

Life



**NORTH  
AMERICAN<sup>SM</sup>**

**A Sammons Financial Company**

# DISCLOSURES



Disclosures apply to this presentation in its entirety.

Indexed Universal Life Insurance products are not an investment in the “market” or in the applicable index and are subject to all policy fees and charges normally associated with most universal life insurance.

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

A.M. Best is a large third-party independent reporting and rating company that rates an insurance company on the basis of the company's financial strength, operating performance and ability to meet its obligations to policyholders. A+ is the second highest rating out of 15 categories and was affirmed for North American Company for Life and Health Insurance as part of Sammons Financial Group on August 7, 2019. For the latest rating, access [www.ambest.com](http://www.ambest.com).

Fitch Ratings, a global leader in financial information services and credit ratings, on April 17, 2019, assigned an Insurer Financial Strength rating of A+ Stable for North American Company for Life and Health Insurance. This rating is the fifth highest of 19 possible rating categories. The rating reflects the organization's strong business profile, low financial leverage, very strong statutory capitalization and strong operating profitability supported by strong investment performance. For more information, read the [Fitch Ratings report](#).

S&P Global Ratings awarded its "A+" (Strong) rating for insurer financial strength on February 26, 2009 and affirmed on August 14, 2019 to North American Company for Life and Health Insurance as a member of Sammons® Financial Group, Inc. The "A+" (Strong) rating is the fifth highest out of 22 available ratings as a member of Sammons® Financial Group, Inc.

Sammons Financial<sup>SM</sup> 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.

**Agents offering, marketing, or selling accelerated death benefits for chronic illness in California must be able to describe the differences between benefits provided under an accelerated death benefit for chronic illness and benefits provided under long-term care insurance to clients. You must provide clients with the ADBE Consumer Brochure for California that includes this comparison. Comparison is for solicitation purpose only, not for conversions.**

Smart Builder IUL is issued on policy form series LS187 and the Waiver of Surrender Charge Option Rider is issued on form series LR479 , or state variation, including all applicable endorsements and riders, by North American Company for Life and Health Insurance, One Sammons Plaza, Sioux Falls, SD 57193. Products, features, riders, endorsements or issue ages may not be available in all jurisdictions. Limitations or restrictions may apply.

**FOR AGENT USE ONLY. NOT TO BE USED FOR CONSUMER SOLICATION PURPOSES.**

Life

# Smart Money

Leverage – Liquidity – Legacy

Gary Proco  
Regional Vice President





Life



**NORTH  
AMERICAN**<sup>SM</sup>  
A Sammons Financial Company

# AGENDA

Life

- ☐ **Smart Money Concept**
- ☐ Smart Builder Key features
- ☐ Case Study





# Smart Money: Client Profile

- Ages 55-75
- Seeking Better Performance on fixed assets
- Looking to leverage a legacy
- Concerned about liquidity
- Potential to leverage death benefit for future health concerns

# Unemployed Assets

- Certificate of Deposit
- Savings Account
- Money Market Account
- Low interest rate accounts



Life



# Smart Money

Life

**LEVERAGE** existing funds into a larger **LEGACY**  
for the ones you love, all the while maintaining  
**LIQUIDITY** for those just-in-case needs.





# AGENDA

Life

- ☐ Smart Money Concept
- ☐ **Smart Builder Key features**
- ☐ Case Study



# Smart Builder Indexed Universal Life

## Key Features:

- No premium load
- Waiver of Surrender Charge Option (WOSC) Rider<sup>1</sup>
- Multiple Commission Options
- Accelerated Death Benefit Endorsement<sup>2</sup>

Life



1. Available only at time of application. Not available in California. This optional rider is available for an additional charge per \$1,000 per month, depending on issue age and underwriting class and must be applied for at time of issue. Surrender charges will be waived upon a full surrender or partial surrender. Surrender charges will not be waived if the policy is surrendered under an external 1035 Exchange (except in Florida). A decrease charge will be assessed if a reduction in the policy face amount is requested during the Waiver of Surrender Charge Period. However, if a partial withdrawal results in a reduction of the face amount, the withdrawal charge is waived.
2. Subject to eligibility requirements.



**NORTH  
AMERICAN**<sup>SM</sup>  
A Sammons Financial Company

# Smart Builder Product Details



- Minimum Account Value True-up – 2.5%
- Commission Charge Back in yr 1 only
- WOSC full surrender only
- Premium limit \$2M
- Minimum face amount \$100k
- Premium Deposit Agreement – 2.5% (3 -10 yrs)

# The Fidelity Multifactor Yield Index<sup>SM</sup> 5% ER

Expertise, diversification,  
and consistency

Life



[go.fidelity.com/FIDMFY](https://go.fidelity.com/FIDMFY)

 **NORTH  
AMERICAN**<sup>SM</sup>  
A Sammons Financial Company

# AGENDA

Life

- ☐ Smart Money Concept
- ☐ Smart Builder Key features
- ☐ **Case Study**



# Smart Money: Case Study

Hypothetical Example

Life



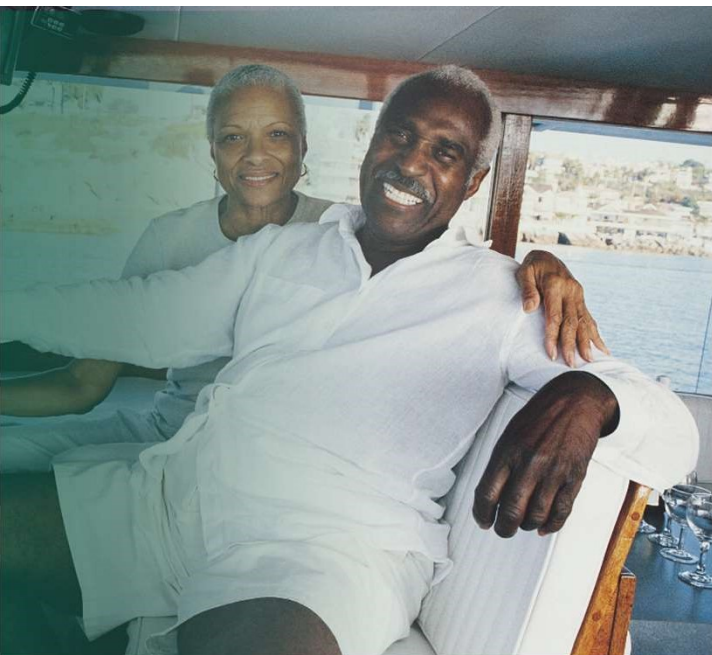
- Male
- 60 years old
- \$400K in low interest bearing accounts
- No immediate need for funds



# Smart Money: Case Study

Hypothetical Example – with Waiver of Surrender Charge

Life



## Smart Builder IUL with Waiver of Surrender Charge Option Rider

*Single-pay premium: \$250,000*

*Initial death benefit: \$431,500*

*Net cash surrender value after year one: \$261,163\**

**THIS POLICY IS A MODIFIED ENDOWMENT CONTRACT.<sup>1</sup>**

Male, 60, Preferred Non-Tobacco, Level Death Benefit Option, \*Non-Guaranteed Assumed, Current Charges, Index Credits: 6.12% Source: Illustration software, Dec 2021

The information presented is hypothetical and not intended to project or predict investment results. Illustrations are not complete unless all pages are included.

1. For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a Modified Endowment Contract (MEC), a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premiums).



FOR AGENT USE ONLY. NOT TO BE USED FOR CONSUMER SOLICATION PURPOSES.

1217NP-5

2-20

# Smart Money: Case Study

Hypothetical Example – with Waiver of Surrender Charge

Life

Initial Death Benefit: \$431,500

Death Benefit Option: 1-Level

Initial Annual Premium: \$0.00

## INTEREST AND COST SCENARIOS

				Guaranteed Maximum Charges: Minimum Account Value: 2.50%			Non-Guaranteed Alternate Current Charges Minimum Account Value at 2.50%			Non-Guaranteed Assumed Current Charges Index Credits: 6.12%**		
End of Year	Beg/End of Yr Age	Annualized Modal Premium	Type	Account Value	Net Cash Surrender Value	Death Benefit	Account Value	Net Cash Surrender Value	Death Benefit	Account Value	Net Cash Surrender Value	Death Benefit
1	60/61	250,000.00	E	250,045	250,045	431,577	252,113	252,113	435,146	261,163	261,163	450,767
2	61/62	0.00		249,958	249,958	431,500	253,807	253,807	431,500	272,541	272,541	461,139
3	62/63	0.00		249,714	249,714	431,500	255,268	255,268	431,500	284,343	284,343	471,725
4	63/64	0.00		249,308	249,308	431,500	256,536	256,536	431,500	296,642	296,642	482,636
5	64/65	0.00		248,711	248,711	431,500	257,587	257,587	431,500	309,453	309,453	493,887
6	65/66	0.00		247,895	247,895	431,500	258,270	258,270	431,500	322,665	322,665	505,294
7	66/67	0.00		246,828	246,828	431,500	258,724	258,724	431,500	336,455	336,455	517,467
8	67/68	0.00		245,498	245,498	431,500	258,982	258,982	431,500	350,907	350,907	529,870
9	68/69	0.00		243,871	243,871	431,500	259,038	259,038	431,500	366,070	366,070	542,881
10	69/70	0.00		241,909	241,909	431,500	259,033	259,033	431,500	382,131	382,131	556,764
		250,000.00										

Male, 60, Preferred Non-Tobacco, Level Death Benefit Option, \*Non-Guaranteed Assumed, Current Charges, Index Credits: 6.12% Source: Illustration software, Dec 2021

The information presented is hypothetical and not intended to project or predict investment results. Illustrations are not complete unless all pages are included.

1. For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a Modified Endowment Contract (MEC), a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premiums).



FOR AGENT USE ONLY. NOT TO BE USED FOR CONSUMER SOLICITATION PURPOSES.

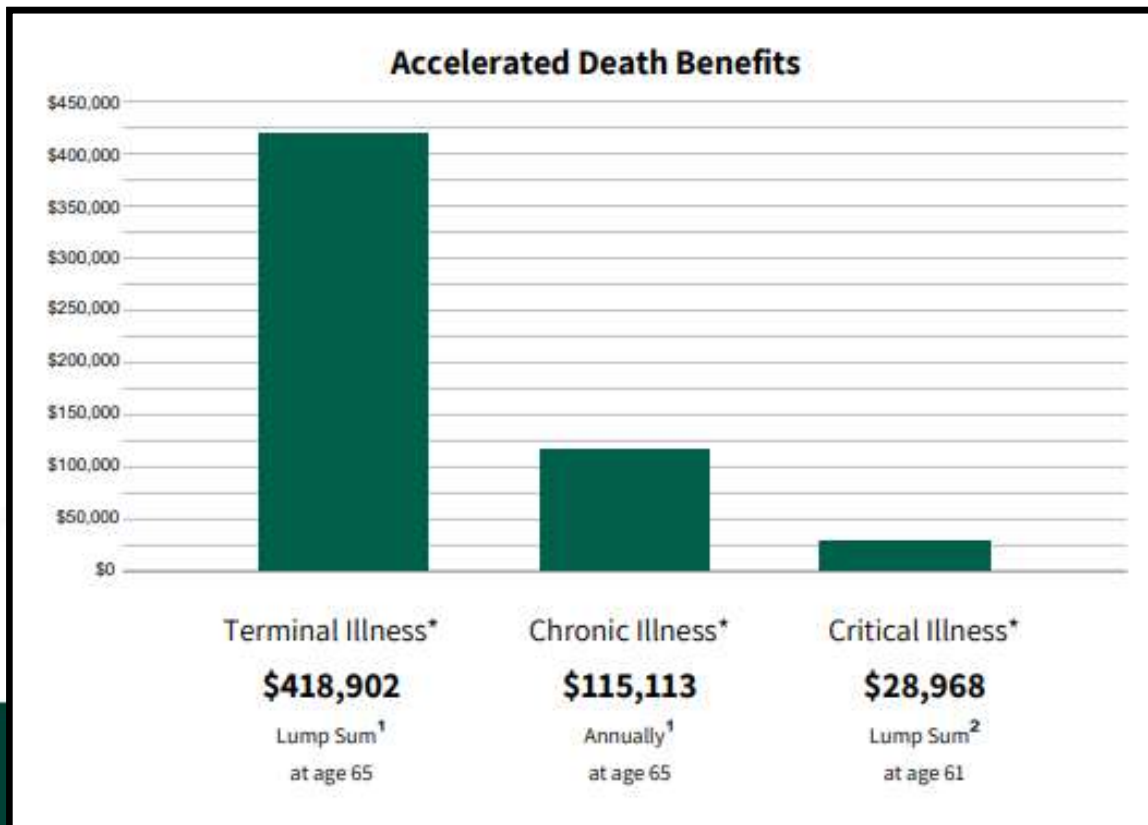


# Case Study

Hypothetical Example – with Waiver of Surrender Charge

Life

## Living benefits – Critical, Chronic or Terminal Illness



- **Critical** – up to 25% of DB or max of \$50k
- **Chronic** – up to 24% of the DB annually
- **Terminal** – up to 90% of the Death Benefit

# Case Study

Hypothetical Example – with WOSC



## Internal Rate of Return

End of Year	Net Cash Surrender	Surrender Value IRR
1	261,163	4.47 %
2	272,541	4.41 %
3	284,343	4.38 %
4	296,642	4.37 %
5	309,453	4.36 %
6	322,665	4.35 %
7	336,455	4.34 %
8	350,907	4.33 %
9	366,070	4.33 %
10	382,131	4.34 %
11	402,594	4.43 %
12	424,135	4.50 %
13	446,817	4.57 %
14	470,503	4.62 %
15	495,315	4.66 %
16	521,511	4.70 %
17	549,155	4.74 %
18	578,329	4.77 %
19	609,040	4.80 %
20	641,248	4.82 %

Life



# Case Study

Hypothetical Example – with Waiver of Surrender Charge

## Liquidity

- Withdrawals
- Full Surrender
- Outgoing 1035's
  - Surrender Charge **NOT** waived

Non-Guaranteed Assumed Current Charges Index Credits: 6.12%**		
Account Value	Net Cash Surrender Value	Death Benefit
261,163	261,163	450,767
272,541	272,541	461,139
284,343	284,343	471,725
296,642	296,642	482,636
309,453	309,453	493,887
322,665	322,665	505,294
336,455	336,455	517,467
350,907	350,907	529,870
366,070	366,070	542,881
382,131	382,131	556,764

Life

# Case Study

Hypothetical Example – with Waiver of Surrender Charge



## Commission Option C

- ONLY option available when Waiver of Surrender Charge is elected

# Smart Money: Case Study

Hypothetical Example – without Waiver of Surrender Charge

Life

				INTEREST AND COST SCENARIOS								
				Guaranteed Maximum Charges Minimum Account Value: 2.50%			Non-Guaranteed Alternate Current Charges Minimum Account Value at 2.50%			Non-Guaranteed Assumed Current Charges Index Credits: 6.12%**		
Initial Death Benefit: \$431,500 Death Benefit Option: 1-Level Initial Annual Premium: \$0.00							96% Liquidity					
End of Year	Beg/End of Yr Age	Annualized Modal Premium	Type	Account Value	Net Cash Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit	Account Value	Net Cash Surrender Value	Death Benefit
1	60/61	250,000.00	E	251,743	240,093	434,509	253,794	242,144	438,049	262,844	251,194	453,669
2	61/62	0.00		253,413	244,326	431,500	257,225	248,138	435,225	276,000	266,913	466,992
3	62/63	0.00		254,980	247,291	431,500	260,482	252,792	432,139	289,679	281,990	480,577
4	63/64	0.00		256,443	250,151	431,500	263,609	257,318	431,500	303,958	297,667	494,540
5	64/65	0.00		257,780	252,886	431,500	266,592	261,699	431,500	318,856	313,963	508,894
6	65/66	0.00		258,968	254,891	431,500	269,286	265,208	431,500	334,267	330,189	523,462
7	66/67	0.00		259,986	256,724	431,500	271,838	268,576	431,500	350,370	347,108	538,869
8	67/68	0.00		260,828	258,382	431,500	274,290	271,843	431,500	367,259	364,813	554,562
9	68/69	0.00		261,471	259,840	431,500	276,643	275,012	431,500	384,988	383,356	570,936
10	69/70	0.00		261,888	261,073	431,500	279,031	278,216	431,500	403,758	402,942	588,275
		250,000.00										

Male, 60, Preferred Non-Tobacco, Level Death Benefit Option, \*Non-Guaranteed Assumed, Current Charges, Index Credits: 6.12% Source: Illustration software, Dec 2021

The information presented is hypothetical and not intended to project or predict investment results. Illustrations are not complete unless all pages are included.

1. For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a Modified Endowment Contract (MEC), a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premiums).



FOR AGENT USE ONLY. NOT TO BE USED FOR CONSUMER SOLICATION PURPOSES.

# Smart Money: Case Study

Hypothetical Example – Broken Corridor DB - without Waiver of Surrender Charge

Life

				INTEREST AND COST SCENARIOS								
				Guaranteed Maximum Charges Minimum Account Value: 2.50%			Non-Guaranteed Alternate Current Charges Minimum Account Value at 2.50%			Non-Guaranteed Assumed Current Charges Index Credits: 6.12%**		
Initial Death Benefit: \$250,000 Death Benefit Option: 1-Level Initial Annual Premium: \$0.00							99% Liquidity					
End of Year	Beg/End of Yr Age	Annualized Modal Premium	Type	Account Value	Net Cash Surrender Value	Death Benefit	Account Value	Net Cash Surrender Value	Death Benefit	Account Value	Net Cash Surrender Value	Death Benefit
1	60/61	250,000.00	E	252,639	245,889	436,055	254,610	247,860	439,458	263,660	256,910	455,078
2	61/62	0.00		255,251	249,986	431,885	258,883	253,618	438,030	277,679	272,414	469,833
3	62/63	0.00		257,824	253,369	427,731	263,026	258,571	436,360	292,269	287,814	484,874
4	63/64	0.00		260,369	256,724	423,620	267,094	263,449	434,562	307,509	303,864	500,317
5	64/65	0.00		262,875	260,040	419,549	271,081	268,246	432,645	323,419	320,584	516,177
6	65/66	0.00		265,337	262,975	415,518	274,921	272,559	430,527	339,968	337,605	532,389
7	66/67	0.00		267,745	265,855	411,791	278,704	276,814	428,646	357,269	355,379	549,479
8	67/68	0.00		270,115	268,697	407,873	282,479	281,062	426,544	375,419	374,001	566,883
9	68/69	0.00		272,443	271,498	404,033	286,261	285,316	424,525	394,475	393,530	585,007
10	69/70	0.00		274,728	274,256	400,279	290,170	289,697	422,777	414,647	414,175	604,141
		250,000.00										

Male, 60, Preferred Non-Tobacco, Level Death Benefit Option, \*Non-Guaranteed Assumed, Current Charges, Index Credits: 6.12% Source: Illustration software, Dec 2021

The information presented is hypothetical and not intended to project or predict investment results. Illustrations are not complete unless all pages are included.

1. For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a Modified Endowment Contract (MEC), a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premiums).



FOR AGENT USE ONLY. NOT TO BE USED FOR CONSUMER SOLICITATION PURPOSES.



**Gary Proco**  
**Regional Vice President**



**312-343-8181**

[gproco@sfgmembers.com](mailto:gproco@sfgmembers.com)

**Char Tharaldson**  
**Internal Wholesaler**



**701-433-6433**

[ctharaldson@sfgmembers.com](mailto:ctharaldson@sfgmembers.com)

**THANK  
YOU!**

