

2.5% PREMIUM BONUS* ON 10-YEAR PRODUCT (for all premium received in the first five contract years)

5% PREMIUM BONUS* ON 14-YEAR PRODUCT (for all premium received in the first five contract years)

High band rates for premium of \$250,000 or greater and low band rates for premium of \$249,999 or less.

Index Account Options**

Annual reset Index Account options available with the Monthly Point-to-Point, Monthly Average, Annual Point-to-Point Index and Inverse Performance Trigger, Biennial reset Index Account option available with the Biennial (also known as Term) Point-to-Point:

- Dow Jones Industrial Average™ (DJIA®) (MA, APP)
- Nasdaq-100® (APP, MPP)
- S&P 500® (BPP, MA, APP, MPP, IPT)
- S&P MidCap 400® (MA, APP)
- Afternoon (PM) London Gold Market Fixing Price (APP)

Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.

Index Cap Rate

The guaranteed minimum Index Cap rate is 2% for Annual Point-to-Point, 4% for the Biennial Point-to-Point, and 1% for Monthly Point-to-Point. An Index Cap Rate does not apply to the Fixed Account, Inverse Performance Trigger or Monthly Average Crediting Methods.

The Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate to calculate interest credited each year when index performance stays the same or goes down. This Declared Performance Rate may change annually, and it will never fall below the minimum guaranteed rate.

Minimum Premium

- \$20,000 Qualified and Non-qualified

Issue Ages

- 0-79 (10-year product) and 0-75 (14-year product)

Note: Issue ages may vary by state.

Penalty-Free Withdrawals

NAC RetireChoice 10 and 14 allow you to take a penalty-free withdrawal (also known as a Penalty-Free Partial Surrender) of up to 10% of your current Accumulation Value once each contract year after the first contract anniversary, without incurring surrender charges, Premium Bonus Recapture or Market Value Adjustments. Amounts withdrawn in excess of 10% will be assessed a surrender charge, Premium Bonus Recapture and possibly, a Market Value Adjustment during the surrender charge period.

Surrender Charges

- 10 Years (10%, 10%, 9%, 9%, 8%, 8%, 7%, 6%, 4%, 2%)
- 14 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has a Market Value Adjustment.****

BPP = Biennial (also known as Term) Point-to-Point
MA = Monthly Average
APP = Annual Point-to-Point
MPP = Monthly Point-to-Point
IPT = Inverse Performance Trigger

Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

Premium Bonus and Recapture Provision

A premium bonus will be credited on premium received during the first five contract years. During the surrender charge period, withdrawals in excess of the penalty-free amount or a full surrender will incur a premium bonus recapture. This is in addition to any applicable surrender charges and/or Market Value Adjustments. This recapture schedule applies to all premium bonus credits, including the additional premium bonus, and is set at issue. Recapture schedule for 10-year product (100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, 10%). Recapture schedule for 14-year product (100%, 95%, 90%, 85%, 80%, 75%, 70%, 65%, 60%, 50%, 40%, 30%, 20%, 10%).

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Market Value Adjustment, less applicable surrender charges, Premium Bonus Recapture and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state, laws at the time of issue, in the state where the Contract is delivered.

Optional Additional Benefit Rider

- Premium bonus increases from 2.5% to 5% on the 10-year product and 5% to 10% on the 14-year product on premiums received in the first five contract years.
- 5% Additional Payout benefit on Accumulation Value for the 10-year product and 4% on the 14-year product, at payout after the surrender charge period.
- Enhanced Penalty-Free withdrawals—10% of Accumulation Value after the first year. Beginning the third year, withdrawals can increase to 20% (maximum) if no withdrawal was taken in the previous year.
- Return of Premium is available starting in the third contract year, less premium bonus, any withdrawals or optional Rider costs (excluding the Additional Benefit Rider charge)

Rider cost for RetireChoice 10 is 0.55% and for RetireChoice 14 it is 0.60% of the Accumulation Value at each contract anniversary during the Surrender Charge period.

Optional rider cost, under certain scenarios, may result in loss of premium.

* Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected. North American products and appropriate state variations are issued by North American Company for Life and Health Insurance®, West Des Moines, IA.

**Indices and strategies may not be available in all states.

***See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

****Please see page 8 for further details on the Market Value Adjustment.

NAC IncomeChoiceSM 10 and 14 Fixed Index Annuity

Generate guaranteed lifetime income through the Guaranteed Lifetime Withdrawal Benefit (GLWB) feature. High band rates for premium of \$250,000 or greater and low band rates for premium of \$50,000–\$249,999.

Issue Ages

- 40-79 for 10-year
- 40-75 for 14-year

Note: Issue ages may vary by state.

Minimum Premium

- \$50,000 Qualified and Non-qualified

GLWB Value

The GLWB Value is used as the basis for calculating Lifetime Payment Amounts (LPAs) which can provide lifetime income. This value is used only in determining Lifetime Payment Amounts and not as the basis for calculating the Accumulation Value, Death Benefit or other withdrawals from the contract.

GLWB Bonus

A 5% GLWB Bonus will be applied to the GLWB Value on all premiums received in the first five contract years.

GLWB Stacking Roll-Up Credit

In addition to the GLWB Bonus, a GLWB Stacking Roll-Up Credit is added to the GLWB Value during the first 20 contract years and it compounds annually. On each contract anniversary during the first 20 contract years, the current GLWB Value may be increased by 5% of the GLWB Value plus the dollar amount of any interest credited to the Accumulation Value. The GLWB Stacking Roll-Up Credit only applies if no withdrawals are taken in the preceding contract year. The GLWB Value is ultimately used to calculate your LPA.

Lifetime Payment Amounts

The client can choose how frequently they receive their Lifetime Payment Amounts (LPAs): monthly, quarterly, semi-annually or annually. When they first elect Lifetime Payment Amounts, their payments will be based on their current GLWB Value, multiplied by a percentage based on the annuitant's age.) See product brochure for LPP charts and more details regarding this feature.

Index Account Options**

Index Account options available are the Monthly Average, Monthly Point-to-Point, Annual Point-to-Point Index, 3-Year Monthly Average and Inverse Performance Trigger:

- Dow Jones Industrial AverageTM (DJIA®) (MA, APP)
- Nasdaq-100® (MPP, APP)
- S&P 500® (MA, MPP, APP, 3YMA, IPT)
- S&P MidCap 400® (MA, APP)
- Afternoon (PM) London Gold Market Fixing Price

Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 0.50%.***

Index Cap Rate

The guaranteed minimum Index Cap rate is 2% for Annual Point-to-Point and 1% for Monthly Point-to-Point.

Participation Rate

The guaranteed minimum Participation Rate is 10% for Monthly Average and 20% for 3-Year Monthly Average.

The Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate to calculate Interest Credited each year when index performance stays the same or goes down. This Declared Performance Rate may change annually, and it will never fall below the minimum guaranteed rate.

Penalty-Free Withdrawals

NAC IncomeChoice allows you to take a penalty-free withdrawal (also known as Penalty-Free Partial Surrender) of up to 5% of your current Accumulation Value once each contract year after the first contract anniversary, without incurring surrender charges or Market Value Adjustments. Amounts withdrawn in excess of 5% will be assessed a surrender charge and possibly a Market Value Adjustment during the surrender charge period. If you take a withdrawal it will result in a reduction of your Accumulation Value and GLWB Value.

Surrender Charges

- 10 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%, 4%, 2%)
- 14 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has a Market Value Adjustment.****

Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Market Value Adjustment, less applicable surrender charges, and state premium taxes. The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the contract is delivered.

*Products offering a Bonus may result in a lower rate than products that don't offer a Bonus. North American products and appropriate state variations are issued by North American, West Des Moines, IA.

**Indices and strategies may not be available in all states.

***See the most current version of the Interest Rate Sheet (6745Z) for rate information.

****Please see page 8 for further details on the Market Value Adjustment.

Annuity Product Information *Fixed Annuity Product Guide*

NAC SecureChoiceSM 10 and 14 Fixed Index Annuity

With a Built-In Stacking Roll-Up Death Benefit*

High band rates for premium of \$250,000 or greater and low band rates for premium of \$249,999 or less.

Issue Ages

- 40-79 for 10-year
- 40-75 for 14-year

Note: Issue ages may vary by state.

Minimum Premium

- \$20,000 Qualified and Non-qualified

Death Benefit

The Contract comes with a Guaranteed Minimum Death Benefit (GMDB) at no additional cost that provides value as a death benefit* to their heirs.

Bonus Opportunities**

Several bonus opportunities are provided with the NAC SecureChoice 10 and 14. A 5% bonus is applied to three specific values:

1. 5% Premium Bonus applied to Accumulation Value
2. 5% GMDB Bonus applied to GMDB Amount
3. 5% GLWB Bonus applied to GLWB Value (if NAC SecureChoice Plus Rider elected).

Index Account Options***

Index Account options available with the Monthly Average, 3-Year Monthly Average, Monthly Point-to-Point, Annual Point-to-Point and Inverse Performance Trigger:

- Dow Jones Industrial AverageTM (DJIA[®]) (MA, APP)
- Nasdaq-100[®] (MPP, APP)
- S&P 500[®] (MA, MPP, APP, 3YMA, IPT)
- S&P MidCap 400[®] (MA, APP)
- Afternoon (PM) London Gold Market Fixing Price

Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter.

This rate will never fall below the minimum guaranteed interest rate of 0.50%. ****

Index Cap Rate

The guaranteed minimum Index Cap rate is 2% for Annual Point-to-Point and 1% for Monthly Point-to-Point.

Participation Rate

The guaranteed minimum Participation Rate is 10% for Monthly Average and 20% for 3-Year Monthly Average.

The Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate to calculate interest credited each year when index performance stays the same or goes down. This Declared Performance Rate may change annually, and it will never fall below the minimum guaranteed rate.

Penalty-Free Withdrawals

Up to 5% of your Accumulation Value, once per year after the first contract anniversary. Beginning in the third contract year, penalty-free withdrawals can increase to 10% (maximum) in years in which no withdrawal was taken in the previous year. If any withdrawal is taken during a contract year, the penalty-free allowance available for the following year resets to 5%.

Surrender Charges

- 10 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%, 4%, 2%)
- 14 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has a Market Value Adjustment. *****

Premium Bonus and Recapture Provision

A premium bonus will be credited on premium received during the first five contract years. During the surrender charge period, withdrawals in excess of the penalty-free amount or a full surrender will incur a premium bonus recapture. This is in addition to any applicable surrender charges and/or Market Value Adjustments. This recapture schedule applies to all premium bonus credits and is set at issue.

- 10-Years (100% 100% 100% 100% 100% 90% 80% 60% 40% 20%)
- 14-Years (100% 100% 100% 100% 100% 90% 80% 70% 60% 50% 40% 30% 20% 10%)

*While certain included features may have no explicit cost, a product with a built-in GMDB feature may offer lower credited interest rates, lower Index Cap Rates and/or lower Participation Rates than products that don't have these built-in features.

**Products that have bonuses may offer lower credited interest rates, lower Index Cap Rates and/or lower Participation Rates than products that don't offer a bonus. Over time and under certain scenarios the amount of the bonus may be offset by the lower interest rates, lower Index Cap Rates and/or lower Participation Rates. North American products and appropriate state variations are issued by North American, West Des Moines, IA.

***Indices and strategies may not be available in all states.

****See the most current version of the Interest Rate Sheet (18590Z) for rate information.

*****Please see page 8 for further details on the Market Value Adjustment.

NAC SecureChoiceSM 10 and 14, *Continued*

Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

Guaranteed Minimum Death Benefit (GMDB)

- **NO ADDITIONAL CHARGE** – Stacking Roll-Up Death Benefit is Built-in*
- **5% GMDB Bonus****
- **GMDB Stacking Roll Up Credit:***** 2.75% for 10-Year or 3.25% for 14-Year of GMDB Amount + Interest Credits (Dollar Amount)
 - Stacking Roll-Up Applies Even if Penalty-Free Withdrawals are Taken****

GMDB Amount

The GMDB Amount is available as a death benefit if greater than the Accumulation Value. See product brochure for more details.

GMDB Bonus

A 5% GMDB Bonus will be applied to the GMDB Amount on all premiums (excluding premium bonus) received in the first five contract years.

GMDB Stacking Roll-Up Credit

In addition to the GMDB Bonus, a GMDB Stacking Roll-Up Credit may be added to the GMDB Amount until age 85. On the contract anniversary, the current GMDB Amount may be increased by 2.75% on the 10-Year and 3.25% on the 14-Year of the GMDB Amount plus the dollar amount of any interest credited to the Accumulation Value during the preceding year. The GMDB Stacking Roll-Up Credit percentage (2.75% on the 10-Year and 3.25% on the 14-Year.) is set at issue and is guaranteed never to decrease. The GMDB Stacking Roll-Up Credit compounds annually. The GMDB Stacking Roll-Up Credit will apply when withdrawals are taken as long as the withdrawal doesn't exceed the penalty free amount (or RMD if greater) in any contract year. The GMDB Stacking Roll-Up Credit will end on the Lifetime Payment Election Date.

NAC SecureChoice Plus Rider

Optional Guaranteed Lifetime Withdrawal Benefit (GLWB) Rider, for a 0.95% annual cost

- 5% GLWB Bonus**
- GLWB Stacking Roll Up Credit:*** 4.5% of GLWB Value + Interest Credits (Dollar Amount)
 - Stacking Roll-Up Applies Even if Penalty-Free Withdrawals are Taken****
- Annual Increasing Lifetime Payment Percentages (ages 60-80)

GLWB Value

The GLWB Value is used as the basis for calculating the Lifetime Payment Amount which can provide lifetime income. See product brochure for more details.

GLWB Bonus

A 5% GLWB Bonus will be applied to the GLWB Value on all premiums (excluding premium bonus) received in the first five contract years.

GLWB Stacking Roll-Up Credit

In addition to the GLWB Bonus, a GLWB Stacking Roll-Up Credit may be added to the GLWB Value. On the contract anniversary, the current GLWB Value may be increased by 4.5% of the GLWB Value plus the dollar amount of any interest credited to the Accumulation Value during the preceding year. The GLWB Stacking Roll-Up Credit percentage (4.5%) is set at issue and is guaranteed never to decrease. The GLWB Stacking Roll-Up Credit compounds annually. The GLWB Stacking Roll-Up Credit will apply when withdrawals are taken as long as the withdrawal doesn't exceed the penalty free amount (or RMD if greater) in any contract year. The GLWB Stacking Roll-Up Credit will end on the Lifetime Payment Election Date.

Lifetime Payment Amounts

The client can choose how frequently they receive their Lifetime Payment Amounts (LPAs): monthly, quarterly, semi-annually or annually. When they first elect Lifetime Payment Amounts, their payments will be based on their current GLWB Value, multiplied by a percentage based on the annuitant's age.) See product brochure for LPP charts and more details regarding this feature.

*While certain included features may have no explicit cost, a product with a built-in GMDB feature may offer lower credited interest rates, lower Index Cap Rates and/or lower Participation Rates than products that don't have these built-in features.

** Products that have bonuses may offer lower credited interest rates, lower Index Cap Rates and/or lower Participation Rates than products that don't offer a bonus. Over time and under certain scenarios the amount of the bonus may be offset by the lower interest rates, lower Index Cap Rates and/or lower Participation Rates.

*** GMDB Stacking Roll-Up Credits and GLWB Stacking Roll-Up Credits are not applied to the Accumulation Value, only to the GMDB Amount or GLWB Value. There is no GMDB or GLWB Stacking Roll-Up Credit in years when an excess withdrawal is taken or lifetime income payments have been elected. The GMDB and GLWB Stacking Roll-Up Credit is available if a Required Minimum Distribution (RMD) is required.

**** Certain withdrawals taken will impact the Accumulation Value, GMDB Amount and GLWB Value. Withdrawals taken prior to age 59½ may be subject to IRS penalties. Under current law, annuities grow tax deferred. An annuity is not required for tax deferral in qualified plans.

Performance Choice® 8, Performance Choice® 8 PLUS Fixed Index Annuity

4% Premium Bonus* on Performance Choice 8 Plus (for all premium received in the first five contract years)

Index Account Options**

Annual reset Index Account options available with the Monthly Point-to-Point, Annual Point-to-Point Index and Inverse Performance Trigger:

- Dow Jones Industrial Average™ (DJIA®), (APP)
- Nasdaq-100® (APP, MPP)
- S&P 500® (APP, MPP, IPT)
- EURO STOXX 50® (APP)
- Russell 2000® (APP)
- S&P MidCap 400® (APP)
- Hang Seng (APP)

Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.***

Index Cap Rate

The guaranteed minimum Index Cap rate is 2% for Annual Point-to-Point and 1% for Monthly Point-to-Point. An Index Cap Rate does not apply to the Fixed Account or the Inverse Performance Trigger.

Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate to calculate interest credited each year when index performance stays the same or goes down. The minimum guaranteed Declared Performance Rate will never be less than 1%.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified

Issue Ages

- 0-85 (Qualified and Non-qualified)

Note: Issue ages may vary by state.

Penalty-Free Withdrawals

Up to 10% of the current Accumulation Value, once each contract year, after the first contract anniversary, without incurring surrender charges, Premium Bonus recapture (if applicable) or Interest Adjustments. Amounts withdrawn in excess of 10% will be assessed a surrender charge, Premium Bonus Recapture (if applicable) and, possibly, an Interest Adjustment during the surrender charge period.

Surrender Charges

- 8 Years (10%, 10%, 10%, 10%, 9%, 8%, 5%, 3%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.****

Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

Premium Bonus and Recapture Provision

For the Performance Choice 8 Plus, a 4% premium bonus will be credited to the Accumulation Value for premium received during the first five contract years. During the surrender charge period, withdrawals in excess of the penalty-free amount or a full surrender will incur a premium bonus recapture as outlined below. This is in addition to any applicable surrender charges and/or Interest Adjustments. The recapture schedule is based on the issue date and applies to all premium bonuses credited. Recapture schedule: Contract Years 1-8 (100%, 90%, 80%, 70%, 60%, 50%, 40%, 20%).

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges, Premium Bonus Recapture and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state, laws at the time of issue, in the state where the Contract is delivered.

*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

**Indices and strategies may not be available in all states.

***See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

****Please see page 8 for further details on the Interest Adjustment.

Performance Choice® 12, Performance Choice® 12 PLUS Fixed Index Annuity

8% Premium Bonus on Performance Choice 12 Plus* (for all premium received in the first five contract years)

Index Account Options**

Annual reset Index Account options available with the Monthly Point-to-Point, Annual Point-to-Point Index and Inverse Performance Trigger:

- Dow Jones Industrial Average™ (DJIA®) (APP)
- Nasdaq-100® (APP, MPP)
- S&P 500® (APP, MPP, IPT)
- EURO STOXX 50® (APP)
- Russell 2000® (APP)
- S&P MidCap 400® (APP)
- Hang Seng (APP)

Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.***

Index Cap Rate

The guaranteed minimum Index Cap rate is 2% for Annual Point-to-Point and 1% for Monthly Point-to-Point. An Index Cap Rate does not apply to the Fixed Account or the Inverse Performance Trigger.

Inverse Performance Trigger

The Inverse Performance Trigger uses the Annual Declared Rate Negative Performance Option which applies a Declared Performance Rate to calculate interest credited each year when index performance stays the same or goes down. The minimum guaranteed Declared Performance Rate will never be less than 1%.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified

Issue Ages

- 0-75 (Qualified and Non-qualified)

Note: Issue ages may vary by state.

Penalty-Free Withdrawals

Up to 10% of the current Accumulation Value, once each contract year, after the first contract anniversary, without incurring surrender charges, Premium Bonus recapture (if applicable) or Interest Adjustments. Amounts withdrawn in excess of 10% will be assessed a surrender charge, Premium Bonus Recapture (if applicable) and, possibly, an Interest Adjustment during the surrender charge period.

Surrender Charges

- 12 Years (10%, 10%, 10%, 10%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 2%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.****

Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

Premium Bonus and Recapture Provision

For the Performance Choice 12 Plus, an 8% premium bonus will be credited to the Accumulation Value for premium received during the first five contract years. During the surrender charge period, withdrawals in excess of the penalty-free amount or a full surrender will incur a premium bonus recapture as outlined below. This is in addition to any applicable surrender charges and/or Interest Adjustments. The recapture schedule is based on the issue date and applies to all premium bonuses credited. Recapture schedule: Contract Years 1-12 (100%, 95%, 90%, 85%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, 10%).

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges, Premium Bonus Recapture and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state, laws at the time of issue, in the state where the contract is delivered.

*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

**Indices and strategies may not be available in all states.

***See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

****Please see page 8 for further details on the Interest Adjustment.

North American CharterSM Series Fixed Index Annuity

5% PREMIUM BONUS* ON 10-YEAR PRODUCT (for all premium received in the first seven contract years)

10% PREMIUM BONUS* ON 14-YEAR PRODUCT (for all premium received in the first seven contract years)

Interest Accounts**

Annual reset Index Account options using Daily Average (DA), Monthly Point-to-Point (MPP) and Annual Point-to-Point (APP):

- Dow Jones Industrial AverageTM (DJIA[®]) (APP, DA)
- Russell 2000[®] Index (APP, DA)
- EURO STOXX 50[®] (APP)
- S&P MidCap 400[®] (APP, DA)
- S&P 500[®] (APP, DA, MPP)
- Nasdaq-100[®] (APP, MPP)
- Hindsight Index Strategy[®] (combination of S&P 500[®], EURO STOXX 50[®] and Russell 2000[®]) (APP)

Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.***

Index Cap Rate

The Annual Point-to-Point, Daily Average and Hindsight Index Strategy guaranteed minimum Index Cap Rate is 2%. The Monthly Point-to-Point minimum Index Cap Rate is 1%. This rate does not apply to the Fixed Account.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

Issue Ages

- 0-79 for the 10-Year product, or
- 0-75 for the 14-Year product

Note: Issue ages apply to both Qualified and Non-qualified premium and may vary by state.

Penalty-Free Withdrawals

Up to 10% of the Accumulation Value, once each year, after the first contract anniversary. Withdrawals prior to age 59½ may be subject to IRS penalties.

Surrender Charges (choice of 2 options)

- 14 Years: (18%, 18%, 17%, 15%, 15%, 15%, 15%, 14%, 12%, 10%, 8%, 6%, 4%, 2%)
- 10 Years: (15%, 14%, 13%, 12%, 11%, 10%, 8%, 6%, 4%, 2%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.****

Rider

- Nursing Home Confinement Rider

Note: Rider may not be available in all states and is issued to ages 75 and younger. Rider is automatically added to contract at no cost.

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

**Indices and strategies may not be available in all states.

***See the most current version of the **Interest Rate Sheet (67452)** for rate information.

****Please see page 8 for further details on the Interest Adjustment.

North American PrecisionSM Series Fixed Index Annuity

5% PREMIUM BONUS* ON 10-YEAR PRODUCT (for all premium received in the first seven contract years)

10% PREMIUM BONUS* ON 14-YEAR PRODUCT (for all premium received in the first seven contract years)

Interest Accounts**

Annual reset Index Account options using Daily Average (DA), Monthly Point-to-Point (MPP) and Annual Point-to-Point (APP):

- Dow Jones Industrial AverageTM (DJIA[®]) (APP, DA)
- Russell 2000[®] Index (APP, DA)
- EURO STOXX 50[®] (APP)
- S&P MidCap 400[®] (APP, DA)
- S&P 500[®] (APP, DA, MPP)
- Nasdaq-100[®] (APP, MPP)
- Hindsight Index Strategy[®] (combination of S&P 500[®], Dow Jones, EURO STOXX 50[®] and Russell 2000[®]) (APP)

Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.***

Index Cap Rate

The Annual Point-to-Point and Hindsight Index Strategy guaranteed minimum Index Cap Rate is 2%. The Monthly Point-to-Point minimum Index Cap Rate is 1%. The Index Cap Rate is applied after the Participation Rate for the Annual Point-to-Point Crediting Method. This rate does not apply to the Fixed Account or the Daily Average Crediting Method.

Participation Rate

(Not applicable on Fixed Account or MPP)

The guaranteed minimum Participation Rate is 10% for Daily Average and 15% for Annual Point-to-Point and Hindsight Index Strategy.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

Penalty-Free Withdrawals

Up to 10% of the Accumulation Value, once each year, after the first contract anniversary. Withdrawals prior to age 59½ may be subject to IRS penalties.

Issue Ages (Qualified and Non-qualified)

- 0-79 for the 10-Year product, or
- 0-75 for the 14-Year product

Note: Issue ages apply to both Qualified and Non-qualified premium and may vary by state.

Surrender Charges (choice of 2 options)

- 14 Years: (18%, 18%, 17%, 15%, 15%, 15%, 15%, 14%, 12%, 10%, 8%, 6%, 4%, 2%)
- 10 Years: (15%, 14%, 13%, 12%, 11%, 10%, 8%, 6%, 4%, 2%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.****

Rider

- Nursing Home Confinement Rider

Note: Rider may not be available in all states and is issued to ages 75 and younger. Rider is automatically added to contract at no cost.

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

**Indices and strategies may not be available in all states.

***See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

****Please see page 8 for further details on the Interest Adjustment.

North American Freedom Choice® Series Fixed Index Annuity

PREMIUM BANDING ON RATES (Low Band: \$249,999 premium or less. High Band: \$250,000 premium or greater.)

Interest Accounts*

Annual reset Index Account options using Monthly Point-to-Point (MPP) and Annual Point-to-Point (APP):

- Dow Jones Industrial Average™ (DJIA®) (APP)
- Russell 2000® Index (APP)
- EURO STOXX 50® (APP)
- S&P MidCap 400® (APP)
- S&P 500® (APP, MPP)
- Nasdaq-100® (APP, MPP)

Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.**

Index Cap Rate

The Annual Point-to-Point guaranteed minimum Index Cap Rate is 2%. The Monthly Point-to-Point minimum Index Cap Rate is 1%. This rate does not apply to the Fixed Account.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

Issue Ages

- 0-85 for the 8-Year product,
- 0-79 for the 10-Year product, or
- 0-75 for the 14-Year product

Note: Issue ages apply to both Qualified and Non-qualified premium and may vary by state.

Penalty-Free Withdrawals

Your clients will have the option of selecting either a 5% or 10% penalty-free withdrawal option. The option selected will determine the percentage of your clients' Accumulation Value that may be withdrawn each contract year after their first contract anniversary. Withdrawals, prior to age 59½ may be subject to IRS penalties.

Note: On the 10% withdrawal option only, withdrawals can be taken out on a systematic basis.

Surrender Charges (choice of 3 options)

- 14 Years: (9%, 9%, 9%, 9%, 8%, 8%, 7%, 7%, 6%, 6%, 5%, 4%, 3%, 2%)
- 10 Years: (9%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%)
- 8 Years: (9%, 9%, 8%, 7%, 6%, 5%, 4%, 2%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.***

Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

*Indices and strategies may not be available in all states.

See the most current version of the **Interest Rate Sheet (6745Z) for rate information.

***Please see page 8 for further details on the Interest Adjustment.

North American Prizm Plus® Series Fixed Index Annuity

5% PREMIUM BONUS* ON 10-YEAR PRODUCT (for all premium received in the first seven contract years)

10% PREMIUM BONUS* ON 14-YEAR PRODUCT (for all premium received in the first seven contract years)

Index Account Options**

Annual reset Index Account options using Monthly Average (MA), Monthly Point-to-Point (MPP) and Annual Point-to-Point (APP):

- Dow Jones Industrial Average™ (DJIA®) (APP, MA)
- Russell 2000® Index (APP, MA)
- EURO STOXX 50® (APP)
- S&P MidCap 400® (APP, MA)
- S&P 500® (APP, MA, MPP)
- Nasdaq-100® (APP, MPP)

Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.***

Participation Rate

The Participation Rate is guaranteed for the first year, but can change each subsequent year. The Participation Rate is set in advance, never to be less than 10%. The Participation Rate does not apply to the Monthly Point-to-Point Index Option and the Fixed Account.

Index Cap Rate

(Monthly Point-to-Point Only)

The Index Cap Rate is declared on each contract anniversary, based upon current economic conditions, and is guaranteed for the next contract year. At no time will the rate ever fall below the guaranteed 1% monthly Index Cap Rate.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

Issue Ages (Qualified and Non-qualified)

- 0-79 for the 10-Year product, or
- 0-75 for the 14-Year product

Note: Issue ages apply to both Qualified and Non-qualified premium and may vary by state.

Penalty-Free Withdrawals

Up to 10% of the Accumulation Value, once each year, after the first contract anniversary. Withdrawals prior to age 59½ may be subject to IRS penalties.

Surrender Charges (choice of 2 options)

- 14 Years: (18%, 18%, 17%, 15%, 15%, 15%, 15%, 14%, 12%, 10%, 8%, 6%, 4%, 2%)
- 10 Years: (14%, 13%, 12%, 11%, 10%, 9%, 8%, 6%, 4%, 3%)

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.****

Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

**Indices and strategies may not be available in all states.

***See the most current version of the **Interest Rate Sheet (6745Z)** for rate information.

****Please see page 8 for further details on the Interest Adjustment.

North American Pillar® Fixed Index Annuity

2% PREMIUM BONUS* (for all premium received in the first five contract years)

Index Account Options**

Annual reset Index Account options available with the Daily Average, Monthly Point-to-Point and Annual Point-to-Point Index Accounts:

- Dow Jones Industrial Average™ (DJIA®) (APP, DA)
- Russell 2000® Index (APP, DA)
- EURO STOXX 50® (APP)
- S&P MidCap 400® (APP, DA)
- S&P 500® (APP, DA, MPP)
- Nasdaq-100® (APP, MPP)
- Hindsight Index Strategy® (combination of S&P 500®, EURO STOXX 50® and Russell 2000®) (APP)

Fixed Account Option

The Fixed Account Rate is guaranteed for the entire contract year and renews annually thereafter. This rate will never fall below the minimum guaranteed interest rate of 1%.***

Index Cap Rate

The Annual guaranteed minimum Index Cap Rate is 2% for the Annual Point-to-Point Index Accounts. The Monthly Point-to-Point minimum Index Cap Rate is 1%. This rate does not apply to the Fixed Account or Daily Average Account.

Participation Rate

The guaranteed minimum Participation Rate is 10% for the Daily Average Index Account. The Participation Rate does not apply to the Annual Point-to-Point, Monthly Point-to-Point or Fixed Account.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

Issue Ages (Qualified and Non-qualified)

- 0-79

Note: Issue ages may vary by state.

Penalty-Free Withdrawals

Up to 10% of the Accumulation Value, once each year, after the first contract year. Withdrawals prior to age 59½ may be subject to IRS penalties.

Surrender Charges

- 10 Years: 9%, 8.5%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details.

Waiver

- Nursing Home Confinement Waiver
- Terminal Illness Waiver

Note: Rider may not be available in all states and is issued to ages 75 and younger. Rider is automatically added to contract at no cost.

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, less applicable surrender charges and state premium taxes (if applicable). The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

**Indices and strategies may not be available in all states.

***See the most current version of the **Interest Rate Sheet (67452)** for rate information.

North American Guarantee ChoiceSM Multi-Year Guarantee Annuity

Description

Single premium, multi-year guaranteed interest annuity offering different guarantee periods and premium banding on rates. High band rates for premium of \$200,000 or greater and low band rates for premium of \$199,999 or less.

Minimum Guaranteed Interest Rate

Minimum guaranteed interest rate is 1%.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified

Issue Ages (Qualified and Non-qualified)

- 0-90

Note: Issue ages may vary by state.

Penalty-Free Withdrawals

Current year's interest withdrawals available each year after the first contract anniversary. By current Company practice, can begin as early as 30 days after annuity is issued if received on a systematic withdrawal program. Withdrawals prior to age 59½ may be subject to IRS penalties.

Surrender Charges

- 4 Years: 10%, 10%, 10%, 10%
- 5 Years: 10%, 10%, 10%, 10%, 10%
- 6 Years: 10%, 10%, 10%, 10%, 10%, 9%
- 7 Years: 10%, 10%, 10%, 10%, 10%, 9%, 8%
- 8 Years: 10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%
- 9 Years: 10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%, 4%
- 10 Years: 10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%, 4%, 2%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. Refer to the rate sheet for available surrender charge options. This product has an Interest Adjustment.*

Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

Minimum Guaranteed Cash Value (MGCV)

The MGCV of this annuity equals 100% of premium, less any withdrawals before any surrender charges or Interest Adjustment, accumulated at the MGCV Interest Rate per year, less any applicable surrender charges.

*Please see page 8 for further details on the Interest Adjustment.

North American Guarantee ChoiceSM II Multi-Year Guarantee Annuity

Description

Single premium, multi-year guarantee interest annuity offering guarantee periods of 3, 4, 5, 6, 7, 8, 9 and 10 years and banding on rates. High band rates for premium of \$200,000 or greater and low band rates for premium of \$199,999 or less.

Interest Rate

Guaranteed for entire duration elected. For premiums of \$200,000 and above, your client receives a higher interest rate.

Minimum Guaranteed Interest Rate

Minimum guaranteed interest rate is 0.50%.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified

Issue Ages (Qualified and Non-qualified)

- 0-90 (Qualified and Non-qualified)

Penalty-Free Withdrawals

Current year's interest withdrawals available, as soon as 30 days after issue, by current Company practice if received on a systematic withdrawal program. Withdrawals prior to age 59½ may be subject to IRS penalties.

Surrender Charges

- 4 Years - 9.30%, 8.40%, 7.50%, 6.60%
- 5 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%
- 6 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%, 4.75%
- 7 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%, 4.75%, 3.80%
- 8 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%, 4.75%, 3.80%, 2.85%
- 9 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%, 4.75%, 3.80%, 2.85%, 1.90%
- 10 Years - 9.30%, 8.40%, 7.50%, 6.60%, 5.70%, 4.75%, 3.80%, 2.85%, 1.90%, 0.95%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. This product has an Interest Adjustment.*

Waiver

- Nursing Home Confinement Waiver

Note: Waiver may not be available in all states and is issued to ages 75 and younger. Waiver is automatically added to contract at no cost.

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes. At no time will the Surrender Value under this Contract be less than the minimum values required by the NAIC Standard Nonforfeiture Law for Individual Deferred Annuities, model #805.

*Please see page 8 for further details on the Interest Adjustment.

North American Income® Immediate Annuity

Description

Single premium immediate annuity that protects premium while providing a competitive income in order to maximize benefits and achieve retirement goals.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified

Issue Ages (Qualified and Non-qualified)

- 0-85 All options
- 0-95 Period Certain

Note: Issue ages may vary by state.

Settlement Options

Available payouts:

- 5-20 Year Certain
- Life Only
- Life with Period Certain
- Joint Life
- Joint Life with Period Certain
- Installment Refund
- Cash Refund

Note: Payouts not to exceed 100 years of age.

Surrender Charges

Not applicable

The Boomer Annuity® Traditional Fixed Annuity

5% PREMIUM BONUS* (for all premium received in the first five contract years)

Interest Accounts

Fixed Account – The Fixed Account Rate is guaranteed for the entire contract year and will renew annually thereafter. This rate will never fall below the Minimum Guaranteed Interest Rate of 1%.**

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

Issue Ages (Qualified and Non-qualified)

- 0-80

Note: Issue ages may vary by state.

Penalty-Free Withdrawals

Up to 5% of the Accumulation Value, once each year, after the first contract anniversary. Withdrawals prior to age 59½ may be subject to IRS penalties.

Surrender Charges

- 10 Years: 15%, 14%, 13%, 12%, 11%, 10%, 8%, 6%, 4%, 2%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.***

Rider

- Nursing Home Confinement Rider

Note: Rider may not be available in all states and is issued to ages 75 and younger. Rider is automatically added to contract at no cost.

Surrender Value

The Surrender Value is the amount that is available at the time of surrender. The Surrender Value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes. The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the Contract is delivered.

*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected.

See the most current version of the **Interest Rate Sheet (6745Z) for rate information.

***Please see page 8 for further details on the Interest Adjustment.

North American Director® Traditional Fixed Annuity

Description

Multi-year guaranteed interest annuity offering an interest rate bonus on all premiums received during the first year.

Minimum Guaranteed Interest Rate

Minimum guaranteed interest rate is 1%.

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

Issue Ages (Qualified and Non-qualified)

- 0-85

Note: Issue ages may vary by state.

Penalty-Free Withdrawals

Up to 10% of Accumulation Value each year, after the first contract anniversary (interest withdrawals are available 30 days after issue by current Company practice). Withdrawals prior to age 59½ may be subject to IRS penalties.

Surrender Charges

- 9 Years: 12%, 11%, 10%, 9%, 8%, 7%, 6%, 4%, 2%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment. *

Riders

- Nursing Home Confinement Rider
- Terminal Illness Rider
- Unemployment Rider

Riders may not be available in all states. Riders are automatically added to contract at no cost. Nursing Home and Terminal Illness Riders are issued to ages 75 and younger. Unemployment Rider is issued to ages 65 and younger.

*Please see page 8 for further details on the Interest Adjustment.

NA Flex Series (NA Flex II®, NA Flex III®)

Traditional Fixed Annuity

5% PREMIUM BONUS* ON NA FLEX II (for all premium received in the first five contract years)

10% PREMIUM BONUS* ON NA FLEX III (for all premium received in the first five contract years)

Description

Flexible premium fixed annuity offering a one-year guaranteed interest rate on initial premium.

Minimum Guaranteed Interest Rate**

Minimum guaranteed interest rate is 1%

Minimum Premium

- \$10,000 Non-qualified
- \$2,000 Qualified (\$50/mo. TSA—Salary Reduction Required)

Issue Ages (Qualified and Non-qualified)

- Flex II – 0-79
- Flex III – 0-75

Note: Issue ages may vary by state.

Penalty-Free Withdrawals

Up to 10% of Accumulation Value each year, after the first contract anniversary (interest withdrawals are available 30 days after issue by current Company practice). Withdrawals prior to age 59½ may be subject to IRS penalties.

Surrender Charges

- NA Flex II - 10 Years: 15%, 14%, 13%, 12%, 11%, 10%, 8%, 6%, 4%, 2%
- NA Flex III - 14 Years: 18%, 18%, 17%, 15%, 15%, 15%, 15%, 14%, 12%, 10, 8%, 6%, 4%, 2%

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult the Annuity Disclosure Statement for complete details. This product has an Interest Adjustment.***

Waiver

- Nursing Home Confinement Waiver

Note: Rider may not be available in all states and is issued to ages 75 and younger. Rider is automatically added to contract at no cost.

Return of Premium

Receive back no less than the Net Premium upon surrender of the Contract. Net Premium is equal to the initial premium, plus subsequent premiums (excludes any Premium Bonus if applicable), minus partial surrenders (after any surrender charges or Interest Adjustment).

*Products offering a Premium Bonus may result in a lower rate than products that don't offer a Premium Bonus. Premium Bonus may vary by annuity product and length of surrender charge period selected. North American products and appropriate state variations are issued by North American Company for Life and Health Insurance®, West Des Moines, IA.

See the most current version of the **Interest Rate Sheet (6745Z) for rate information.

***Please see page 8 for further details on the Interest Adjustment

North American Company for Life and Health Insurance®

Annuity Service Center Information

General Information

Main Address

4350 Westown Parkway
West Des Moines, Iowa 50266

P.O. Box

P.O. Box 79905
Des Moines, Iowa 50325-0905

Website

www.NorthAmericanCompany.com

Email

nannuities@sfgmembers.com

Departments

Sales Support

Phone: 866-322-7066
Fax: 866-322-5933

Licensing and Contracting/ Commission Accounting

Phone: 866-322-7068
Fax: 866-322-7072

New Business

Phone: 866-322-7067
Fax: 866-322-7073

Customer Service

Phone: 866-322-7069
Fax: 866-322-7071

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NOTES:

NOTES:

COMPANY FINANCIAL STRENGTH

All North American tax-deferred annuities are backed by the financial strength of the Company's investment portfolio, which emphasizes high-quality bonds that provide safety, liquidity and competitive interest rates. In states where this product is approved, North American maintains reserves equal to those required by state regulation. Product guarantees are backed by North American and their claims paying ability and financial capacity to meet all insurance products.

PORTRAIT OF FINANCIAL STABILITY

A.M. Best	A+ (Superior) ^{*, °}	2nd highest out of 15 categories	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 contract holders.
Standard & Poor's Corporation	A+ (Strong) ^{°, §}	5th highest out of 22 categories	Standard & Poor's Corporation is an independent third-party rating firm that rates on the basis of financial strength.

* A.M. Best rating affirmed on May 29, 2013. For the latest rating, access www.ambest.com.

° Awarded to North American as part of Sammons Financial Group, which consists of Midland National[®] Life Insurance Company and North American Company for Life and Health Insurance[®].

§ Standard and Poor's rating assigned February 26, 2009 and affirmed on July 11, 2013.

Ratings shown reflect the opinions of the rating agencies and are not implied warranties of the company's ability to meet its financial obligations. Ratings are current as of the date of this brochure.



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