

Annuity



North American

# BenefitSolutions® 10

fixed index annuity



Your retirement. Your benefits.









Today, nearly 60% of Americans are concerned about running out of money in the future. In fact, more people are worried about lack of retirement funds than they are about other key financial elements - including healthcare expenses, paying their mortgage, and financing the cost of their children's college education.<sup>1</sup>

In the past, many companies offered defined benefit pension plans that were set up, funded, and managed by the employer. These retirement plans could typically provide a comfortable lifestyle throughout retirement, especially when combined with Social Security income. Unfortunately, these types of retirement plans have all but disappeared.

The disappearance of defined benefit plans, coupled with an unsettled Social Security program, has left many who are approaching retirement at a loss for what to do in terms of long term income and ensuring that funds will be available in case of other pressing needs.

There are many potential options available when it comes to retirement saving. But it can be difficult at best to know which way to turn when juggling between growing your nest egg, while at the same time protecting premium in an unsure market.

When you choose a solution, it is important to work with a trusted and highly-rated insurance company. Companies proving financial strength and stability can help provide a clear picture for your long-term retirement outlook.

*1. Gallup, "Retirement remains American's top financial worry," April 2014.*



## The unique benefits of a fixed index annuity

Choosing the right accumulation vehicle for retirement can be a tough choice. With so many potential options, how can you be sure you're doing what's best? On the one hand, safety and guarantee of premium are key - especially in light of the recent market downturns. Yet, without market related growth, how can you keep your portfolio on pace with future inflation?

In the past, you could typically only receive one or the other - either safety with low return, or a higher potential for return that also came coupled with more risk. Now, however, fixed index annuities provide the best of both worlds - protection of premium from downside market risk along with market linked growth potential.

This, coupled with guaranteed lifetime payments and additional benefits for qualifying nursing home needs can make the NAC BenefitSolutions 10 annuity an ideal choice.

### Who may benefit from a fixed index annuity?

Although NAC BenefitSolutions 10 may not be the ideal solution for everyone, people who may benefit most from this annuity include those who are seeking:

- Guaranteed income that cannot be outlived.
- A way to help with possible nursing home expenses.
- Death benefit protection to leave a legacy for your loved ones.

# Additional benefits

## Death benefit

Should the annuitant or owner die, provided no payout option has been elected, annuity contracts generally pay out the full accumulation value: your premium less withdrawals plus any interest earned at that time. Beneficiaries may choose how they receive the death benefit, in a lump sum or a series of income payments.

## Tax deferral improves growth potential

Your annuity's value grows on a tax-deferred basis, meaning more of it is working for you. Tax-deferred growth means you don't owe taxes until you access funds, allowing more time for growth potential. Work with your tax advisor to find out how this might work for you.

*Under current law, annuities grow tax deferred. An annuity is not required for tax deferral in qualified plans. Annuities may be subject to taxation during the income or withdrawal phase. Please note that neither North American, nor any financial professionals acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult with and rely on your own qualified advisor.*

## May avoid probate

By naming a beneficiary, you may minimize the delays, expense and publicity often associated with probate. Your designated beneficiary receives death proceeds in either a lump sum or a series of payments.

*Please consult with and rely on your own legal or tax advisor.*

## Lifetime income

North American can provide you with a guaranteed income stream with the purchase of your tax-deferred annuity. You have the ability to choose from several different annuity payout options, including life or a specified period. Once a payout option is elected all other rights and benefits under the contract terminate.

## Issue ages (may vary by state)

Available issue ages 40-79 (qualified and non-qualified)

## Minimum premium

Single premium, \$20,000 qualified and non-qualified

# What is the NAC BenefitSolutions 10?

The NAC BenefitSolutions 10 is an innovative single premium fixed index annuity created with you, the consumer, in mind. Designed as an annuity contract and benefit rider combination, this unique retirement product offers a central benefit base to ensure you receive benefits for life. NAC BenefitSolutions 10 can help to offer you financial security and confidence by generating benefits you can count on during retirement:

- Lifetime payments
- Enhanced payments for qualified nursing home care
- Death benefit

An annual rider cost is calculated by multiplying a charge percentage by the benefit base on the contract anniversary. The rider cost is 1.20% of benefit base, deducted from your accumulation value on each contract anniversary until either your contract or benefits rider terminates. This rider may be terminated any time after the surrender charge period.

Although fixed index annuities guarantee no loss of premium due to market downturns, deductions from your accumulation value for benefits rider costs could under certain scenarios exceed interest credited to your accumulation value, which would result in loss of premium. The benefits rider costs will continue under the spousal continuance feature. If you terminate the benefits rider, you will not be reimbursed for the costs previously incurred.

For purposes of the built-in rider, the owner and the annuitant must be the same. If there are joint owners, they must also be joint annuitants. Joint annuitants must be spouses. If the owner is not a natural person, the annuitant(s) are considered covered person(s) under the built-in rider. Change of ownership is only allowed when changing from a non-natural owner to the annuitant(s).

# The key three

## Summary of rider benefits

With NAC BenefitSolutions 10, a trilogy of benefits are available that can cover a variety of retirement needs including:

### 1 Lifetime payments

With a major concern of retirees today being that of outliving their savings, the NAC BenefitSolutions 10 annuity can provide the ability to receive an ongoing stream of retirement income for life - regardless of how long that may be. Although defined benefit pension plans may be disappearing, the Guaranteed Benefit Statement that you receive with a NAC BenefitSolutions 10 annuity gives you the clarity you need, showing your long-term income guarantee, and providing you and/or your spouse with the surety of a retirement paycheck for both the short- and long-term horizon.

### 2 Nursing home multiplier (nursing home multiplier is not available in **California**)

As Americans' life expectancy continues to increase, the need for nursing home care also tends to rise - and the cost of this care has gone up at an unprecedented rate. Your NAC BenefitSolutions 10 annuity can help with these expenses through the nursing home multiplier (referred to as the LPA multiplier in your benefits rider), which doubles your lifetime payment amount for up to five years.

### 3 Death benefit (this benefit varies by state)

In all states EXCEPT AK, CT, HI, IL, MN, MO, NJ, OR, PA, UT, VA and WA, should the unexpected occur, the value of your NAC BenefitSolutions 10 annuity will not be lost. In this case, a named beneficiary would receive the accumulation value as a lump sum, or they could choose the rider death benefit and receive the benefit base paid in five annual payments if death occurs after the first contract year. If you have taken no withdrawals (other than rider charges), your beneficiaries are guaranteed the option to take a lump sum death benefit that is no less than your premium.<sup>1</sup>

In the states of **AK, CT, HI, IL, MN, MO, NJ, OR, PA, UT, VA and WA**, should the unexpected occur, the value of your NAC BenefitSolutions 10 annuity will not be lost. In this case, a named beneficiary would receive the accumulation value as a lump sum. If death occurs after the second contract anniversary, they could instead choose the rider death benefit and receive the lesser of the benefit base or the rider death benefit maximum<sup>1</sup>, paid in five annual payments. If you have taken no withdrawals (other than rider charges), your beneficiaries are guaranteed the option to take a lump sum death benefit that is no less than your premium.<sup>2</sup> Your beneficiaries must choose (and will receive) only one death benefit option.

*Note: You have the option to terminate this rider after the surrender charge period. However, terminating this rider forfeits access to the benefit base and lifetime payment amounts. Termination of the rider will not automatically terminate the contract. Once terminated, this rider cannot be reinstated and you will not be reimbursed for charges previously incurred.*

*1. The rider death benefit is not life insurance. Upon payout of the death benefit, the growth may be taxed to your beneficiary as ordinary income. Neither North American, nor any financial professionals acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult with and rely on your own qualified advisor.*



# The guaranteed benefits statement

## A guide to your retirement benefits

Each year (prior to beginning lifetime payments) when you receive your guaranteed benefits statement, you'll know exactly where you stand in terms of your benefit base, lifetime payment amounts, nursing home multiplier and death benefit with NAC BenefitSolutions 10. **It is our way of bringing clarity to your retirement.**

Annuity

NorthAmericanCompany.com



## Your guaranteed benefits statement

### NAC BenefitSolutions® 10 fixed index annuity

<b>Benefit Statement Date:</b>	January 1, 2015	<b>Contract Number:</b>	123456789
<b>Covered Persons:</b>	Sixty Five Male Sixty Five Female	<b>Covered Persons Ages:</b>	65 65
<b>Initial Premium:</b>	\$100,000.00	<b>Issue Date:</b>	January 1, 2015
<b>Issue State:</b>	IA		

Deferral Year	Anniversary Date (Date Benefits Available)	Covered Person Age on Anniversary Date	Joint Covered Person Age on Anniversary Date	Lifetime Payment			Rider Death Benefit	
				Benefit Base*	Lifetime Payment Amount	Nursing Home Multiplier Payment Amount**	Benefit Base*	Death Benefit Annual Payment (5 Equal Payments)
At Issue	1/1/15	65	65	\$120,000	\$4,724	\$9,448	\$120,000	N/A
1	1/1/16	66	66	\$120,000	\$4,878	\$9,756	\$120,000	\$24,000
2	1/1/17	67	67	\$120,000	\$5,008	\$10,016	\$120,000	\$24,000
3	1/1/18	68	68	\$120,000	\$5,141	\$10,282	\$120,000	\$24,000
4	1/1/19	69	69	\$120,000	\$5,278	\$10,555	\$120,000	\$24,000
5	1/1/20	70	70	\$140,000	\$6,563	\$13,126	\$140,000	\$28,000
6	1/1/21	71	71	\$140,000	\$6,737	\$13,475	\$140,000	\$28,000
7	1/1/22	72	72	\$140,000	\$6,916	\$13,833	\$140,000	\$28,000
8	1/1/23	73	73	\$140,000	\$7,100	\$14,201	\$140,000	\$28,000
9	1/1/24	74	74	\$140,000	\$7,289	\$14,578	\$140,000	\$28,000
10	1/1/25	75	75	\$160,000	\$8,372	\$16,744	\$160,000	\$32,000
11	1/1/26	76	76	\$160,000	\$8,414	\$16,827	\$160,000	\$32,000
12	1/1/27	77	77	\$160,000	\$8,456	\$16,912	\$160,000	\$32,000
13	1/1/28	78	78	\$160,000	\$8,498	\$16,996	\$160,000	\$32,000
14	1/1/29	79	79	\$160,000	\$8,626	\$17,251	\$160,000	\$32,000
15	1/1/30	80	80	\$160,000	\$8,755	\$17,510	\$160,000	\$32,000
16	1/1/31	81	81	\$160,000	\$8,886	\$17,772	\$160,000	\$32,000
17	1/1/32	82	82	\$160,000	\$9,020	\$18,039	\$160,000	\$32,000
18	1/1/33	83	83	\$160,000	\$9,155	\$18,310	\$160,000	\$32,000

*This hypothetical example is provided only to show a representation of the guaranteed benefits statement. Not intended to predict future results.*



# Lifetime payments

**NAC BenefitSolutions 10 provides lifetime payments that can help assure a retirement where you have:**

- Guaranteed lifetime payment amounts, with growth potential
- Guarantees and surety that your lifetime payments will last throughout retirement

Your personalized lifetime payment amounts (LPAs) are based on your benefit base, age at issue, years of deferral until you elect to begin payments and election of single or joint LPAs. Once you have elected your LPA, it cannot increase but could potentially decrease due to partial surrenders that exceed your LPA. LPAs can begin at age 50. Provided you are at least age 50 at issue, LPAs are available in the first contract year.

## Optimizing your retirement benefits through your benefit base

Since your LPAs are calculated from your benefit base it is important to understand what the benefit base is and its two key features – benefit base increases and the benefit base floor.

### Benefit base<sup>1</sup>

The benefit base is the amount used to calculate rider benefits under the terms of the contract. At issue, the benefit base equals the benefit base floor and may grow based upon any benefit base increases. Your personalized lifetime payment amounts (LPAs) are based on your benefit base, age at issue, years of deferral until you elect to begin payments and election of single or joint LPAs.

*The benefit base is less any proportional adjustments for partial surrenders, plus benefit base increases, and never less than the benefit base floor adjusted for partial surrenders.*

### Benefit base increase

On each contract anniversary during the first 20 contract years, a benefit base increase, equal to 100% of the weighted average percentage change in the fixed and indexed accounts during the preceding contract year, may be added to the benefit base.

*Please refer to the "Benefit base increase" flyer for more information on this feature.*

*1. Your benefit base will be reduced for any withdrawals taken either before or after lifetime payment amounts begin. If you take a withdrawal, including LPAs, your benefit base will be reduced by the same percentage withdrawn from your accumulation value. Your benefit base is not reduced by withdrawals for benefits rider costs.*

Your lifetime payment  
**snapshot**

**Annuity** NorthAmericanCompany.com

**NORTH AMERICAN**  
A Sammons Financial Company

**Benefits statement**

**NAC BenefitSolutions® 10**

January 1, 2015      **Contract Number:** 123456789

Sixty Five Male      **Covered Persons Ages:** 65

Sixty Five Female      65

\$100,000.00      January 1, 2015

Issue State:	IA
Deferral Year	Anniversary Date (Date Benefits)
Covered Person Age on	Joint Covered Person Anniversary Date
Lifetime Payment Amount	
\$4,724	
\$4,878	
\$5,008	

**Rider Death Benefit**

Death Benefit Amount

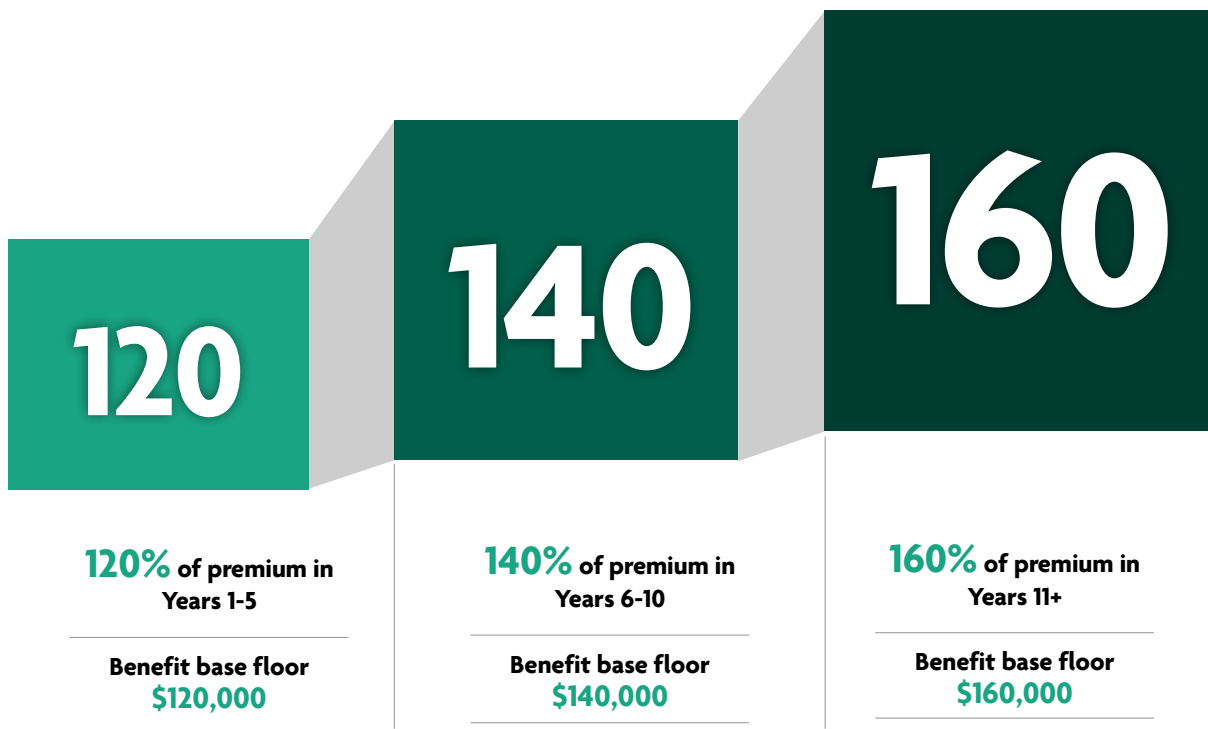
*This hypothetical example is provided only to show a representation of the guaranteed benefits statement. Not intended to predict future results.*



# A foundation for your retirement benefits

## Benefit base floor

The NAC BenefitSolutions 10 is built upon strong guarantees and the benefit base floor is a great example. Your benefit base floor is contractually guaranteed and will automatically increase by a specified percentage on the fifth and 10th contract anniversaries. These benefit base “step ups” ensure you have a strong foundation for your assets, whether it is for lifetime payments or a death benefit. It is important to note that any withdrawals, including RMDs, will reduce the benefit base floor by the same percentage withdrawn from your accumulation value.



*Hypothetical example assumes \$100,000 initial premium and no withdrawals.*

## A powerful combination

### Benefit base floor + benefit base increases

The real power of the NAC BenefitSolutions 10 for you is during times when interest is credited to your contract, you see that growth build upon your benefit base floor providing both guarantees and growth potential for your retirement benefits.





# Nursing home multiplier\*

## A unique way to control your future protection

While nobody likes to think about it, the potential cost of nursing home care can take a substantial bite out of retirement savings. This, in turn, can have a negative effect on ongoing retirement income - especially in the case of married couples or partners.

Many people believe that government programs like Medicare will pay for most or all of their long-term care expenses. However, this may not be the case. Another potential payment option is stand-alone long-term care insurance, although these policies can be expensive.

By having the nursing home multiplier (referred to in the benefits rider as the LPA multiplier) on your NAC BenefitSolutions 10 Annuity, you have the option to receive an increased lifetime payment, if needed, to help with any unexpected expenses.

## Double the lifetime payment amount when you need it the most

With the nursing home multiplier feature, the lifetime payment amount on your NAC BenefitSolutions 10 annuity can be doubled if you become confined to a qualified nursing care center for a period of more than 90 consecutive days, and you remain confined to that nursing home in future contract years. This benefit is available as early as age 50, and it can be accessed for up to five annual payments. This benefit does not have to be utilized for a consecutive five year period.

\*nursing home multiplier is not available in **California**

Your nursing home multiplier snapshot

Annuity

NorthAmericanCompany.com

NORTH AMERICAN

A Sammons Financial Company

Contract Number:

123456789

Covered Persons Ages:

65

Issue Date:

January 1, 2015

Initial Premium:

Issue State:

Deferral Year

Anniversary Date (Date Benefits Begin)

Covered Person Age on Anniversary Date

Joint Covered Person Age on Anniversary Date

Benefit Base\*

Lifetime Payment

Death Benefit Annual Payment

\$0,448

\$0,756

\$10,016

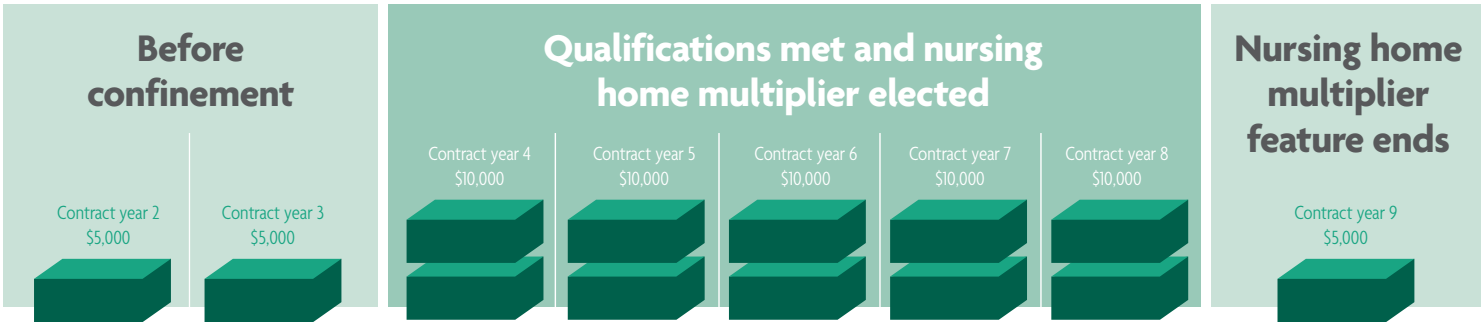
\$10,282

Nursing Home Multiplier Payment Amount\*\*

This hypothetical example is provided only to show a representation of the guaranteed benefits statement. Not intended to predict future results.

# Here's how the multiplier works

- You must wait at least two years after your NAC BenefitSolutions 10 annuity issue date before requesting the nursing home multiplier benefit and you cannot be confined on the issue date.
- Provided that you have been confined to a qualified nursing home facility for at least 90 consecutive days - and that you remain confined throughout the payout period - the income can continue to be paid out for a maximum of five annual payments. This feature is no longer available when the accumulation value reaches zero.\*
- There is a proportional adjustment to the benefit base and benefit base floor each time a withdrawal is taken, including lifetime payment withdrawals and increased lifetime payment withdrawals available through the nursing home multiplier benefit. However, provided that no withdrawals in excess of the available lifetime payment are taken, the lifetime payment available in future years will not decrease.



\*Other qualification criteria may apply.

## The comfort of 120 140 160

When you qualify for doubled LPAs through the nursing home multiplier benefit, the 120/140/160 benefit base floor provides continuing value. Since your LPA is based on the strong guarantees of the benefit base floor, you have an underlying foundation designed to help provide increased payments when you need it most.





# 3

# Death benefit

## Leaving a lasting legacy

In all states **except** AK, CT, HI, IL, MN, MO, NJ, OR, PA, UT, VA and WA, your NAC BenefitSolutions 10 annuity can allow you to leave a legacy to those you love in the manner that best fits their specific financial needs. If your beneficiaries want a lump sum after the first contract year, they can take the annuity's remaining accumulation value. Or your loved ones can opt to receive the remaining amount of your benefit base in five equal annual installments. If you have taken no withdrawals (other than rider charges), your beneficiaries are guaranteed the option to take a lump sum death benefit that is no less than your premium.

*If joint annuity owners have been named, the death benefit will be paid upon the death of the first owner unless the contract is continued under spousal continuance. If joint annuitants are named the death benefit will be paid on the death of the second annuitant.*

In the states of **AK, CT, HI, IL, MN, MO, NJ, OR, PA, UT, VA and WA**, should the annuitant or owner die, the value of your NAC BenefitSolutions annuity will be available to your named beneficiary through one of the following election options:

**OPTION 1** – If death occurs after the second contract anniversary, the lesser of the rider death benefit maximum or the benefit base as of the date of death, paid out in five equal periodic payments.


**OPTION 2** – A lump sum equal to the premium on the benefits rider issue date, provided no partial surrenders (other than for benefits rider costs) have been taken since the benefits rider issue date.

You have the option to terminate this rider after the surrender charge period. However, terminating this rider forfeits access to the benefit base, rider death benefit and lifetime payment amounts. Termination of the rider will not automatically terminate the contract. Once terminated, this rider cannot be reinstated and you will not be reimbursed for charges previously incurred.

The rider death benefit is not life insurance. Upon payout of the death benefit, the growth may be taxed to your beneficiary as ordinary income. Neither North American, nor any financial professionals acting on its behalf, should be viewed as providing legal, tax or investment advice. *Consult with and rely on your own qualified advisor.*

## Your death benefit snapshot

Annuity


  
A Sammons Financial Company

Rider Death Benefit

Benefit Base*	Death Benefit Annual Payment (5 Equal Payments)
100	N/A
100	\$24,000

Contract Number: 123456789  
Covered Persons Ages: 65  
Issue State:

Deferral Year	Anniversary Date (Date Annuitant)	Covered Person Age (at)	Joint Covered Person Age (at)	Anniversary Date	Contract Charge	Lifetime Payment Amount	Nursing Home Multiplier	Benefit Base	Annual Payment (5 Equal Payments)
1	1/1/2020	65	65	1/1/2020	100	100	1.00	100	24,000

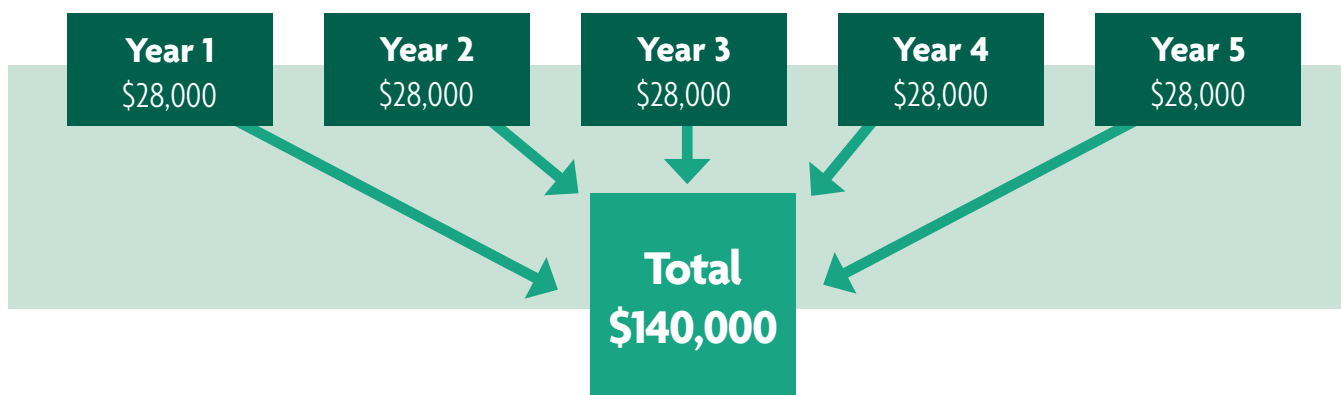
*This hypothetical example is provided only to show a representation of the guaranteed benefits statement. Not intended to predict future results.*

# How much will your benefit be?

The amount of your rider death benefit will never be less than your benefit base floor, less any proportional withdrawals. As a hypothetical example, if your initial annuity deposit was \$100,000 and you passed away in year six, the total amount your beneficiaries would receive over a five year period would be \$140,000, assuming no withdrawals were taken prior to the death.

## Your beneficiaries may receive five equal annual payments

*Assumptions: Initial premium \$100,000 - death in contract year six - no withdrawals - no interest credits.*



*The rider death benefit is not available until after the 2nd contract anniversary and is subject to a maximum limit.*

## The legacy of

120

140

160

Your benefit base floor not only builds a foundation to provide strong guaranteed income and enhanced income due to nursing home confinement, but can also act as a safety net for your beneficiaries. Since your beneficiaries have the option of receiving the benefit base in five annual installments upon your death, your benefit base floor can provide lasting value.

## Consider the lasting benefits

While life may not always be in our control, our finances still can be. With NAC BenefitSolutions 10, you can prepare for the unexpected, so you can keep your promises for the future. The death benefit feature can help you look after your loved ones even after you're gone.

Whether it's ongoing income for your surviving spouse, funds for a grandchild's future education, or something extra to help get a loved one started in a new home or business, keeping your promises means the world to those you love - that's what leaving a legacy is all about.

*Neither North American, nor any financial professionals acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult with and rely on your own qualified advisor.*

# NAC BenefitSolutions 10 values



NAC BenefitSolutions 10 offers a mix of both fixed and indexed account options, including:

## **Fixed account**

NAC BenefitSolutions 10 provides a fixed account that offers a fixed interest rate that is guaranteed for the first contract year. The fixed interest rate is declared by the company each year thereafter, but will never be less than the minimum guaranteed rate provided by your contract.

## **Set your strategy**

You have total control over how your initial premium is allocated between our fixed account or index accounts. Choose from several crediting methods (more details on the following pages):

- Monthly Average with Participation Rate
- Monthly Point-to-Point with Index Cap Rate
- Annual Point-To-Point with Index Cap Rate
- Annual Point-to-Point with Index Margin
- Fixed account

## **Accumulation value**

The accumulation value is 100% of premium, allocated to the fixed and indexed accounts, less any withdrawals plus any interest credits. It cannot decrease due to negative index performance.

## **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.

The surrender value will not be less than 87.5% of all premiums; less any partial surrenders (after market value adjustment or reduction for surrender charges); accumulated at 1.00%.



# Pick from a wide variety of index\* options

## S&P 500® Index (SPX)

The S&P 500 Index is widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The price-return index includes 500 leading companies in leading industries of the U.S. economy and does not include dividends in the index valuation.

## S&P 500® Low Volatility Daily Risk Control 5% Index (SPLV5UT)

The S&P 500® Low Volatility Daily Risk Control 5% Index strives to create stable index performance through managing volatility (i.e. risk control) on the S&P 500 Low Volatility Index. The S&P 500 Low Volatility Index measures performance of the 100 least volatile stocks in the S&P 500. The index adds an element of risk control by applying rules to allocate between stocks, as represented by the S&P 500 Low Volatility Index, and cash. The index is managed to a 5% volatility level.

## Dow Jones Industrial Average™ Index (DJIA®)

Dow Jones Industrial Average™ Index – The oldest continuing stock market index, the DJIA is one of the most well known and widely followed indicators of the U.S. stock market in the world. It is represented by 30 of the largest U.S. stocks, including household names and leaders in their respective industries.

## Nasdaq-100® Index (NDX)

The Nasdaq-100 index includes 100 of the largest domestic and international non-financial securities listed on The Nasdaq Stock Market based on market capitalization. The index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology.

*\*Past index performance is not intended to predict future performance and the index does not include dividends.*

## Set your strategy

In addition to the fixed account, here are your crediting methods.

Diversify your premium among the following index account options	
Crediting methods*	Index availability*
<b>Monthly Average</b> (subject to a participation rate)	<ul style="list-style-type: none"><li>• S&amp;P 500*</li><li>• (DJIA®) Dow Jones Industrial Average™</li></ul>
<b>Monthly Point-to-Point</b> (subject to an index cap rate)	<ul style="list-style-type: none"><li>• S&amp;P 500*</li><li>• Nasdaq-100*</li></ul>
<b>Annual Point-to-Point</b> (subject to an index cap rate)	<ul style="list-style-type: none"><li>• S&amp;P 500*</li></ul>
<b>Annual Point-to-Point</b> (subject to an index margin)	<ul style="list-style-type: none"><li>• S&amp;P 500* Low Volatility Daily Risk Control 5%</li></ul>

*\* Index(es) and strategies may not be available in all states.*

## Crediting methods

<b>Monthly Average with Participation Rate</b>	<b>Monthly Average</b>	This method for determining any interest credit is calculated by comparing the index value on the first day of the contract year to the Monthly Average index value. The Monthly Average index value equals the sum of the monthly index values over the contract year, excluding the beginning index value on the first day of the contract year, divided by 12. The annual interest credit will never be less than zero.
	<b>Participation rate</b>	Once a gain has been calculated using the Monthly Average index account option, a participation rate is applied. The participation rate is a percentage that is multiplied by the gain at the end of the contract Year and is used to determine the interest credit to your contract. The participation rate is guaranteed for the first contract year, and can change each year thereafter on the contract anniversary. The participation rate is declared each year at the company's discretion. However, at no time will it be less than the minimum guaranteed participation rate.
<b>Annual Point-To-Point with:</b> • Index Cap Rate; or • Index Margin	<b>Annual Point-to-Point</b>	This calculation method measures the change in index value using two points in time; the beginning index value and the ending index value for that year. Index linked gains are calculated based on the difference between these two values. The index change, if any, is then subject to an index cap rate and /or an index margin. The annual interest credit will never be less than zero.
	<b>Index cap rate</b>	Your annuity applies an index cap rate, or upper limit, to calculate your interest credits each year applied to the Annual Point-to-Point with cap index account option. This cap is applied annually and may change annually. It is declared on the contract anniversary and is guaranteed for that year. The index cap rate is set at the company's discretion. However, at no time will this cap ever fall below the minimum guaranteed index cap rate set for the Annual Point-to-Point with cap index account.
	<b>Index margin</b>	Once a gain has been calculated using the Annual Point-to-Point with margin index account option, an index margin is subtracted. The index margin is guaranteed for the first year, but can change each year thereafter at the Company's discretion. The index margin is set in advance each contract year, however at no time will it be greater than the maximum index margin for the Annual Point-to-Point with margin index account.
<b>Monthly Point-to-Point with Index Cap Rate</b>	<b>Monthly Point-to-Point</b>	This method for determining any interest credit uses the monthly changes in the index value, subject to a monthly index cap rate. The interest credit is credited annually and is based on the sum of all the monthly percentage changes in the index value—which could be positive or negative. On each contract anniversary, these monthly changes, each not to exceed the monthly index cap rate, are added together to determine the interest credit for that year. Negative monthly returns have no downside limit and will reduce the interest credit, but the interest credit will never be less than zero.
	<b>Index cap rate</b>	Your annuity applies a monthly index cap rate, or upper limit, to calculate your interest credits each year for the Monthly Point-to-Point. This cap is applied monthly and may change annually. The index cap rate will be declared on each contract anniversary and is guaranteed for that year. The index cap rate is set at the company's discretion, however, at no time will this cap ever fall below the minimum guaranteed index cap rate set for the Monthly Point-to-Point index account.
<b>Fixed account</b>		Premium allocated to the fixed account will earn the current interest rate and is credited daily. This rate will be guaranteed for the entire contract year and will renew annually. The fixed account current interest rate is set at the company's discretion on each contract anniversary and will never fall below the minimum guaranteed fixed account interest rate.

Ask your financial professional for the current index cap rates, index margins, participation rate and fixed account interest rate.

# Options for accessing funds

## Penalty-free withdrawals

Like most annuities, you'll be limited in when and how much you can withdraw from your annuity penalty-free. After the first contract anniversary, a penalty-free withdrawal (also known as a penalty-free partial surrender), of up to 5% (10% beginning in the third contract year if no withdrawals taken in the prior year) of the accumulation value may be taken each year. After the surrender charge period, surrender charges and market value adjustments no longer apply to any withdrawals.

Withdrawals may be treated by the government as ordinary income. If taken before age 59 1/2, you may also have to pay a 10% IRS penalty. Withdrawals will reduce your accumulation value accordingly.

By current company practice\*, we'll waive surrender charges and market value adjustments on any portion of an IRS-required minimum distribution that goes beyond what's available to you penalty-free.

## Your annuitization payout options

Upon annuitization, NAC BenefitSolutions 10 offers a variety of income options to suit the needs of annuitants, from just a certain number of years, to a lifetime income option. Once a payout option is elected, it cannot be changed and all other rights and benefits under the annuity end.

In all states except Florida, by current company practice\*, you may receive an income from the accumulation value after the first contract year (without surrender charges or market value adjustment) if you choose a life income option. You can also receive an income based on the accumulation value if your annuity has been in force for at least five years and payments will be over at least a five-year period.

## Payout options

With the exception of life income options, income options are available from five to 20 years.

Choose from:

- Income for a specified period
- Income for a specified amount
- Life income with a period certain
- Life income
- Joint and survivor life income

## For Florida:

You may select an annuity payout option based on the accumulation value at any time after the first contract year.

Choose from:

- Life income
- Life income with a 10-year period certain
- Life income with a 20-year period certain
- Joint and survivor life income
- Joint and survivor life income with a 10- or 20-year period certain

*\*A feature offered "by current company practice" is not a contractual guarantee of this annuity contract and can be removed or changed at any time.*

**Continued on page 17**



## Surrender charges

Surrender charges allow the company to invest in longer-term assets and generally credit higher yields than possible with a similar annuity of shorter term. During the surrender charge period, a surrender charge is assessed on any amount withdrawn, whether as a partial or full surrender, that exceeds the penalty-free amount and may result in a loss of premium. Certain payout options may incur a surrender charge.

### Surrender charge schedule

Contract year	Charge
1	10%
2	10%
3	9%
4	9%
5	8%
6	8%
7	7%
8	6%
9	4%
10	2%
11+	0%

### Surrender charge schedule – state variations

Contract year	10-year CA	10-year AK, CT, DE, HI, IL, MN, MO, NJ, NV, OH, OK, OR, PA, SC, TX, UT, VA, WA
1	8%	9%
2	7.45%	8.5%
3	6.5%	7.5%
4	5.5%	6.5%
5	4.55%	5.5%
6	3.55%	4.5%
7	2.55%	3.5%
8	1.5%	3%
9	0.5%	2%
10	0.44%	1%
11+	0%	0%

A surrender during the surrender charge period could result in a loss of premium. Surrender charges may vary by state. In **California**, the surrender charge percentage in the 10th contract year will decrease 0.04% Monthly until the surrender charge equals 0.00%. The decrease will occur on the same day in each month as the date of the contract anniversary; if the date does not exist for a given month, the date for that month will be the last calendar day of the month.

## Market value adjustment

Your contract also includes a market value adjustment feature - which may decrease or increase your surrender value depending on the change in the index value of the market value adjustment external index since your annuity purchase. Due to the mechanics of a market value adjustment, surrender values generally decrease as the market value adjustment external index rises or remains constant. When the market value adjustment external index decreases enough over time, the surrender value generally increases. However, the market value adjustment is limited to the surrender charge or the interest credited to the accumulation value in all states except **California**. In **California**, the market value adjustment is limited to the surrender charge or 0.50% of the accumulation value at the time of surrender.

This adjustment is applied only during the surrender charge period to surrenders exceeding the applicable penalty-free allowance.

See the "Understanding the market value adjustment" brochure for more information.

## Transfers

After the first contract year and on an annual basis, you may elect to transfer between crediting methods and index account options, including the fixed account. By current company practice\*, you will have 30 days following each contract anniversary to reallocate.

## Nursing home confinement waiver

(not available in all states)

You can withdraw up to 100% of your annuity's accumulation value without a surrender charge or market value adjustment, if you are confined to a qualified care facility, for at least 90 consecutive days any time after the first contract year. You cannot be confined at the time your contract is issued. This waiver is automatically included with your annuity at no additional charge.

If joint annuitants are named on the annuity, waiver will apply to the first annuitant who qualifies for the benefit.

\*A feature offered "by current company practice" is not a contractual guarantee of this annuity contract and can be removed or changed at any time.

The NAC BenefitSolutions® 10 is issued on form NC/NA1006A/ICCI4-NA1006A (certificate/contract), AE560A/ICCI7-AE560A, AE561A/ICCI4-AE561A, AE563A/ICCI4-AE563A, AE564A/ICCI4-AE564A, AE565A/ICCI4-AE565A, AE567A/ICCI4-AE567A, AE571A/ICCI4-AE571A, ICCI2-AE539A, LR427A/ICCI4-AE574A, and LR433A (riders/endorsements) or appropriate state variation by North American Company for Life and Health Insurance®, West Des Moines, IA. Product features, riders and index options may not be available in all states or appropriate for all clients.

Fixed index annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Although fixed index annuities guarantee no loss of premium due to market downturns, deductions from your accumulation value for additional optional benefit riders or strategy fees associated with allocations to enhanced crediting methods could exceed interest credited to the accumulation value, which would result in loss of premium. They may not be appropriate for all clients. Interest credits to a fixed index annuity will not mirror the actual performance of the relevant index.

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

**Special notice regarding the use of a living trust as owner or beneficiary of this annuity.**

The use of living trusts in connection with an annuity contract can be a valuable planning mechanism. However, a living trust is not appropriate when mass-produced in connection with the sale of an insurance product. We strongly suggest you seek the advice of your qualified legal advisor concerning the use of a trust with an annuity contract.

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

Withdrawals taken prior to age 59 1/2 may be subject to IRS penalties.

The “S&P 500®”, “S&P 500® Low Volatility Daily Risk Control 5% Index”, and “DJIA®” Indices (“Indices”) are products of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”) and have been licensed for use by North American (“the Company”). Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”) and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”). The trademarks have been licensed to SPDJI and have been sublicensed for use for certain purposes by the Company. NAC BenefitSolutions 10 (“Product”) is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, “S&P Dow Jones Indices”). S&P Dow Jones Indices does not make any representation or warranty, express or implied, to the owners of the NAC BenefitSolutions 10 or any member of the public regarding the advisability of investing in securities generally or in this Product particularly or the ability of these Indices to track general market performance. S&P Dow Jones Indices only relationship to North American with respect to these Indices is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The Indices are determined, composed and calculated by S&P Dow Jones Indices without regard to North American or the Product. S&P Dow Jones Indices has no obligation to take the needs of the Company or the owners of this Product into consideration in determining, composing or calculating these Indices. S&P Dow Jones Indices is not responsible for and have not participated in the determination of the prices, and amount of NAC BenefitSolutions 10 or the timing of the issuance or sale of this Product or in the determination or calculation of the equation by which the Product is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of the Product. There is no assurance that investment products based on these Indices will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THESE INDICES OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY NORTH AMERICAN, OWNERS OF THE NAC BENEFITSOLUTIONS 10, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDICES OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR AGREEMENTS BETWEEN S&P DOW JONES INDICES AND THE COMPANY, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

The Nasdaq-100®, Nasdaq-100® Index and Nasdaq® are trademarks of the Nasdaq Stock Market Inc. (which with its affiliates are the “Corporations”) and are licensed for use by North American. The Product(s) have not been passed on by the Corporations as to their legality or suitability. The NAC BenefitSolutions 10 is not issued, endorsed, sold or promoted by the Corporations. THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THE NAC BenefitSolutions 10.

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.

A.M. Best is a large, third-party independent reporting and rating company that rates an insurance company on the basis of the company’s financial strength, operating performance, and ability to meet its obligations to policyholders. S&P Global Ratings is an independent, third-party rating firm that rates on the basis of financial strength. Ratings shown reflect the opinions of the rating agencies and are not implied warranties of the company’s ability to meet its financial obligations. The ratings apply to North American’s financial strength and claims-paying ability. **A)** A.M. Best rating affirmed on Aug. 19, 2020. For the latest rating, access ambest.com. **B)** Awarded to North American as part of Sammons® Financial Group Inc., which consists of Midland National® Life Insurance Company and North American Company for Life and Health Insurance®. **C)** Standard & Poor’s rating assigned Feb. 26, 2009 and affirmed on May 14, 2020. **D)** Fitch Ratings, a global leader in financial information services and credit ratings, on April 23, 2021, affirmed an Insurer Financial Strength rating of A+ Stable for North American. This rating is the fifth highest of 19 possible rating categories. The rating reflects the organization’s strong business profile, low financial leverage, very strong statutory capitalization and strong operating profitability supported by strong investment performance. For more information access fitchratings.com.



## North American is a Sammons Financial company.

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

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

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

Just like always.



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

“A+”

**A.M. Best<sup>AB</sup>** (Superior) (Second category of 15)

**S&P Global Ratings<sup>BC</sup>** (Strong) (Fifth category of 22)

**Fitch Ratings<sup>D</sup>** (Stable) (Fifth category of 19)