

A Guide to Your North American Indexed Universal Life Annual Report

1. The time period for which the report displays your account activity.
2. The specified amount is used to determine the policy expenses, surrender charges and death benefit. The death benefit is the amount of money paid or due to be paid at the death of the insured as of the date of the report. The death benefit may differ from the specified amount as a result of the following; increasing death benefit option, policy loans, late payments, partial surrenders, accelerated benefit payments, and/or corridor factors, if applicable.
3. Specific Policy Details.
4. The current and guaranteed interest rates associated with the fixed account.
5. Premiums, Billing Selections and Loans, if applicable.
6. A summary of account activity during the current statement period.
7. Any additions to the contract by premium payment, interest or index credits.
8. Any deductions to the contract due to loads, charges, surrenders, or loans, if applicable.
9. Minimum Account Value reflects a guaranteed interest rate that will be earned on the policy regardless of how the index selections perform. Ending Net Cash Surrender Value reflects the amount of money projected to be received if the policy was surrendered.
10. Projected lapse dates based on both guaranteed and non-guaranteed assumptions as well as paying the periodic planned premium and making no further premium payments.

November 5, 2015

NAME
STREET ADDRESS
CITY STATE ZIP

Annual Report
Summary of Policy/Certificate (hereafter "Policy") for Report Period
November 5, 20 through November 4, 20XX

Policy: 123456789
Insured: NAME

Agent: NAME (123)123-1234

Basic Policy Information	
As of November 5, 20XX	
Current Specified Amount:	\$434,598.00
Death Benefit:	\$509,718.05
Death Benefit Option:	Increasing
Policy Type:	Universal Life
Product:	Builder IUL
Policy Form (or state variation):	LS172
Policy Issue Date:	11/05/20XX
Issue Age:	51
Rate Class:	Pref Non Tobacco
Rated?:	No
Gender:	Female
Fixed Account:	
Guaranteed Interest Rate:	3.00%
Current Interest Rate: (1)	4.00%
Planned Premium:	\$15,000.00
Billing Frequency:	Annual
Billing Status:	Billing
Current Loan Type:	None

Summary of Account Values	
As of November 5, 20XX	
Beginning Account Value	\$71,452.41
Plus	
Premium Payments:	\$0.00
Interest/Index Credit(s):	\$6,584.60
Less	
Premium Load:	\$0.00
Cost of Insurance:	\$1,147.32
Other Expense Charges: (2)	\$1,769.64
Rider Charges:	\$0.00
Withdrawals: (3)	\$0.00
As of November 4, 20XX	
Ending Account Value:	\$75,120.05
Minimum Account Value:	\$68,294.75
Less	
Surrender Charges: (4)	\$11,395.15
Outstanding Total Policy Debt:	\$0.00
Ending Net Cash Surrender Value:	\$63,724.90

10.

Future Assumptions

For more information on how the lapse dates were determined, see the In-force Life Insurance Policy Illustration included with this report.

Projected Policy Lapse Assuming No Future Loans, Withdrawals, or Policy Changes:

	Assuming Planned Premium	No Further Premium
Based on Guaranteed Assumptions*	07/05/20XX	11/05/20XX
Based on Current Assumptions*	11/05/20XX	03/05/20XX
<small>*cost of insurance rates, charges, and interest rates</small>		

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11. Riders and supplemental benefits of your contract, if applicable.
12. An in depth accounting of the previous years financial activity.
13. Please be aware of index credits and when they will be reflected on your statement.
14. Check this section for important disclosures specific to your contract.

11.

Rider/Supplemental Benefit Information

Benefits:

OVERLOAN PROTECTION BENEFIT

PROTECTED DEATH BENEFIT

Riders:

ACCELERATED DEATH BENEFIT ENDORSEMENT

ACCELERATED DEATH BENEFIT ENDORSEMENT

Amount:

N/A

N/A

12.

Recap of Prior Year Financial Activity Summary of activity for Policy Year ending November 4, 20XX Beginning Account Value as of November 5, 20XX was \$71,452.41.

Month Beginning	Premiums	Charges	Withdrawals (6)	Interest Credit	Index Credit	Ending Account Value	Loan Pmts Received	New Loan/ Loan Interest
11/05/20XX	\$0.00	\$242.07	\$0.00	\$0.00	\$5,851.97	\$77,062.31	\$0.00	\$0.00
12/05/20XX	\$0.00	\$243.48	\$0.00	\$0.00	\$0.00	\$76,818.83	\$0.00	\$0.00
01/05/20XX	\$0.00	\$243.42	\$0.00	\$0.00	\$0.00	\$76,575.41	\$0.00	\$0.00
02/05/20XX	\$0.00	\$243.35	\$0.00	\$0.00	\$0.00	\$76,332.06	\$0.00	\$0.00
03/05/20XX	\$0.00	\$243.29	\$0.00	\$0.00	\$0.00	\$76,088.77	\$0.00	\$0.00
04/05/20XX	\$0.00	\$243.23	\$0.00	\$0.00	\$0.00	\$75,845.54	\$0.00	\$0.00
05/05/20XX	\$0.00	\$243.17	\$0.00	\$0.00	\$0.00	\$75,602.37	\$0.00	\$0.00
06/05/20XX	\$0.00	\$243.11	\$0.00	\$0.00	\$0.00	\$75,359.26	\$0.00	\$0.00
07/05/20XX	\$0.00	\$243.05	\$0.00	\$0.00	\$0.00	\$75,116.21	\$0.00	\$0.00
08/05/20XX	\$0.00	\$242.99	\$0.00	\$0.00	\$0.00	\$74,873.22	\$0.00	\$0.00
09/05/20XX	\$0.00	\$242.93	\$0.00	\$0.00	\$0.00	\$74,630.29	\$0.00	\$0.00
10/05/20XX	\$0.00	\$242.87	\$0.00	\$0.00	\$0.00	\$74,387.42	\$0.00	\$0.00
11/04/20XX	\$0.00	\$0.00	\$0.00	\$0.00	\$732.63	\$75,120.05	\$0.00	\$0.00
Totals:	\$0.00	\$2,916.96	\$0.00	\$0.00	\$6,584.60		\$0.00	

13.

Your policy was designed to allow you the opportunity to earn cash value through an account linked to growth of the stock market indexes that you select. **Money that is allocated to an index selection(s) must be in the index account for a full 12 months to be eligible for an index credit and will be calculated on the next business day after the 12 month period. As of the report period shown, the next index credit will occur on November 8, 20XX. This will be reflected on your next annual statement and will also be available on our website, www.NorthAmericanCompany.com, under Future Index Crediting.**

14.

The Company may exercise the right retained in the Policy to limit unscheduled premium payments.

If benefits have been paid as a result of the use of the accelerated benefit endorsement, the death benefit shown in your statement will be decreased by payments advanced under the accelerated benefit.

Footnotes:

- (1) Rate is subject to change and is the rate in effect on the date this report was printed.
- (2) Other Expense Charges are described on the Policy Schedule page in your Policy.
- (3) This amount includes any fee or surrender charge that is applied.
- (4) If the Policy has the Waiver of Surrender Charge Option the surrender charge is waived at time of surrender.
- (5) The Ending Net Cash Surrender Value displayed may be based on the Minimum Account Value (MAV) if it is greater than the regular account value. The MAV is applicable only with respect to termination of this Policy, including death, surrender or maturity and is not available for loans or withdrawals. It is also used to determine if the Policy has entered the grace period.
- (6) The amounts shown include the withdrawal, the withdrawal fee, if any, and a partial surrender charge, if applicable. Any decrease in the specified amount during the surrender charge period will result in a surrender charge which is reflected in this column.

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An In-Force Life Insurance Policy Illustration
Insured: **NAME**
Policy Number: **123456789**

15.

Index Selections & Initial Premium Allocation

The chart below shows the current Index Cap and current Index Participation Rate (as described below) for each Index Selection. These rates are subject to change.

Index Selection	Index	Index Crediting Method	Current Index Cap	Current Index Participation Rate	Current Premium Allocation	Beginning Balance	Ending Balance
1	S&P 500®	Annual Point-to-Point	13.5%	100%	25.00%	\$18,021.50	\$19,434.24
2	Uncapped S&P 500®	Annual Point-to-Point	N/A	57.5%	0.00%	\$0.00	\$0.00
3	S&P 500®	Monthly Point-to-Point	4.25% Monthly	100%	0.00%	\$0.00	\$0.00
4	S&P 500®	Daily Averaging	N/A	102.5%	0.00%	\$0.00	\$0.00
5	DJIA®	Annual Point-to-Point	12.5%	100%	25.00%	\$17,919.29	\$18,956.50
6	DJIA®	Daily Averaging	N/A	102.5%	0.00%	\$0.00	\$0.00
7	NASDAQ®	Annual Point-to-Point	10.5%	100%	20.00%	\$14,171.95	\$15,128.39
8	S&P MidCap 400®	Annual Point-to-Point	10.5%	100%	0.00%	\$0.00	\$0.00
9	S&P MidCap 400®	Daily Averaging	N/A	82.5%	0.00%	\$0.00	\$0.00
10	Russell 2000®	Annual Point-to-Point	10.5%	100%	20.00%	\$14,171.97	\$14,297.82
11	Russell 2000®	Daily Averaging	N/A	82.5%	0.00%	\$0.00	\$0.00
12	EURO STOXX 50®	Annual Point-to-Point	12.5%	100%	10.00%	\$7,167.70	\$7,303.10
13	Optimal Multi Index	Annual Point-to-Point	10.5%	100%	0.00%	\$0.00	\$0.00
Total Indexed Account Values						\$71,452.41	\$75,120.05
Fixed Account Value						\$0.00	\$0.00
Total Policy Value						\$71,452.41	\$75,120.05

15. The funds available on your contract, including the funds your current premiums are allocated to and the beginning and ending balances for the index selections as applicable for the reporting period.

This In Force Illustration is not a contract nor part of a contract and is not valid unless all pages are included.

North American Indexed Universal Life Annual Report *Continued*



An In-Force Life Insurance Policy Illustration
Insured: NAME
Policy Number: 123456789

16.

Illustrated Rate for Index Selections

16. Historical returns for the various Index Selections available based on the current Index Cap Rate and Index Participation rate for each selection.

- Some reports may come with an in force illustration showing your contract's non-guaranteed projected values. This illustration assumes that you do not make further changes in coverage or premiums. Please keep in mind that current interest rates and current cost of insurance rates are not guaranteed.

The following chart shows historical returns for the various Index Selections that are available based on the current Index Cap Rate and Index Participation Rate for each Index Selection as shown in the "Index Selections and Initial Premium Allocation" section of this Illustration (including the floor of 0% in each year). Also shown is the Maximum Illustrated Rate that can be used in the following Illustration for each of the available Index Selections. It is equal to the 30 Year Average Rate of Return for that index. For those indices without 30 years of historical data, the Maximum Illustrated Rate is equal to the Average Rate of Return since the inception of the index. The Rate of Return can vary significantly for individual business days.

If you allocate premium payments to more than one Index Selection, the Maximum Illustrated Rate will be a weighted average of each of the Maximum Illustrated Rates using the percentage allocations shown in the "Index Selections and Initial Premium Allocation" section. The Maximum Illustrated Rate is not an expected rate for any given year. **It is an average based on past performance and is not intended to predict future performance.** When premium payments are allocated to one or more Index Selections, the amount credited to your Policy will depend on the actual change in the selected Index (excluding dividends). **The actual credited rate for any given year will almost certainly be different from the illustrated rate. It is not possible to know in advance what the actual credited rate will be, but it will never be less than 0%.**

You may want to ask for an Illustration that uses an illustrated rate other than the maximum rate so that you can understand how this may impact your Policy performance. As with any Indexed UL product, even if the average rate credited to your Policy matches the illustrated rate, the actual values could be different from what is shown in this Illustration depending on the pattern of actual interest credited.

-----Average Rates of Return-----

Index Selection	Index	Index Crediting Method	5 year	10 Year	20 Year	30 Year	Maximum Illustrated Rate
1	S&P 500®	Annual Point-to-Point	10.80%	8.20%	8.50%	8.60%	7.42%
2	Uncapped S&P 500®	Annual Point-to-Point	9.00%	6.40%	7.50%	7.50%	6.51%
3	S&P 500®	Monthly Point to Point	11.10%	8.10%	8.90%	8.70%	7.11%
4	S&P 500®	Daily Averaging	8.70%	5.90%	6.80%	6.80%	6.06%
5	DJIA®	Annual Point-to-Point	10.10%	7.40%	7.50%	7.90%	6.50%
6	DJIA®	Daily Averaging	7.70%	5.30%	6.30%	6.70%	5.85%
7	NASDAQ®	Annual Point-to-Point	9.80%	7.30%	7.30%	0.00%	7.25%
8	S&P MidCap 400®	Annual Point-to-Point	8.70%	7.30%	7.40%	7.60%	7.42%
9	S&P MidCap 400®	Daily Averaging	8.80%	6.30%	6.50%	6.60%	6.38%
10	Russell 2000®	Annual Point-to-Point	8.10%	6.70%	6.50%	6.70%	6.49%
11	Russell 2000®	Daily Averaging	8.60%	6.00%	6.00%	6.00%	5.99%
12	EURO STOXX 50®	Annual Point-to-Point	6.80%	6.90%	7.20%	0.00%	6.97%
13	Optimal Multi Index	Annual Point-to-Point	8.20%	7.10%	7.20%	0.00%	7.10%

The Average Rate of Return uses the current Index Cap Rate and Index Participation Rate, and assumes money is deposited on each business day of the year (the floor of 0% is applied in each year). All Index Selections or Index Crediting Methods may not be available in all jurisdictions.

We're Here For Life®

525 W Van Buren | Chicago IL 60607
www.NorthAmericanCompany.com