Welcome | Gaining Through Training

Delivering the *Difference!*®

North American Company
for Life and Health Insurance
Since 1886

Delivering the Difference!®

Smart Money Sale

Using Life Insurance for Death Benefit Protection & Financial Protection

Anthony Holen

Sales Development Specialist

3/29/2018

North American Company for Life and Health Insurance Since 1886

Delivering the Difference!®

Disclosures

Disclosures apply to this presentation in its entirety

Indexed Universal Life 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.

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

Income and growth on accumulated cash values is generally taxable only upon withdrawal. Adverse tax consequences may result if withdrawals exceed premiums paid into the policy. Withdrawals or surrenders made during a Surrender Charge period will be subject to surrender charges and may reduce the ultimate death benefit and cash value. Surrender charges vary by product, issue age, sex, underwriting class, and policy year.

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).

Table shaving is available for policies that include the Waiver of Surrender Charge Option. When a person applies for life insurance coverage, his or her health is evaluated and a corresponding underwriting rating is applied. Table shaving features allow certain substandard underwriting rates (known as "table ratings") to be improved to a "standard" rating. A "standard" rating generally indicates average health and involves a lower life insurance premium than do substandard ratings.

Chronically ill is defined as permanently unable to perform at least two of the six Activities of Daily Living (bathing, continence, dressing, eating, toileting and transferring) without substantial assistance from another person. Chronic illness also includes severe cognitive impairment which means the insured requires substantial supervision by another person to protect him or herself from threats to health and safety due to a severe cognitive impairment. (In MN for NAC rider, insured must have a condition that requires Continuous Confinement in an Eligible Institution and is expected to remain there for the rest of his or her life).

Rapid Builder IUL is issued on policy form series LS176 and LS176W (with waiver of premium), Accelerated Benefit Endorsement for Terminal and Chronic Illness, LR465, Terminal Illness, LR 464, Critical Illness, LR477; or state variations by North American Company for Life and Health Insurance, Administrative Office, One Smmons Plaza, Sioux Falls, SD 57193. Products, features, riders and endorsements or issue ages may not be available in all jurisdictions. Limitations and restrictions may apply.

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 (NAM-3013) that includes this comparison. Comparison is for solicitation purpose only, not for conversions.

Delivering the Difference!®

Agenda

- Defining Smart Money

- Life Insurance Solution

- Tips & Talking Points

North American Company
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Smart Money Defined

- Accessible Assets

- Limited Exposure to Loss

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Smart Money Defined

Assets

- Annuities
- Money Market Accounts
- Savings Account
- Recent Windfall or inheritance

Smart Money Defined

Client Objectives

- Leaving Benefit for Heirs
  - Protection during working years
  - Estate building during later years

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Smart Money Defined

Client Objectives

- Access to Funds[1]
  - Emergency
  - Unexpected need
  - Future unidentified needs
- Competitive Returns
  - Death Benefit, Cash Value, or both

[1] In some situations, loans and withdrawals may be subject to federal taxes. North American Company for Life and Health Insurance does not give tax or legal advice. Clients should be instructed to consult with and rely on their own tax advisor or attorney for advice on their specific situation.

Agenda

- Defining Smart Money

- **Life Insurance Solution**

- Tips & Talking Points

North American Company
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Delivering the Difference!®

Life Insurance Solution

- Rapid Builder IUL®
  - Death benefit protection
  - Early cash value access
  - Accelerated death benefits[1]
  - Long term performance opportunity

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[1] Subject to eligibility requirements. Availability may vary by state.

Life Insurance Solution

North American Company for Life and Health Insurance Since 1886 | Life

Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

Prepared For: **New Client**

Male, Issue Age: 55 (Age Last) Standard Non-Tobacco

Internal Revenue Code Test: Cash Value Accumulation Test (CVAT)

Initial Death Benefit: $481,800 DB Option Level

Initial Annual Premium: $0.00

Lump Sum: $200,000.00 (Month 1)

TABULAR DETAIL

This illustration is based on the following Initial Premium Allocations: **S&P500® Annual Point to Point 100%;**

			Guaranteed Maximum Charges; Minimum Account Value 2.5%			Non-Guaranteed Alternate Current Charges; 3.75% Interest Rate for Index Selections			Non-Guaranteed Current Charges; 6.28% Interest Rate for Index Selections		
End of Year	Beg/ End of Yr Age	Annualized Annual Premium	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit
1	55/56	$200,000.00	$199,646	$199,646	$481,800	$204,191	$204,191	$491,897	$209,251	$209,251	$504,087
2	56/57	$0.00	$199,042	$199,042	$481,800	$207,963	$207,963	$486,009	$218,492	$218,492	$510,615
3	57/58	$0.00	$198,248	$198,248	$481,800	$211,542	$211,542	$481,800	$227,958	$227,958	$517,009
4	58/59	$0.00	$197,224	$197,224	$481,800	$215,129	$215,129	$481,800	$237,867	$237,867	$523,783
5	59/60	$0.00	$195,926	$195,926	$481,800	$218,630	$218,630	$481,800	$248,150	$248,150	$530,793
		$200,000.00									
6	60/61	$0.00	$194,308	$194,308	$481,800	$221,268	$221,268	$481,800	$258,065	$258,065	$536,259
7	61/62	$0.00	$192,287	$192,287	$481,800	$223,667	$223,667	$481,800	$268,253	$268,253	$541,871
8	62/63	$0.00	$189,774	$189,774	$481,800	$225,823	$225,823	$481,800	$278,742	$278,742	$547,728
9	63/64	$0.00	$186,745	$186,745	$481,800	$227,761	$227,761	$481,800	$289,592	$289,592	$553,989
10	64/65	$0.00	$183,099	$183,099	$481,800	$229,602	$229,602	$481,800	$300,954	$300,954	$560,678
		$200,000.00									
11	65/66	$0.00	$178,838	$178,838	$481,800	$233,889	$233,889	$481,800	$315,534	$315,534	$573,009
12	66/67	$0.00	$173,888	$173,888	$481,800	$238,116	$238,116	$481,800	$330,772	$330,772	$585,796
13	67/68	$0.00	$168,201	$168,201	$481,800	$242,377	$242,377	$481,800	$346,806	$346,806	$598,934
14	68/69	$0.00	$161,651	$161,651	$481,800	$246,653	$246,653	$481,800	$363,658	$363,658	$613,127
15	69/70	$0.00	$154,469	$154,469	$481,800	$251,241	$251,241	$481,800	$381,675	$381,675	$628,236
		$200,000.00									

This is an illustration only, not an offer, contract, or promise of future Policy performance and is not valid unless all pages are included. Coverage is subject to the terms and conditions of the Policy.

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State: North Dakota Proposal Code: 6562.12CT

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

Web Illustration system 2018

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Life Insurance Solution

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Rapid Builder IUL4

A Universal Life Insurance Policy Supplemental Illustration

INTERNAL RATE OF RETURN REPORT

Prepared For: New Client
Male, **Issue Age**: 55 (Age Last) Standard Non-Tobacco

Initial Death Benefit: $481,800 **DB Option:** Level
Initial Annual Premium: $0.00

Lump Sum: $200,000.00 (Month 1)

Based on Non-Guaranteed Values of 6.28%

End of Year	End of Yr/Age	Annualized Premium Outlay	Surrender Value	Surrender Value IRR	Death Benefit	Death Benefit IRR
1	55/56	200,000.00	209,251.00	4.63%	504,087.00	152.04%
2	56/57	0.00	218,492.00	4.52%	510,615.00	59.78%
3	57/58	0.00	227,958.00	4.46%	517,009.00	37.24%
4	58/59	0.00	237,867.00	4.43%	523,783.00	27.21%
5	59/60	0.00	248,150.00	4.41%	530,793.00	21.56%
6	60/61	0.00	258,065.00	4.34%	536,259.00	17.87%
7	61/62	0.00	268,253.00	4.28%	541,871.00	15.30%
8	62/63	0.00	278,742.00	4.24%	547,728.00	13.42%
9	63/64	0.00	289,592.00	4.20%	553,989.00	11.99%
10	64/65	0.00	300,954.00	4.17%	560,678.00	10.86%
11	65/66	0.00	315,534.00	4.23%	573,009.00	10.04%
12	66/67	0.00	330,772.00	4.28%	585,796.00	9.37%
13	67/68	0.00	346,806.00	4.33%	598,934.00	8.80%
14	68/69	0.00	363,658.00	4.36%	613,127.00	8.33%
15	69/70	0.00	381,675.00	4.40%	628,236.00	7.93%
16	70/71	0.00	403,375.00	4.48%	648,224.00	7.63%
17	71/72	0.00	426,147.00	4.55%	669,477.00	7.37%
18	72/73	0.00	450,251.00	4.61%	691,136.00	7.13%
19	73/74	0.00	475,643.00	4.67%	714,416.00	6.93%
20	74/75	0.00	502,376.00	4.71%	738,493.00	6.75%

This supplemental illustration is not a contract and is only valid if it is accompanied by or preceded by the full basic life insurance Policy illustration.

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State: North Dakota

Software Version 9.17B(04P)02

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

Web Illustration system 2018

North American Company for Life and Health Insurance Since 1886

Life Insurance Solution

North American Company for Life and Health Insurance Since 1886 | Life

Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

Prepared For: **New Client**

Male, Issue Age: 55 (Age Last) Standard Non-Tobacco

Internal Revenue Code Test: Cash Value Accumulation Test (CVAT)

Initial Death Benefit: $300,000 DB Option Level

Initial Annual Premium: $0.00

Lump Sum: $200,000.00 (Month 1)

TABULAR DETAIL

This illustration is based on the following Initial Premium Allocations: **S&P500® Annual Point to Point 100%;**

			Guaranteed Maximum Charges; Minimum Account Value 2.5%			Non-Guaranteed Alternate Current Charges; 3.75% Interest Rate for Index Selections			Non-Guaranteed Current Charges; 6.28% Interest Rate for Index Selections		
End of Year	Beg/ End of Yr Age	Annualized Annual Premium	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit
1	55/56	$200,000.00	$200,616	$200,616	$483,284	$204,904	$204,904	$493,613	$209,964	$209,964	$505,803
2	56/57	$0.00	$201,106	$201,106	$469,985	$209,436	$209,436	$489,451	$219,954	$219,954	$514,033
3	57/58	$0.00	$201,550	$201,550	$457,115	$213,839	$213,839	$484,987	$230,209	$230,209	$522,113
4	58/59	$0.00	$201,929	$201,929	$444,647	$218,311	$218,311	$480,720	$240,946	$240,946	$530,563
5	59/60	$0.00	$202,227	$202,227	$432,565	$222,772	$222,772	$476,509	$252,099	$252,099	$539,240
		$200,000.00									
6	60/61	$0.00	$202,436	$202,436	$420,663	$226,720	$226,720	$471,124	$263,168	$263,168	$546,864
7	61/62	$0.00	$202,521	$202,521	$409,093	$230,567	$230,567	$465,745	$274,564	$274,564	$554,620
8	62/63	$0.00	$202,454	$202,454	$397,822	$234,331	$234,331	$460,461	$286,316	$286,316	$562,612
9	63/64	$0.00	$202,257	$202,257	$386,918	$238,056	$238,056	$455,400	$298,487	$298,487	$571,005
10	64/65	$0.00	$201,912	$201,912	$376,162	$241,856	$241,856	$450,577	$311,233	$311,233	$579,826
		$200,000.00									
11	65/66	$0.00	$201,461	$201,461	$365,852	$247,482	$247,482	$449,427	$326,432	$326,432	$592,801
12	66/67	$0.00	$200,906	$200,906	$355,805	$253,193	$253,193	$448,404	$342,319	$342,319	$606,247
13	67/68	$0.00	$200,275	$200,275	$345,874	$259,074	$259,074	$447,420	$359,036	$359,036	$620,055
14	68/69	$0.00	$199,549	$199,549	$336,440	$265,113	$265,113	$446,981	$376,604	$376,604	$634,955
15	69/70	$0.00	$198,937	$198,937	$327,450	$271,508	$271,508	$446,903	$395,267	$395,267	$650,609
		$200,000.00									

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State: North Dakota Proposal Code: 4086.00CT

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

Web Illustration system 2018

North American Company for Life and Health Insurance Since 1886

Life Insurance Solution

Were Client Needs Met?

Leaving Benefit for Heirs

Access to Funds

Competitive Returns

North American Company
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Agenda

- Defining Smart Money

- Life Insurance Solution

- **Tips & Talking Points**

North American Company
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Tips & Talking Points

- MEC Status
- Systematic Premium Allocations
- Cash Value Accumulation Test
- Non-Guaranteed Alternate Rate
- Waiver of Surrender Charge Option[1]

[1] Available for an additional charge per $1,000 per month, depending on issue age and underwriting class.

Tips & Talking Points

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Scenario	Option A (Heaped)	Option B (Heaped/Asset Trail)	Option C (% of Premium)	Option D (Asset Based)
No Waiver of Surrender Charge	√	√	√	√
<u>With Waiver:</u>				
Face Amount Above 1st Year Corridor (premium $250K or less)	√	√	√	√
Premium equal to $250,000 **<u>AND</u>** Face Amount Above 1st Year Corridor	√	√	√	√
Face Amount Below 1st Year Corridor (regardless of premium amount)	√			
Commission Charge backs	Yr 1-100% Yr 2-75% Yr 3-25%	Yr 1-100% Yr 2-75% Yr 3-25%	Yr 1&2 -100% Yr 3- 80% Yr 4- 60% Yr 5- 40%	Yr 1-100% Yr 2-50%

North American Company for Life and Health Insurance Since 1886

Delivering the Difference!®

General Concept Page

Smart Money Sales Kit

North American Company
for Life and Health Insurance
Since 1886

Delivering the Difference!®

Summary

- Defining Smart Money

  Helping Meet Client Needs

- Life Insurance Solutions

  Positioning North American Products

- Tips & Talking Points

  Illustration Design & Product Options

North American Company
for Life and Health Insurance
Since 1886

Bottom Line

- **The Client Gets…**
  - Death Benefit Protection
  - Accessible Cash Value
  - Outstanding Growth Potential

- **You Get…**
  - A Smart Money Alternative
  - Support and resources to help grow business

North American Company
for Life and Health Insurance
Since 1886

Delivering the Difference!®

Next Steps

1. **Identify 3 clients** Who Meet the Client Criteria
2. **Call** Within the Next 3-5 Days
3. **Position** NA Life Products as a Solution for the Smart Money Sale

North American Company for Life and Health Insurance Since 1886

Capmar™
Insurance Services

Welcoming Your Partnership!

Delivering the Difference!®

Smart Money Sale

Using Life Insurance for Death Benefit Protection & Financial Protection

Anthony Holen

Sales Development Specialist

3/29/2018

North American Company for Life and Health Insurance Since 1886

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