



*Life*

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

# Using Life Insurance for Your Client's Smart Money

*Tip Sheet*



Smart money is money your clients want to control and be able to access during times of need. While there are several places to store smart money, one option that may be overlooked is life insurance. Permanent life insurance can immediately leverage a single premium into a larger death benefit. The smart money concept is an opportunity for you to show your clients the value of death benefit protection along with the potential to grow cash value while preserving access to as much of it as possible. Be sure to conduct a thorough needs-based analysis and determine if death-benefit coverage is necessary before proceeding.

## CLIENT PROFILE

- Between 50 and 80 years old
- Has a need for death benefit protection (often includes a desire to leave a legacy for heirs)
- Has funds that are not meeting performance needs (funds may be in savings, annuities,<sup>1</sup> or other vehicles)
- Desires the potential for cash value growth with limited exposure to market volatility
- May have recently inherited money

## NEED TO KNOW

- How much cash value is available? (After any applicable surrender charges or taxes.)<sup>2</sup>

## TIPS AND TALKING POINTS

- Single premium sales are common in this concept. A single premium payment may create a Modified Endowment Contract (MEC).<sup>3</sup> It's important to realize that there may be tax implications that the client needs to know when considering options.<sup>3</sup>
- The Waiver of Surrender Charge Option<sup>4</sup> can provide flexibility for clients to access funds. This option waives surrender charges upon a full or partial surrender.
- Cash Value Accumulation Test (CVAT) will often provide the most compelling illustrations. Based on client need, this allows a very low initial face amount, which maximizes the guaranteed column performance. Use the level death benefit option when using CVAT.
- Indexed or non-indexed account allocation? If you need guidance on where the client may be most comfortable, take a look at where the current funds are allocated. If current funds are in fixed accounts, perhaps a fixed account would be more appropriate. If the funds are in indexed annuities, then an indexed account may be more appropriate. Remember that Indexed Universal Life (IUL) offers both options, an indexed and a fixed account, and funds may be moved or partially allocated to the fixed account.
- Consider illustrating the middle column of an indexed illustration with a 2.5% interest rate. This will effectively show a more conservative assumption for clients concerned about the downside protection. The guarantee column will reflect 2.5% interest along with guaranteed charges. The center column will show 2.5% (minimum) interest along with current charges. The far right column will reflect an assumption rate that the agent and client choose to illustrate.
- Cost of insurance charges (COIs) or other charges apply with life insurance
- Depending on funding, life insurance may not guarantee avoiding loss of premium.
- Additional premiums may be necessary to continue the desired death benefit, depending on funding.

- Withdrawals may be subject to surrender charges and the amount available for policy loans (unless the Waiver of Surrender Charges option is elected.)
- Often times, the minimum death benefit is going to result in the best cash value performance. When using North American's software on a CVAT illustration, the minimum face solve results in a death benefit that matches the current year minimum face amount for the premium selected. However, you could also specify a face amount lower than the software will solve for, which may enhance the guarantee column. It does this by allowing the death benefit to reduce below the initial death benefit amount should undesirable cash value growth occur. This will result in a lower target premium.

## PRODUCT OPTION

- **Rapid Builder IUL®:** This is one of the most popular products for the smart money concept. The Waiver of Surrender Charge Option can provide peace of mind in knowing that funds are available even in the early years. Designed without premium loads, this product has the potential to generate cash value quickly.

## WHY NORTH AMERICAN?

- **Waiver of Surrender Charge Option:** Offers access to potential early cash-surrender value.
- **No premium load on Rapid Builder IUL:** This design element helps with early cash value growth.
- **Cash Value Accumulation Test:** This often allows for a lower face amount compared to the Guideline Premium Test. CVAT may offer better guaranteed and early non-guaranteed cash surrender values.
- **Interest rate bonuses:** Guaranteed for the Rapid Builder IUL on the index account and conditionally guaranteed for the fixed account. This feature helps build mid- to long-term cash value growth potential.
- **Table shave feature:**<sup>5</sup> This feature is available when the Waiver of Surrender Charge Option is selected. It allows a client that is rated up to table three to receive a standard rate class.
- **Access to funds for living needs:** Clients may have the ability to accelerate a portion of the death benefit during their lifetime when diagnosed with a qualifying illness.<sup>6</sup>

## MARKETING PIECES

North American has a full set of materials on Using Life Insurance for Your Client's Smart Money—the kit includes agent and consumer brochures, checklists, and case studies.

Visit [nalive.northamericancompany.com/NA-SmartMoney](http://nalive.northamericancompany.com/NA-SmartMoney) today to download the complete kit! Start today and help your clients gain death benefit protection and a financial safety net.

**For more information, contact Sales Development at (800) 800-3656 ext. 10411 or email [salesupport@nacolah.com](mailto:salesupport@nacolah.com).**



**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.**

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.

1. Removing funds from an annuity may result in surrender charges and/or income taxes.
2. 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.
3. 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).
4. Available for an additional charge per \$1,000 per month, depending on issue age and underwriting class. Surrender charges will be waived upon a full surrender or partial surrender. Surrender charges will not be waived if the policy is surrendered under a 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.
5. When a person applies for life insurance coverage, his or her health is evaluated and a corresponding underwriting rating is applied. This product's 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.
6. Subject to eligibility requirements. The death benefit will be reduced by the amount of the death benefit accelerated. Since benefits are paid prior to death, a discount will be applied to the death benefit accelerated. As a result, the actual amount received will be less than the amount of the death benefit accelerated. There is an administrative fee at time of election.

Rapid Builder IUL is issued on policy form series LS176/LS176W with Waiver of Surrender Charge Option, or state variations by North American Company for Life and Health Insurance, Administrative Office, Sioux Falls, SD 57193. Products, features, riders and endorsements or issue ages may not be available in all jurisdictions. Limitations and restrictions may apply.

***We're Here For Life***®

525 W Van Buren | Chicago IL 60607

Date: \_\_\_\_\_

## 1. PERSONAL OVERVIEW

	Client 1	Client 2
Name		
Gender		
Date of Birth		
Address		
Home Phone		
Work Phone		
Cell Phone		
Email		
Preferred Contact Method and Time		
Occupation		
Business Owner?		

Please provide me with a general overview of your financial situation and experience including any disappointments and achievements.

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List any recent events in your life related to you, your loved ones or your financial situation. Examples include: change in marital status, death of a family member, health concerns, change in employment, change in income, new investments, etc.

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Tell me about your current retirement plan.

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What would your retirement look like if we worked together? Think about where you'd live during the various stages of your retirement, how you'd spend your typical days, what activities or hobbies you'd be involved in, etc.

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Who have you relied on for financial guidance?

	<b>Insurance Professional</b>	<b>Broker or Financial Advisor</b>	<b>Accountant</b>	<b>Attorney</b>
Name				
Firm Name				
Phone				
How did you meet?				
How long have you been associated?				
When did you last meet?				
Rate Satisfaction Level from 1 – 5 with 1 being poor and 5 being excellent				

## Your Financial Concerns

I'd like to understand your current financial concerns and know about the relationships in your life that may be impacted by these concerns. First, let me know if any of the following items are of concern to you and, if so, how they rank in order of importance.

Concern	Level of Importance – Check appropriate column				
	1 None	2 Minimal	3 Somewhat	4 Very	5 Urgent
A. Income protection for my family					
B. Funding children's education <sup>1</sup>					
C. Outliving your assets in retirement					
D. Leaving a legacy for heirs					
E. Providing for extended family and/or dependents with special needs					
F. Estate planning/wealth transfer					
G. Charitable giving					
H. Concern about market volatility					
I. Concern about low yields on savings or other fixed vehicles					
J. Affording to retire					
K. Business continuation					
L. Executive benefits for employees					
M. Loss of key employee or partner					
N. Affording in home health care or nursing home care					
O. Other:					

Additional Comments: \_\_\_\_\_

## Your Relationships

Based on your concerns, list others who you are supporting or plan to support financially. When identifying your relationship with these individuals, be as specific as possible from a legal perspective (i.e. "daughter of previous spouse" vs. "step-daughter", "son-in-law's child from a previous marriage" vs. "grandchild", etc.).

Name	Relationship	Gender	Date of Birth	Social Security Number*	Concern (use letter from previous chart)

\*Will be required if a life insurance transaction results from this conversation.

Now that we've discussed your personal situation, I'm going to ask you for a lot of data. Before we move on though, is there anything else that you'd like to share?

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## 2. CURRENT FINANCIAL SITUATION

Pre-retirement Earnings and Benefits	Client 1	Client 2
Annual Salary		
Bonus		
Other Income		
Annual Value of Employer Paid Benefits/ Contributions		
Health Insurance		
Life Insurance		
Disability Insurance		
Other:		

### General Assets

Description	Current Value	Owner (Client 1, Client 2 or J – Joint, T - Trust)	Plan to Use for Retirement?	Plan to Pass on to Heirs?
Residence				
Other Property				
Automobiles				
RV/Other				
Savings Account				
Certificate of Deposit				
Bonds				
Mutual Funds				
Stocks				
Business Interest				
Other:				
<b>General Assets Total</b>				

Note: A separate chart for Retirement Assets follows.

## Retirement Assets

Description	Current Value		Annual Contributions			
	Client 1	Client 2	Client 1	Client 1's Employer	Client 2	Client 2's Employer
401(k)						
403(b)						
Pension Plan						
Employee Stock Plan						
Traditional IRA						
Roth IRA						
Annuities						
Life Insurance						
Other:						
<b>Retirement Assets Totals</b>						

## Liabilities

Description	Amounted Owed	Duration
Mortgage 1		
Mortgage 2		
Home Equity Loan		
Credit Cards		
Student Loans		
Line of Credit		
Business Loan		
Other:		
<b>Liabilities</b>		

## Net Worth

(Assets \_\_\_\_\_ + Retirement Assets \_\_\_\_\_ = \_\_\_\_\_) – Liabilities \_\_\_\_\_ = Net Worth \_\_\_\_\_

## Taxes

	Current	Expected at Retirement
Federal Tax Bracket		
State Tax Bracket		

### 3. COLLEGE FUNDING NEEDS<sup>1</sup>

#### Current College Funding Sources

Saving Vehicles	Current Value
529 Plan	
Savings Accounts	
Certificate of Deposit	
Sources from family (grandparents, etc.)	
Future potential sources (scholarships, grants, loans, student aid, other?)	
Life Insurance	
Other:	

Expenses	Estimated Cost
Tuition	
Housing	
Food	
Books	
Supplies (computer, pens, notebooks, other?)	
Fees (activity, parking, other?)	
Transportation	
Other:	

#### 4. INSURANCE REVIEW

Do you currently have coverage under any of the following types of insurance policies? Indicate the number of policies if you have more than one of any type.

Type	Client 1	Client 2
Life Insurance		
Disability Insurance		
Long Term Care Insurance		

How did you purchase this coverage? (i.e. from the same representative, multiple representatives, on-line, other)

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How did you come to a decision on the amount of death benefit coverage you currently have.

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What life changes have occurred since you bought these policies? (i.e. marriage, children, mortgage, other?)

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When was the last time you reviewed your beneficiary designations?

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Let's review the insurance policies that you current have as well as any annuities that you referenced earlier.

*NOTE: Use additional sheet(s) for multiple policies/contracts.*

**Life Insurance Coverage**

Current Coverage	Client 1 (Insured)	Client 2 (Insured)
Owner*		
Beneficiary(ies)*		
Issuing Insurance Company		
Policy Issue Date		
Product Type		
Death Benefit		
Annual Premium		
Underwriting Classification		
Riders (Type and reason for having them):		
<b>For Permanent Life Insurance:</b>		
Death Benefit Guarantee		
Cash Accumulated Value		
Cash Surrender Value		
Surrender Charge Period		
Guaranteed Interest Rate		
<b>For Term Life Insurance:</b>		
Level Term Period		
Years Remaining of Initial Level Term Period		
Years Remaining for Eligible Conversion Privilege		

\*Be sure to list trusts if appropriate.

**Disability Insurance Coverage**

Current Coverage	Client 1 (Insured)	Client 2 (Insured)
Issuing Insurance Company		
Annual Premium		
Monthly Benefit		
Inflation Adjustment?		
Offset by Social Security?		

## Long Term Care Insurance Coverage

Current Coverage	Client 1	Client 2
Issuing Insurance Company		
Annual Premium		
Daily Benefit (in-home)		
Daily Benefit (care facility)		
Maximum Lifetime Benefit		
Inflation Adjustment?		

## Annuity Contracts

Current Coverage	Client 1	Client 2
Issuing Insurance Company		
Current Value		
Cost Basis		
Growth Rate		
Other:		

## 5. DISCUSSION SUMMARY

Is there anything that we haven't discussed that you feel is important for me to know?

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## Next Appointment

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Place: \_\_\_\_\_

The content of this material is not intended sell, discuss the risks, recommend, or provide any type of advice relative to securities. Nor is it intended to recommend the liquidation of specific securities, or identify specific securities that could be used to fund a life insurance product.

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

1 The primary purpose of life insurance is to provide a death benefit to beneficiaries. Because of the uncertainty surrounding all funding options except savings, it is critical to make personal savings the cornerstone of your client's college funding program. However, even a well-conceived savings plan can be vulnerable. Should your client die prematurely, your client's savings plan could come to an abrupt end.

To protect against this unexpected event, life insurance may be the only vehicle that can help assure the completion of a funding plan. In addition to the financial protection aspect of insurance, the tax-deferred buildup of cash values can be part of your client's college savings plan. Generally, if the policy is not a Modified Endowment Contract then tax-free withdrawals can be made up to the contract's cost basis. Moreover, if the policy is not a Modified Endowment Contract, then loans in excess of the cost basis are also tax free as long as the policy remains in force.



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

*We're Here For Life*<sup>®</sup>

525 W Van Buren | Chicago IL 60607







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# Rapid Builder IUL4

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Policy Form Number: LS176W Series

Cash Value Accumulation Test

A Universal Life Insurance Policy Illustration

**Prepared For**  
Valued Client

**Presented By**  
North American Company  
525 W. Van Buren  
Chicago, IL 60607  
(800) 800-3656

**Prepared On**  
March 29, 2018 at 3:11:54PM

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North American Company has been helping people protect their financial futures since 1886. As one of the leading life insurance companies in the U.S., our approach has earned high ratings from the major rating agencies. Please visit our website at [www.NorthAmericanCompany.com](http://www.NorthAmericanCompany.com) to find out more about North American Company.

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Date: 3/29/2018 & Time 3:11:54PM

Software Version 9.17B(04R)03

State: North Carolina

Page 1 of 25



## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Summary of your Life Insurance Illustration

<b>Prepared For:</b>	Valued Client
	Male, Issue Age 55 (Age Last) Standard Non-Tobacco
<b>Initial Death Benefit:</b>	\$481,800 (Level)
<b>Initial Annual Premium:</b>	\$0.00
<b>Non-1035:</b>	\$200,000.00 (Month 1)
<b>Internal Revenue Code Test:</b>	Cash Value Accumulation Test (CVAT)
<b>Modified Endowment Contract status:</b>	This illustration is a MEC
<b>Selected Riders:</b>	Waiver of Surrender Charge Option
<b>Included Benefits:</b>	Accelerated Death Benefit Endorsement - Terminal, Chronic, Critical Overloan Protection Benefit Protected Death Benefit Systematic Premium Allocation Feature

Policy and Policy owner, when used herein, means the same as Certificate and Certificate holder, respectively, when coverage is issued on a group basis.

If there are any differences between this document and your insurance Policy, your Policy will take precedence.

This illustration is based on a reasonable interpretation of current income tax laws, and we do not guarantee the tax treatment of any Policy. We recommend that you consult a tax advisor about your personal circumstances.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

#### Plan Description

North American's Rapid Builder IUL4 is a universal life Policy (the "Policy"), which features an adjustable death benefit and the potential to earn tax-deferred interest based on the performance of an Index (or Indices). The Policy owner has the flexibility, within limits, to determine the amount, timing, and allocation of premium payments. The benefit payable upon death ultimately depends on the underlying Account Value. The Account Value is based on the amount of your premium payments (less Premium Load), monthly Policy charges, and monthly interest credited to the Policy. A Premium Load is a percentage of the premium that will be charged each time a premium is paid. Policy charges, including Premium Load, are shown in your Policy. If the Policy owner chooses to utilize the Indexed Features of this Policy, the amount credited to the Account Value will depend on the performance of the Index Selections chosen (excluding dividends) and will never be less than zero. The Indexed Features of this Policy are described in the following pages. Please be aware that any changes to your Policy, including but not limited to planned premium amount, premium mode, premium duration or death benefit amount, do not happen automatically and must be requested by the Policy owner (regardless of whether those changes are reflected in this illustration). Please contact your agent or North American Company agent for information regarding changes to your Policy.

#### Important Facts About This Illustration

This illustration shows you how your universal life insurance Policy works based on the information shown in the "Prepared for:" section on Page 1 of this illustration, your chosen premium allocations that are described separately in this narrative explanation, and any loans, withdrawals and other Policy changes assumed in this illustration. It is only an example. Your Policy will not work exactly as it is shown in this document because the actual values in your Policy will vary based on:

- the amount of the premium payments you make;
- when you make the premium payments;
- the actual cost of insurance;
- actual Policy expenses;
- loans, withdrawals and other Policy changes not shown in this illustration;
- the actual rate at which interest is credited to your Policy.

#### Life Insurance Benefit

The initial death benefit is: \$481,800.

The level death benefit proposed is the amount that we will pay to the named beneficiary when the insured person dies while this Policy is in effect. The actual amount payable may be lower if you reduce your death benefit, take a Policy loan or make a withdrawal. It may be higher if you increase your death benefit, or if the Policy corridor rules apply. See the Policy for details on Corridor Percentages and how they impact the death benefit.

#### Underwriting Class

The underwriting class used in this illustration is Standard Non-Tobacco.

Actual amounts will depend on the outcome of the underwriting process, and may vary from what is shown on this illustration. If Policy is issued other than applied for, you may receive a revised illustration with your Policy.

#### Premium Outlay

The premium amount that appears in any given year on the Tabular Detail pages is the sum of the payments you plan to make each year. Based on the Annual premium you selected for this illustration, the first year premium is \$200,000.00. This illustration assumes that all scheduled premium payments are received on the first day of each Annual payment period. Premiums received that vary in amount or timing from those illustrated may result in significantly different illustrated performance including, but not limited to, account value and/or Policy death benefit duration.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

The following additional funds are included in the first year premium outlay, and are assumed to be received as indicated:

Lump Sum: \$200,000.00 at the beginning of Policy month 1

#### Net Premium

This is the portion of each premium paid that will be added to the Account Value. It is equal to the premium paid, minus the Premium Load.

#### Premium Load

A Premium Load is a percentage of the premium that will be charged each time a premium is paid. Policy charges, including the Premium Load, are guaranteed not to exceed the maximums listed in the Policy.

#### No Lapse Guarantee - Required Minimum Premium

Your Policy will stay in effect during the first 15 years if you pay at least the Required Minimum Premium of \$6,624.36 annually, have not taken any Policy loans or Withdrawals, or increased any Policy Benefits. Payment of the Required Minimum Premium may not provide coverage beyond the first 15 years and may result in a negative or zero account value. If that happens, significantly higher premiums may be necessary to keep the Policy in effect. By paying only the Required Minimum Premium, you may be forgoing the advantage of building more cash value in subsequent years. Policy changes may change the Required Minimum Premium.

#### Cash Value Accumulation Test

The Cash Value Accumulation Test is used to determine the qualifying status of your Policy as a life insurance contract. If at any time the Account Value is greater than the amount required under the Cash Value Accumulation Test of Section 7702 of the Internal Revenue Code, the Policy's death benefit may be automatically increased to qualify your Policy as life insurance.

For this illustration, the annual premium that must be paid to guarantee coverage for the duration of your Policy is \$ 18,079.63. The calculation of this premium is based on the following assumptions:

- all premiums are allocated to the Fixed Account;
- guaranteed minimum interest rates are applied;
- guaranteed maximum monthly deductions are applied;
- premiums are paid in all years to age 100, regardless of the premium payment pattern shown in the Tabular Detail pages;
- Lump Sum and 1035 exchange amounts, if any, are not included;
- Policy changes, withdrawals, and loans are not included; and
- Riders and ratings, if illustrated, are included.

Under these assumptions, the calculated premium will generate at least \$1.00 of Surrender Value at age 120. Any Policy changes, withdrawals, or loans combined with the calculated premium may cause the Policy to lapse prior to age 120.

#### Modified Endowment Contract

Based on the premium payments and exchange information used in this illustration, this Policy is a Modified Endowment Contract as it violates federal limits in year 1. See the attached Disclosure Statement for more information. MEC premiums are computed according to the Internal Revenue Code.

*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.*

## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

According to the Internal Revenue Code, a life insurance Policy is considered a Modified Endowment Contract ("MEC") if the accumulated premiums paid at any time during the first 7 Policy years, or during any 7-year testing period following a material change, exceed the sum of the MEC premium for the same period. The MEC premium for the first 7-year testing period is \$32,863.50. If a life insurance Policy is a MEC, a withdrawal or Policy loan may be taxable upon receipt. Further, unpaid loan interest may be taxable. Also, if you are exchanging a modified endowment contract for a new life insurance Policy, the new Policy will automatically be a modified endowment contract regardless of the amount of premiums paid.

#### Guaranteed Elements of the Policy

In the tabular detail section of this illustration under the "Guaranteed" column, we show you how your Policy would work if we charged you the maximum amount for your Policy charges and credited the minimum guaranteed interest rate for the Fixed Account of 2.50% in all years. This minimum interest reflects the Minimum Account Value, which uses an interest rate of 2.50% for all premiums in all Policy Years, regardless of whether the premiums are allocated to the Fixed Account or the Index Account.

#### Non-Guaranteed Elements of the Policy

We also show you how your Policy would work if the Policy charges are consistent with the rates declared today (which are lower than the maximum amount we could charge you in some or all years), and the interest rates for the Fixed Account and/or Index Selections to which you chose to allocate your premium payments remain the same in all years. The interest rate(s)/illustrated rate(s) used is based on your premium allocation selection(s).

To illustrate how interest rates and illustrated rates can affect the performance of the Policy, this illustration provides two different non-guaranteed scenarios:

\*The Non-Guaranteed scenario shows the values based on the non-guaranteed Policy charges, the interest rate used for the Fixed Account and/or the illustrated rates for the Index Selections to which you chose to allocate your premium payments.

\*The Non-Guaranteed Alternate scenario shows values based on the non-guaranteed Policy charges and the alternate interest rate. An alternate rate of 2.5% or less may initiate the Minimum Account Value.

The Non-Guaranteed Alternate and Non-Guaranteed interest rates are shown on the Tabular Details pages. The premium payments, distributions, and non-guaranteed Policy charge assumptions are the same between the two scenarios. Policy changes are also the same, except when a death benefit option change from an increasing option to a level option is illustrated. In that case, the resulting amount of the increase to the specified amount is different in each scenario. We do not guarantee these values, and they are shown in the "Non-Guaranteed" columns of the Tabular Detail pages.

The non-guaranteed values are subject to change by North American. This illustration assumes that the elements for both Non-Guaranteed Alternate and Non-Guaranteed scenarios will continue unchanged for all years shown. This will not occur, but is used for illustration purposes only. Actual results may be more or less favorable.

#### Account Value

This Policy's Account Value is the sum of the Fixed Account Value and the Index Account Value:

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

**Fixed Account Value** - is the total of Net Premiums (premiums paid minus Premium Load) and/or transfers that you allocate to the Fixed Account, minus policy charges and expenses, minus the cost of any additional insurance or benefits, minus any withdrawals. The Fixed Account Value is credited with the Company's currently declared, non-guaranteed interest rate (including any applicable Interest Bonus).

**Index Account Value** - is the total of all individual Index Selections. It is equal to the total Net Premiums (premiums paid minus Premium Load) and/or transfers allocated to the Index Selections, minus policy charges and expenses, minus the cost of any additional insurance or benefits, minus any withdrawals, plus any Index Credits (including any applicable Index Credit Bonus). The Index Credit is based on the performance of the Index(is) you selected.

#### **Minimum Account Value**

This Policy has a Minimum Account Value that is calculated using an annual interest rate of 2.5% in all years regardless of whether the premiums are allocated to the Fixed Account or the Index Account. Monthly deductions are subtracted from the Minimum Account Value and Surrender Charges may apply. If the Account Value is being calculated due to any termination of the policy, including lapse, death, surrender or maturity, the amount in your Policy's Account Value will be at least as large as the Minimum Account Value. The Minimum Account Value is not available for loans or withdrawals.

At the end of policy year 10 and every 10 years thereafter on the policy anniversary, the Account Value will be compared to the Minimum Account Value. If the Minimum Account Value is larger than the Account Value at those times, the Account Value will be increased to equal the Minimum Account Value. If the Minimum Account Value is not larger than the Account Value, no adjustments will be made.

The Minimum Account Value is equal to the total Net Premiums (premiums paid minus Premium Load), minus policy charges and expenses, minus the cost of any additional insurance or benefits, minus any withdrawals. The Minimum Account Value is credited at the guaranteed interest rate.

#### **Surrender Value**

The Surrender Value is the amount available to you upon surrender of the Policy. The Surrender Value is the Account Value (reduced by outstanding Policy Debt) minus the Surrender Charge, if any. The surrender charge reduces to zero at the end of 14 years.

#### **Interest Bonus on the Fixed Account**

After the 15th Policy anniversary, we will apply a conditionally guaranteed interest bonus of 0.75%. If we declare a current interest rate that is higher than the guaranteed interest rate, then we will increase the currently declared annual interest rate by 0.75% starting in Policy Year 11. This bonus is reflected in the values shown on the Tabular Detail pages of this illustration. The Interest Bonus is only applied to the portion of the Fixed Account that is not used for Standard Policy Loans.

#### **Interest Bonus on the Index Account**

After the 15th Policy anniversary, we will add a guaranteed interest bonus of 0.75% to the interest rate used to calculate the Index Credit. This bonus is reflected in the values shown on the Tabular Detail pages of this illustration. The Index Credit Bonus is also applied to the portion of your Account Value that is used for Variable Interest Policy Loans.

#### **Maturity**

The Maturity date is the Policy anniversary nearest your age 120 of the insured. If the insured is living at Maturity and the Policy is in effect, you may ask us to extend the Maturity date indefinitely as allowed by law. There are no deductions or premiums beyond age 100 of the insured, unless premiums are necessary to keep the Policy in effect due to a Policy loan or withdrawal.

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## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Distribution Options

**Access to the Account Value through loans and withdrawals will reduce the Policy's death benefit and Net Cash Surrender Value.  
This illustration is not reflecting distributions.**

#### Withdrawals

Withdrawals are available for up to 90% of the cash surrender value starting in year 2 (50% in year 1). The first withdrawal in any one Policy year is available without a processing fee. A withdrawal charge (which is in addition to any processing fee) may be deducted from the Account Value, if any Surrender Charges remain at the time of the withdrawal.

#### Loans

Rapid Builder IUL4 offers standard or variable loan options. You may choose the Policy Loan Option at the time of your request for a loan, subject to such availability. However, if your Policy has an outstanding loan at the time of your request for an additional loan, the new loan(s) must be the same Policy Loan Option as your outstanding loan. If you switch loan types, our current company practice is that we do not require a cash pay off to accomplish the change.

#### Standard Policy Loans

The Standard Policy Loan is currently charged a rate of 2.75% (guaranteed not to exceed 6.00%) in the first five Policy Years. Beginning in the 6th Policy Year, the rate is reduced to a guaranteed 1.5%. The portion of the Account Value securing the Policy Debt is guaranteed to earn 1.50% in all years. This results in a current net cost of 1.25% in the first five years and guaranteed net-zero cost loans thereafter.

#### Variable Interest Policy Loans

The Variable Policy Loan Option is available beginning the 6th Policy year. The Variable Policy Loan Interest Rate will be set equal to the greater of 3.50% or the published monthly average (Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Services, Inc., or any successor there to). However, this loan interest rate will never be greater than 6.00% per year. The loan interest rate will be established as of March 31st, June 30th, September 30th, and December 31st of each calendar year, and it can only change on your Policy Anniversary. We will notify you of any loan interest rate change at least 30 days prior to it taking effect, if you have a Variable Policy Loan.

For the Non-Guaranteed scenario, the illustrated interest rate on the loaned portion of the Account Value will not be more than 1% higher than the illustrated Variable Loan rate. For the Non-Guaranteed Alternate scenario, the illustrated interest rate on the loaned portion of the Account Value will not be more than the illustrated Variable Loan rate.

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## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Included Benefits and Selected Riders Summary

Included Benefits	Highlights	Period	Premium
Accelerated Death Benefit Endorsement Terminal Illness	Max: 75% of death benefit on election date up to \$750,000	All Years	There is no additional Monthly Deduction or premium charge for the Accelerated Death Benefit Endorsement. However, the actual payment You receive in connection with any acceleration will be discounted and is lower than the Death Benefit amount accelerated. In addition, there is an administrative fee required each time an Election is made.
Accelerated Death Benefit Endorsement Chronic Illness	Max: 24% of death benefit on initial election date up to \$240,000	All Years	
Accelerated Death Benefit Endorsement Critical Illness	Max: The lesser of 25% of death benefit on each election date or \$50,000	All Years	
Overloan Protection Benefit	When elected, guarantees the Policy will not lapse due to loans	Able to access this benefit when insured is $\geq$ age 65 and the Policy has been in effect for at least 15 years	\$0.00
Protected Death Benefit	When elected, guarantees the Policy will not lapse due to loans. Allows clients to specify a death benefit amount to be protected	Able to access this benefit when insured is $\geq$ age 65 and the Policy has been in effect for at least 15 years	\$0.00 charges may apply if exercised
Systematic Premium Allocation Feature	Allows Policyowners to place premium in the Fixed Account and have that premium automatically transferred to the Index Selections by completing form O-2874	All Years	\$0.00
Automatic Distribution Option	The owner can request monthly, quarterly, semi-annual or annual distributions of the account value by completing for O-2788	All Years	No processing fee
Selected Riders	Highlights	Period	Premium
Waiver of Surrender Charge Option	Waives all surrender charges on full surrenders, withdrawals and face amount decreases	14 Years	\$24.09 annually

*See full definitions of the included benefits and selected riders for this illustration on the following pages.*

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

#### Included Benefits and Selected Riders Definitions

##### Accelerated Death Benefit Endorsements-

**Terminal Illness:** This benefit allows the Policy owner to receive an advance sum from the Policy if the base insured suffers from a terminal illness. The insured qualifies as terminally ill if a physician has certified that the insured's life expectancy is 24 months or less. The minimum Terminal Illness benefit per year is 10% of the Death Benefit on the Election Date or \$100,000, if smaller. The maximum Terminal Illness benefit per year is 75% of the Death Benefit on the Election Date or \$750,000, if smaller. The accelerated death benefit payment amount that is received from the Terminal Illness benefit is based on the following factors:

1. The benefit discount rate that the Company is required to use at the time of election. A higher discount rate results in a lower payment.
2. The insured's life expectancy used by the Company. The longer the Company assumes the insured lives with a Terminal Illness, the lower the payment.

**Chronic Illness:** This benefit allows the Policy owner to receive an advance sum from the Policy if the base insured suffers from a chronic illness. The insured qualifies as chronically ill if a physician has certified that the insured is expected to be permanently unable to perform, for at least 90 consecutive days, without substantial assistance from another person, at least two Activities of Daily Living or suffers from severe cognitive impairment. (Activities of Daily Living include bathing, continence, dressing, eating, toileting and transferring.) The minimum Chronic Illness benefit is 5% of the Death Benefit on the initial Election Date or \$50,000, if smaller. The maximum Chronic Illness benefit is 24% of the Death Benefit on the initial Election Date or \$240,000, if smaller. The accelerated death benefit payment amount that is received from the Chronic Illness benefit is based on the following factors:

1. The insured's age at election. In general, the younger the insured's age at the time of election, the lower the payment.
2. The benefit discount rate that the Company is required to use at the time of election. A higher discount rate results in a lower payment.
3. The insured's life expectancy used by the Company. The longer the Company assumes the insured lives with a Chronic Illness, the lower the payment.

**Critical Illness:** This benefit allows the Policy owner to receive an advance sum from the Policy if the base insured suffers from a critical illness. The insured qualifies as critically ill if a physician has certified that the insured has had one of the following specified medical conditions within the last 12 months: cancer, heart attack, kidney failure, major organ transplant, or stroke. The minimum Critical Illness benefit amount that can be accessed at each election is \$2,500. The maximum benefit at each election is the smaller of 25% of the Policy's death benefit at the time of election or \$50,000. The accelerated death benefit payment amount for the Critical Illness benefit is determined by using 40% of the Accelerated Death Benefit at the time of election - regardless of age, gender, underwriting class, or severity of the illness. This percentage will not change for the life of the Policy.

Amounts payable as accelerated death benefits could be taxable under some circumstances. We recommend that you consult your personal tax advisor prior to electing an accelerated death benefit under any of these endorsements to assess the tax treatment in your individual circumstances. Reference the Accelerated Death Benefit Endorsement Disclosure you receive at time of application for more details.

##### Overloan Protection Benefit

This benefit guarantees the Policy will not lapse due to loans you have taken from the Policy. The Policy will remain in effect until the insured's death with no further premium payments, provided the following conditions are met:

- The Protected Death Benefit, described below, is not in effect; and
- The Policy has been in effect for at least 15 Policy years; and
- The insured's Policy age is at least age 65; and
- Policy debt does not exceed the Overloan Election Amount.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

The Overloan Election Amount is defined as follows:

- 89% of the account value for Policy ages that are greater than or equal to age 65 but less than or equal to age 74;
- 93% of the account value for Policy ages that are greater than or equal to age 75.

When the Overloan Protection Benefit is exercised, the Specified Amount of insurance may be reduced, and the entire Account Value will be allocated to the Fixed Account. Other requirements may also apply. See the Policy form for benefit availability conditions and other details.

#### **Protected Death Benefit**

The Protected Death Benefit provision is automatically included in your Policy at issue. There is no additional premium to have this benefit as part of your Policy, but there are charges associated with the benefit once it is elected. If you elect the Protected Death Benefit, it guarantees that the Policy will remain in effect and that the death benefit, less any Policy debt at the insured's death, will at least be equal to the Protected Death Benefit Amount you specify at the time that you exercise this benefit. The minimum benefit amount is \$25,000. The Protected Death Benefit does not guarantee that other riders that are attached to the Policy will remain in effect. The earliest that you may elect this benefit is when the Policy has been in effect for at least 15 Policy years and the insured's Policy age is at least age 65. You may elect the benefit by sending us written notice on or after the date these conditions are met. The portion of the Policy's Account Value that is required to maintain this benefit must be allocated to the Fixed Account. The Protected Death Benefit cannot be elected if the Overloan Protection Benefit is in effect. Other requirements may also apply.

#### **Systematic Premium Allocation Feature**

This feature allows the Policyowner to place premium in the Fixed Account and have that premium automatically transferred to Index Selections that they specify. Policyowners may designate a portion of the premium to utilize the Systematic Premium Allocation at any time. That premium will then be transferred monthly to the chosen Index Selection in equal amounts over the following 12 month period until the Fixed Account is exhausted or until you request termination of the program. The minimum amount that can be designated for systematic premium is \$2400. You may change the Systematic Premium amount or the Systematic Premium Allocation percentage twice each Policy year.

#### **Waiver of Surrender Charge Option**

When this option is selected, we will waive all surrender charges that are normally applied on full surrenders. However, if the option is selected and you request that your Policy be surrendered and subsequently transferred to another insurance company as a 1035 exchange (under Section 1035 of the Internal Revenue Code), we reserve the right to deduct an applicable surrender charges. The Waiver of Surrender Charge Option must be selected at the time of application. Once selected, it becomes part of the Policy and cannot be changed. The cost for this option is \$0.0400 per \$1,000 of face amount per month and is reflected in the values shown in on the Tabular Detail pages of this illustration. This option includes a table shave from table 3 to standard.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

#### Index Definitions

The following are definitions of various terms that are used throughout this illustration in connection with the available Indices.

- **Index:** is a numerical value used to measure the performance of a group of stocks and/or bonds (excluding dividends). The available Indices for this Policy are: S&P 500®, Uncapped S&P 500®, S&P MidCap 400®, NASDAQ-100®, EURO STOXX 50®, Multi-Index Group, and Russell 2000®.
- **Index Crediting Method:** refers to the way that the change in the Index Value is calculated for each 12-month Index Period.
- **Index Participation Rate:** is the portion of the Index growth that will be used in the calculation of the Index Credit. The Index Participation Rate is subject to change, but it will never be less than the Minimum Index Participation Rate shown in the Policy.
- **Index Cap Rate:** is the maximum annual percentage increase that will be credited with the Annual Point-to-Point Index Crediting Method. It is subject to change, but will never be less than the Minimum Index Cap Rate shown in the Policy.
- **Index Spread:** is the difference between the index segment and the index percentage credited. Ex. If index growth is 20% and the index spread is 4%, the interest credit is 16%.
- **Index Credit:** is the amount that is actually credited to the Account Value based on the performance of the Index (excluding dividends). The Index Credit is only applied at the end of the Index Period. The Index Credit will never be less than the guaranteed floor rate of zero.
- **Index Period:** The length of consecutive time over which an Index Credit is calculated. This Policy uses a 12 month period. (Premium payments in the first month of the contract may have a shorter index period.)
- **Index Segment:** When you place premium or transfer money into an Index Selection, an Index Segment is created. Each Index Segment earns an Index Credit based on the Index Selection, unless the Index Segment ends before the end of the Index Period. The Policy may contain multiple Index Segments.

#### Crediting Methods

- **Annual Point-to-Point:** this method compares the value of the Index at the beginning of the Index Period and the value of the Index at the end of the Index Period. The amount credited to the Policy will depend on the change in the value of the Index at the end of the Index Period (all intermediate values are ignored). The rate credited will never be less than zero percent.
- **Index Spread:** this is an annual point to point crediting method using the S&P 500 index with 100% participation rate and without a cap. This method employs an index spread rate which may vary. Ex. If index growth is 20% and the index spread is 4%, the interest credit is 16%. The floor rate of 0% is applied after the spread rate is applied.
- **Multi-Index Annual Point-to-Point:** contains the following three indices: S&P 500®, EURO STOXX 50® and Russell 2000®. The annual point-to-point Index growth from each of the three individual indices derives the Multi-Index change. 50% of the best performing index growth plus 30% of the second best performing Index growth plus 20% of the third best performing Index growth equals the Multi-Index change. The Multi-Index change is subject to the Index Cap Rate and any earnings are credited and locked in at the end of the 12 month Index Period. The rate credited will never be less than zero percent.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

- **Monthly Point-to-Point:** this method looks at the value of the Index on each Monthly Index Date throughout the Index Period. At each Monthly Index Date, the Monthly Index Return is calculated and is limited by the current Monthly Index Cap Rate. The Monthly Point-to-Point crediting method does not use a monthly floor rate, but there is still an annual floor rate of 0%. The amount credited to the Policy will depend on the sum of the 12 Monthly Index Returns during the Index Period.
  - o **Monthly Index Return:** is based on the percentage increase or decrease in the Index.
  - o **Monthly Index Date:** is the same day of the month as the date on which the Index Segment was created.

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## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Available Index Selections

In this Policy, you can allocate premiums to an account that offers a fixed interest rate (the "Fixed Account"), and/or an account that offers an interest rate based on the performance of a combination of the following Index Options and one of the Index Crediting Methods (Index Selection). Together an Index Option and an Index Crediting method make an Index Selection.

#### Index Options

- Standard & Poor's 500® Composite Stock Price Index (**S&P 500®**)
- Standard & Poor's MidCap 400® Composite Stock Price Index (**S&P MidCap 400®**)
- NASDAQ-100® Stock Price Index (**NASDAQ-100®**)
- EURO STOXX 50® (**EURO STOXX 50®**)
- Multi-Index Group (**S&P 500®, Russell 2000®, and EURO STOXX 50®**)
- Russell 2000® Composite Stock Price Index (**Russell 2000®**)

#### Index Crediting Methods

*Refers to the way that the change in the Index Value is calculated for each Index Period*

- **Annual Point to Point** (available with S&P 500®, Uncapped S&P 500®, NASDAQ-100®, S&P MidCap 400®, Russell 2000® and EURO STOXX 50®)
- **Annual Point to Point Uncapped** (S&P 500®)
- **Annual Point to Point with Spread** (S&P 500®)
- **Annual Point to Point High Par** (S&P 500®)
- **Monthly Point-to-Point** (available with S&P 500®)
- **Multi-Index Annual Point-to-Point** (combination of the S&P 500®, Russell 2000®, and EURO STOXX 50®)

**If you choose to allocate premiums to an Index Selection(s), it is important that you understand that:** the interest credited to the Policy's Account Value will depend on the performance of the Index Option(s) you select and will never be less than zero; the premiums are not invested in any stocks, bonds or equity investments; the Index performance does not include dividends; the allocation does not represent an investment by you in any Index or stock market.

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**Rapid Builder IUL4**  
A Universal Life Insurance Policy Illustration

**Historical Returns & Current Illustrated Rate for Index Selections**

Indexed Universal Life Insurance (IUL)

The chart below shows historical returns for the index selection(s) that you selected based on the current Index Cap Rate, Index Floor Rate, and Index Participation Rate. The Maximum Illustrated Rate is the average return (using current cap rates) of a rolling 25 year period over a 65 year time span or, if less, the longest time span available. This rate can be no higher than the maximum rate for the S&P500 Annual Pt to Pt prescribed by the NAIC. These calculations assume that premium is paid on each business day of the year. Historical performance of the indices is not intended to predict or project performance.

The rate of return can vary significantly for individual business days. If your client allocates premium payments to more than one index selection, the Maximum Illustrated Rate that can be used will be a weighted average of each of the Maximum Illustrated Rates for the indices your client chooses, taking into account the percentage of premium you allocated to each Index. Those percentage allocations are shown at the beginning of the Tabular Detail pages.

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 client's Policy will depend on the actual change in the selected Index. The actual credited rate for any given year will almost certainly be different from the illustrated rate, as it is not possible to know in advance what the actual credited rate will be.

-----Average Rates of Return Rounded to the nearest 0.1%-----

*The Average Rate of Return uses the current Index Cap Rate, Index Participation Rate and Index Floor Rate and assumes money is deposited on each business day of the year.*

Index	Crediting Method	5 Year	10 Year	20 Year	25 Year	30 Year	40 Year	Max Illus. Rate
S&P 500®	Annual Pt-to-Pt	7.3%	6.5%	6.6%	6.8%	6.8%	6.6%	6.28%

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## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Index Selections & Initial Premium Allocation

	Index	Crediting Method	Min Index Par Rate	Current Index Par Rate	Min Index Cap Rate	Current Index Cap Rate	Min Index Floor	Current Index Floor	Current Spread Rate	Initial Premium Allocation
1	S&P 500®	Annual Pt-to-Pt	100%	100%	2%	10.5%	0%	0%	None	100.00%

Fixed Account Premium Allocation:

0.00%

*This illustration assumes that the premium allocation percentages shown above are used for the life of the Policy. However, you may change the percentage allocation of future premium payments at any time while the Policy is in force.*

The following chart shows the minimum, average, and maximum of the average annual returns of the S&P 500 index with the Annual Point-to-Point crediting method for rolling 25-year periods over the past 65 years. This calculation uses the Current Index Cap Rate of 11.5%, an Index Participation Rate of 100%, and an Index Floor Rate of 0%. The Average value is the Maximum Illustrated Rate allowed for this product.

Minimum	Average	Maximum
4.06%	6.28%	7.98%

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## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Historical Index Change Detail

The following chart shows historical detail for each year in the most recent 20-year period. "Index Change" shows the change for the specified Index and Index Crediting Method combination. "Return for Index Selection" shows the return for that Index Selection using the current Index Cap Rate, current Index Participation Rate, and the Index Floor Rate of 0%. The Average is the average annual return over the 20-year period. These calculations assume money is deposited on December 31. If December 31 is not a business day, the value from the next business day is used.

End Year	S&P 500 Annual PtP	
	Index Change	Return for Index Selection
1997	31.0%	10.5%
1998	26.7%	10.5%
1999	19.5%	10.5%
2000	-12.7%	0.0%
2001	-13.0%	0.0%
2002	-23.4%	0.0%
2003	26.4%	10.5%
2004	9.0%	9.0%
2005	4.7%	4.7%
2006	13.5%	10.5%
2007	3.5%	3.5%
2008	-38.5%	0.0%
2009	23.5%	10.5%
2010	12.8%	10.5%
2011	1.5%	1.5%
2012	13.4%	10.5%
2013	29.6%	10.5%
2014	11.4%	10.5%
2015	-0.7%	0.0%
2016	10.5%	10.5%
Average		6.7%

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

## Index Disclosures

### THE STANDARD & POOR'S 500® COMPOSITE STOCK PRICE INDEX THE STANDARD & POOR'S MIDCAP 400® COMPOSITE STOCK PRICE INDEX

These Indices do not include dividends paid by the underlying companies.

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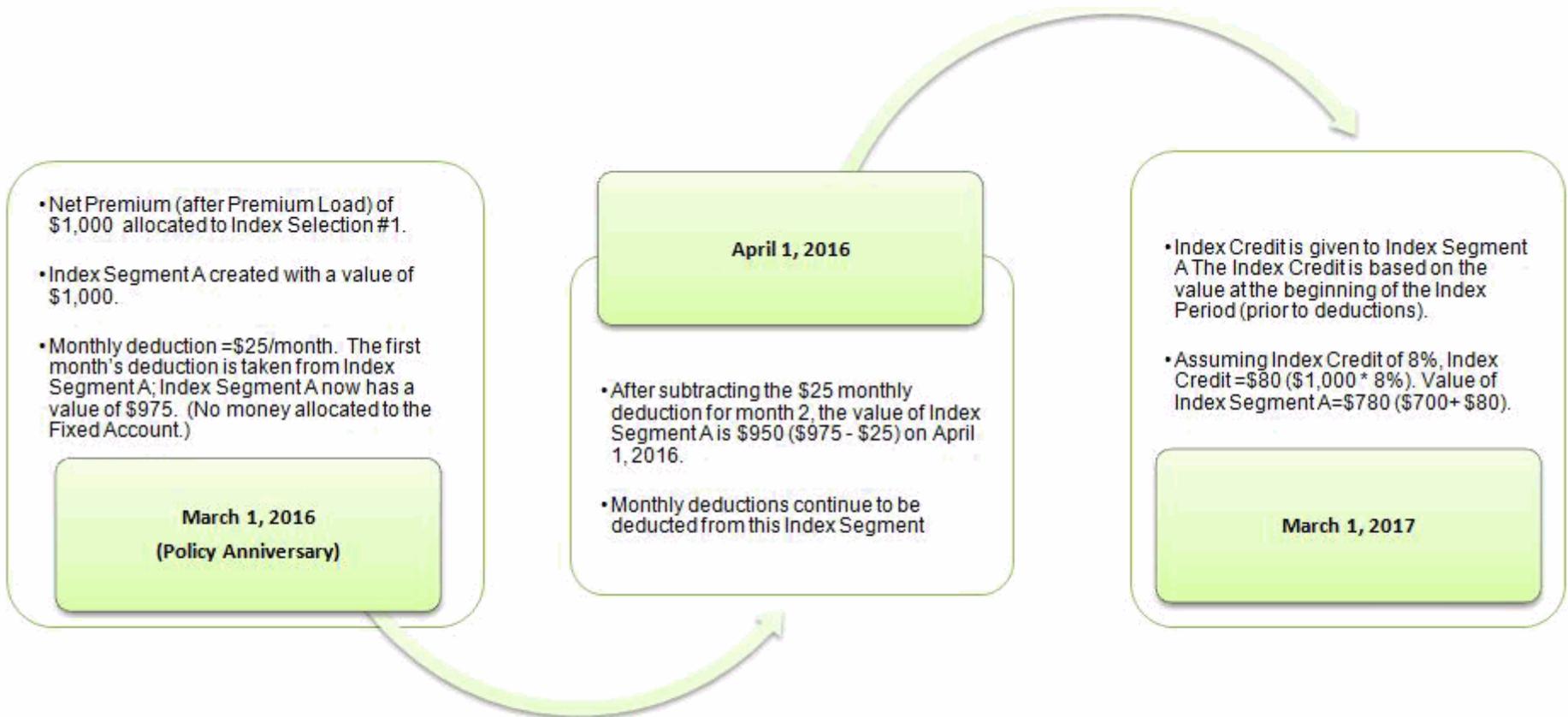
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**Rapid Builder IUL4**  
 A Universal Life Insurance Policy Illustration

**Indexed UL Hypothetical Example**

Assuming 100% allocated to Index: **S&P500® Annual Point-to-Point**



Any additional premium received would create additional Index Segments that would receive Index Credits on the appropriate Index Crediting Date.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

Prepared For: **Valued 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; Minimum Account Value 2.5%				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	\$201,638	\$201,638	\$485,745	\$209,251	\$209,251	\$504,087
2	56/57 *	\$0.00	\$199,042	\$199,042	\$481,800	\$202,738	\$202,738	\$481,800	\$218,492	\$218,492	\$510,615
3	57/58 *	\$0.00	\$198,248	\$198,248	\$481,800	\$203,527	\$203,527	\$481,800	\$227,958	\$227,958	\$517,009
4	58/59 *	\$0.00	\$197,224	\$197,224	\$481,800	\$204,201	\$204,201	\$481,800	\$237,867	\$237,867	\$523,783
5	59/60 *	\$0.00	\$195,926	\$195,926	\$481,800	\$204,657	\$204,657	\$481,800	\$248,150	\$248,150	\$530,793
		<b>\$200,000.00</b>									
6	60/61 *	\$0.00	\$194,308	\$194,308	\$481,800	\$204,094	\$204,094	\$481,800	\$258,065	\$258,065	\$536,259
7	61/62 *	\$0.00	\$192,287	\$192,287	\$481,800	\$203,142	\$203,142	\$481,800	\$268,253	\$268,253	\$541,871
8	62/63 *	\$0.00	\$189,774	\$189,774	\$481,800	\$201,787	\$201,787	\$481,800	\$278,742	\$278,742	\$547,728
9	63/64 *	\$0.00	\$186,745	\$186,745	\$481,800	\$200,047	\$200,047	\$481,800	\$289,592	\$289,592	\$553,989
10	64/65 *	\$0.00	\$183,099	\$183,099	\$481,800	\$198,042	\$198,042	\$481,800	\$300,954	\$300,954	\$560,678
		<b>\$200,000.00</b>									
11	65/66 *	\$0.00	\$178,838	\$178,838	\$481,800	\$198,260	\$198,260	\$481,800	\$315,534	\$315,534	\$573,009
12	66/67 *	\$0.00	\$173,888	\$173,888	\$481,800	\$198,175	\$198,175	\$481,800	\$330,772	\$330,772	\$585,796
13	67/68 *	\$0.00	\$168,201	\$168,201	\$481,800	\$197,877	\$197,877	\$481,800	\$346,806	\$346,806	\$598,934
14	68/69 *	\$0.00	\$161,651	\$161,651	\$481,800	\$197,324	\$197,324	\$481,800	\$363,658	\$363,658	\$613,127
15	69/70 *	\$0.00	\$154,469	\$154,469	\$481,800	\$196,801	\$196,801	\$481,800	\$381,675	\$381,675	\$628,236
		<b>\$200,000.00</b>									

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

Prepared For: **Valued 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 (Continued...)

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; Minimum Account Value 2.5%			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
16	70/71 *	\$0.00	\$146,179	\$146,179	\$481,800	\$195,836	\$195,836	\$481,800	\$403,375	\$403,375	\$648,224
17	71/72 *	\$0.00	\$136,478	\$136,478	\$481,800	\$194,269	\$194,269	\$481,800	\$426,147	\$426,147	\$669,477
18	72/73 *	\$0.00	\$125,064	\$125,064	\$481,800	\$192,278	\$192,278	\$481,800	\$450,251	\$450,251	\$691,136
19	73/74 *	\$0.00	\$111,717	\$111,717	\$481,800	\$189,662	\$189,662	\$481,800	\$475,643	\$475,643	\$714,416
20	74/75	\$0.00	\$96,135	\$96,135	\$481,800	\$186,309	\$186,309	\$481,800	\$502,376	\$502,376	\$738,493
		<b>\$200,000.00</b>									
21	75/76 *	\$0.00	\$77,862	\$77,862	\$481,800	\$182,204	\$182,204	\$481,800	\$530,580	\$530,580	\$764,036
22	76/77 *	\$0.00	\$56,352	\$56,352	\$481,800	\$177,257	\$177,257	\$481,800	\$560,353	\$560,353	\$790,657
23	77/78 *	\$0.00	\$30,782	\$30,782	\$481,800	\$171,288	\$171,288	\$481,800	\$591,751	\$591,751	\$818,391
24	78/79 *	\$0.00	\$134	\$134	\$481,800	\$164,326	\$164,326	\$481,800	\$624,975	\$624,975	\$848,091
25	79/80 *	\$0.00	\$0	\$0	\$0	\$156,046	\$156,046	\$481,800	\$660,006	\$660,006	\$879,788
		<b>\$200,000.00</b>									
26	80/81 *	\$0.00	\$0	\$0	\$0	\$146,157	\$146,157	\$481,800	\$696,904	\$696,904	\$912,944
27	81/82 *	\$0.00	\$0	\$0	\$0	\$133,982	\$133,982	\$481,800	\$735,549	\$735,549	\$947,387
28	82/83 *	\$0.00	\$0	\$0	\$0	\$119,244	\$119,244	\$481,800	\$776,081	\$776,081	\$984,071
29	83/84 *	\$0.00	\$0	\$0	\$0	\$101,426	\$101,426	\$481,800	\$818,588	\$818,588	\$1,022,416
30	84/85	\$0.00	\$0	\$0	\$0	\$79,944	\$79,944	\$481,800	\$863,142	\$863,142	\$1,063,391
		<b>\$200,000.00</b>									

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

Prepared For: **Valued 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 (Continued...)

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; Minimum Account Value 2.5%			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
31	85/86 *	\$0.00	\$0	\$0	\$0	\$53,874	\$53,874	\$481,800	\$909,833	\$909,833	\$1,105,448
32	86/87 *	\$0.00	\$0	\$0	\$0	\$21,667	\$21,667	\$481,800	\$958,508	\$958,508	\$1,150,209
33	87/88	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,009,195	\$1,009,195	\$1,196,906
34	88/89	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,062,059	\$1,062,059	\$1,245,795
35	89/90	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,117,003	\$1,117,003	\$1,296,841
		<b>\$200,000.00</b>									
36	90/91	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,174,329	\$1,174,329	\$1,350,478
37	91/92	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,233,972	\$1,233,972	\$1,405,494
38	92/93	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,295,884	\$1,295,884	\$1,463,053
39	93/94	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,360,187	\$1,360,187	\$1,522,049
40	94/95	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,426,958	\$1,426,958	\$1,582,496
		<b>\$200,000.00</b>									
41	95/96	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,496,727	\$1,496,727	\$1,644,903
42	96/97	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,569,858	\$1,569,858	\$1,708,006
43	97/98	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,648,031	\$1,648,031	\$1,771,633
44	98/99	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,728,153	\$1,728,153	\$1,849,124
45	99/100	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,809,892	\$1,809,892	\$1,931,155
		<b>\$200,000.00</b>									

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

Prepared For: **Valued 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 (Continued...)

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; Minimum Account Value 2.5%			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
46	100/101	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$1,937,127	\$1,937,127	\$2,059,166
47	101/102	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$2,073,307	\$2,073,307	\$2,197,706
48	102/103	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$2,219,061	\$2,219,061	\$2,345,547
49	103/104	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$2,375,061	\$2,375,061	\$2,503,314
50	104/105	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$2,542,028	\$2,542,028	\$2,671,671
		<b>\$200,000.00</b>									
51	105/106	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$2,720,732	\$2,720,732	\$2,851,327
52	106/107	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$2,912,000	\$2,912,000	\$3,043,039
53	107/108	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$3,116,713	\$3,116,713	\$3,250,732
54	108/109	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$3,335,818	\$3,335,818	\$3,469,251
55	109/110	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$3,570,326	\$3,570,326	\$3,705,998
		<b>\$200,000.00</b>									
56	110/111	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$3,821,320	\$3,821,320	\$3,955,066
57	111/112	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$4,089,959	\$4,089,959	\$4,224,927
58	112/113	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$4,377,483	\$4,377,483	\$4,521,940
59	113/114	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$4,685,220	\$4,685,220	\$4,839,832
60	114/115	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$5,014,591	\$5,014,591	\$5,175,058
		<b>\$200,000.00</b>									

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

Prepared For: **Valued 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 (Continued...)

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; Minimum Account Value 2.5%			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
61	115/116	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$5,367,117	\$5,367,117	\$5,538,864
62	116/117	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$5,744,425	\$5,744,425	\$5,928,246
63	117/118	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$6,148,258	\$6,148,258	\$6,338,854
64	118/119	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$6,580,480	\$6,580,480	\$6,764,734
65	119/120	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$7,043,088	\$7,043,088	\$7,183,950
		<b>\$200,000.00</b>									

**Tabular Detail Descriptions:**

Non-Guaranteed Alternate interest rates for Index Selections: 0.01% all years.

Non-Guaranteed interest rates for Index Selections: 6.28% all years.

(\* ) Non-Guaranteed Alternate values shown for this year are based on the Minimum Account Value

**Selected Riders:**

Waiver of Surrender Charge Option

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

#### MODIFIED ENDOWMENT CONTRACT DISCLOSURE STATEMENT

A Modified Endowment Contract (MEC) is a life insurance Policy under which the gross premiums paid at any time during the first seven years, or during any 7-year testing period following a material change, exceed the sum of the annual net level premiums under the statutory 7 pay test. Also, if you are exchanging a MEC for a new life insurance Policy, the new Policy will automatically be a MEC regardless of the amount of premiums paid.

In addition, payment of premiums in excess of Necessary Premium as defined by the Internal Revenue Code (IRC), will usually cause a Policy to become a MEC.

Your Plan of insurance, as proposed, is a MEC. Once a MEC you should be aware that:

- 1) Any cash distributions, withdrawals or loans made at any time during the life of the Policy will be includable in your taxable income to the extent that there is gain in your Policy.
- 2) Such distributions will also be subject to a 10% penalty tax (on amounts includable as income) unless you have attained age 59 ½, or otherwise meet the narrow requirements of IRC Section 72(v). (If the Policyowner is a corporation, such taxable distributions are always subject to the 10% penalty tax at any time.)

The information given above is NOT intended as legal or tax advice. For such advice, you should consult your attorney or tax advisor.

*I acknowledge that I have read this disclosure statement and understand that the proposed plan of insurance would be a MEC and subject to the tax treatment as outlined above. I further understand that this illustration is not part of the contract and it does not predict actual performance.*

X \_\_\_\_\_ Date \_\_\_\_\_  
**First Policy Owner/Applicant Signature**

X \_\_\_\_\_ Date \_\_\_\_\_  
**Second Policy Owner/Applicant Signature**

X \_\_\_\_\_  
**Agent Signature**

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## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Policy Summary

**First Year Annualized Premium: \$200,000.00**

**Interest and Cost Scenarios:**

- Guaranteed:** Maximum charges at Minimum Account Value of 2.5%
- Midpoint:** Interest and charges half way between illustrated & guaranteed (Interest and charges are different than those used in previous Non-Guaranteed Alternate scenarios.)
- Non-Guaranteed:** Current charges at Index Credits & Fixed Account interest rate patterns as shown at the end of the tabular detail

**Non-guaranteed benefits and values are subject to change and may be more or less favorable than shown.**

		Guaranteed		Non-Guaranteed Midpoint		Non-Guaranteed	
End of Year	Beg/ End of Year Age	Surrender Value	Death Benefit	Surrender Value	Death Benefit	Surrender Value	Death Benefit
<b>5</b>	59/60	\$195,926	\$481,800	\$215,817	\$481,800	\$248,150	<b>\$530,793</b>
<b>10</b>	64/65	\$183,099	\$481,800	\$225,628	\$481,800	\$300,954	<b>\$560,678</b>
<b>15</b>	69/70	\$154,469	\$481,800	\$237,443	\$481,800	\$381,675	<b>\$628,236</b>
<b>20</b>	74/75	\$96,135	\$481,800	\$251,838	\$481,800	\$502,376	<b>\$738,493</b>
<b>Last Policy Year a Death Benefit is Supported*</b>			<b>25</b>		<b>36</b>		<b>N/A</b>

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed. I further understand that this illustration is not part of the contract and it does not predict actual performance.

X \_\_\_\_\_ Date \_\_\_\_\_  
**First Policy Owner/Applicant Signature**

X \_\_\_\_\_ Date \_\_\_\_\_  
**Second Policy Owner/Applicant Signature**

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration or any promises about future performance or values of the Policy.

X \_\_\_\_\_ Date \_\_\_\_\_  
**Agent Signature**

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

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**COMMISSION OPTION SELECTION**

**For Agent Use Only**

Prepared For: Valued Client

Submit this form with application.

This selection cannot be changed after issue.

If no election is made option A will be the default.

For additional information refer to the supplemental commission report in the illustration software.

Commission Option      A       B       C       D

Agent Signature \_\_\_\_\_

Date \_\_\_\_\_



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# Rapid Builder IUL4

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Policy Form Number: LS176W Series

Cash Value Accumulation Test

A Universal Life Insurance Policy Illustration

**Prepared For**  
Valued Client

**Presented By**  
North American Company  
525 W. Van Buren  
Chicago, IL 60607  
(800) 800-3656

**Prepared On**  
March 29, 2018 at 3:14:04PM

**THIS IS AN ILLUSTRATION ONLY. AN ILLUSTRATION IS NOT INTENDED TO PREDICT ACTUAL PERFORMANCE. INTEREST RATES, DIVIDENDS, AND VALUES SET FORTH IN THE ILLUSTRATION ARE NOT GUARANTEED, EXCEPT FOR THOSE ITEMS CLEARLY LABELED AS GUARANTEED.**

North American Company has been helping people protect their financial futures since 1886. As one of the leading life insurance companies in the U.S., our approach has earned high ratings from the major rating agencies. Please visit our website at [www.NorthAmericanCompany.com](http://www.NorthAmericanCompany.com) to find out more about North American Company.

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Date: 3/29/2018 & Time 3:14:04PM

Software Version 9.17B(04R)03

State: North Carolina

Page 1 of 25



## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Summary of your Life Insurance Illustration

<b>Prepared For:</b>	Valued Client
	Male, Issue Age 55 (Age Last) Standard Non-Tobacco
<b>Initial Death Benefit:</b>	\$200,000 (Level)
<b>Initial Annual Premium:</b>	\$0.00
<b>Non-1035:</b>	\$200,000.00 (Month 1)
<b>Internal Revenue Code Test:</b>	Cash Value Accumulation Test (CVAT)
<b>Modified Endowment Contract status:</b>	This illustration is a MEC
<b>Selected Riders:</b>	Waiver of Surrender Charge Option
<b>Included Benefits:</b>	Accelerated Death Benefit Endorsement - Terminal, Chronic, Critical Overloan Protection Benefit Protected Death Benefit Systematic Premium Allocation Feature

Policy and Policy owner, when used herein, means the same as Certificate and Certificate holder, respectively, when coverage is issued on a group basis.

If there are any differences between this document and your insurance Policy, your Policy will take precedence.

This illustration is based on a reasonable interpretation of current income tax laws, and we do not guarantee the tax treatment of any Policy. We recommend that you consult a tax advisor about your personal circumstances.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

#### Plan Description

North American's Rapid Builder IUL4 is a universal life Policy (the "Policy"), which features an adjustable death benefit and the potential to earn tax-deferred interest based on the performance of an Index (or Indices). The Policy owner has the flexibility, within limits, to determine the amount, timing, and allocation of premium payments. The benefit payable upon death ultimately depends on the underlying Account Value. The Account Value is based on the amount of your premium payments (less Premium Load), monthly Policy charges, and monthly interest credited to the Policy. A Premium Load is a percentage of the premium that will be charged each time a premium is paid. Policy charges, including Premium Load, are shown in your Policy. If the Policy owner chooses to utilize the Indexed Features of this Policy, the amount credited to the Account Value will depend on the performance of the Index Selections chosen (excluding dividends) and will never be less than zero. The Indexed Features of this Policy are described in the following pages. Please be aware that any changes to your Policy, including but not limited to planned premium amount, premium mode, premium duration or death benefit amount, do not happen automatically and must be requested by the Policy owner (regardless of whether those changes are reflected in this illustration). Please contact your agent or North American Company agent for information regarding changes to your Policy.

#### Important Facts About This Illustration

This illustration shows you how your universal life insurance Policy works based on the information shown in the "Prepared for:" section on Page 1 of this illustration, your chosen premium allocations that are described separately in this narrative explanation, and any loans, withdrawals and other Policy changes assumed in this illustration. It is only an example. Your Policy will not work exactly as it is shown in this document because the actual values in your Policy will vary based on:

- the amount of the premium payments you make;
- when you make the premium payments;
- the actual cost of insurance;
- actual Policy expenses;
- loans, withdrawals and other Policy changes not shown in this illustration;
- the actual rate at which interest is credited to your Policy.

#### Life Insurance Benefit

The initial death benefit is: \$200,000.

The level death benefit proposed is the amount that we will pay to the named beneficiary when the insured person dies while this Policy is in effect. The actual amount payable may be lower if you reduce your death benefit, take a Policy loan or make a withdrawal. It may be higher if you increase your death benefit, or if the Policy corridor rules apply. See the Policy for details on Corridor Percentages and how they impact the death benefit.

#### Underwriting Class

The underwriting class used in this illustration is Standard Non-Tobacco.

Actual amounts will depend on the outcome of the underwriting process, and may vary from what is shown on this illustration. If Policy is issued other than applied for, you may receive a revised illustration with your Policy.

#### Premium Outlay

The premium amount that appears in any given year on the Tabular Detail pages is the sum of the payments you plan to make each year. Based on the Annual premium you selected for this illustration, the first year premium is \$200,000.00. This illustration assumes that all scheduled premium payments are received on the first day of each Annual payment period. Premiums received that vary in amount or timing from those illustrated may result in significantly different illustrated performance including, but not limited to, account value and/or Policy death benefit duration.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

The following additional funds are included in the first year premium outlay, and are assumed to be received as indicated:

Lump Sum: \$200,000.00 at the beginning of Policy month 1

#### Net Premium

This is the portion of each premium paid that will be added to the Account Value. It is equal to the premium paid, minus the Premium Load.

#### Premium Load

A Premium Load is a percentage of the premium that will be charged each time a premium is paid. Policy charges, including the Premium Load, are guaranteed not to exceed the maximums listed in the Policy.

#### No Lapse Guarantee - Required Minimum Premium

Your Policy will stay in effect during the first 15 years if you pay at least the Required Minimum Premium of \$2,820.00 annually, have not taken any Policy loans or Withdrawals, or increased any Policy Benefits. Payment of the Required Minimum Premium may not provide coverage beyond the first 15 years and may result in a negative or zero account value. If that happens, significantly higher premiums may be necessary to keep the Policy in effect. By paying only the Required Minimum Premium, you may be forgoing the advantage of building more cash value in subsequent years. Policy changes may change the Required Minimum Premium.

#### Cash Value Accumulation Test

The Cash Value Accumulation Test is used to determine the qualifying status of your Policy as a life insurance contract. If at any time the Account Value is greater than the amount required under the Cash Value Accumulation Test of Section 7702 of the Internal Revenue Code, the Policy's death benefit may be automatically increased to qualify your Policy as life insurance.

For this illustration, the annual premium that must be paid to guarantee coverage for the duration of your Policy is \$7,573.35. The calculation of this premium is based on the following assumptions:

- all premiums are allocated to the Fixed Account;
- guaranteed minimum interest rates are applied;
- guaranteed maximum monthly deductions are applied;
- premiums are paid in all years to age 100, regardless of the premium payment pattern shown in the Tabular Detail pages;
- Lump Sum and 1035 exchange amounts, if any, are not included;
- Policy changes, withdrawals, and loans are not included; and
- Riders and ratings, if illustrated, are included.

Under these assumptions, the calculated premium will generate at least \$1.00 of Surrender Value at age 120. Any Policy changes, withdrawals, or loans combined with the calculated premium may cause the Policy to lapse prior to age 120.

#### Modified Endowment Contract

Based on the premium payments and exchange information used in this illustration, this Policy is a Modified Endowment Contract as it violates federal limits in year 1. See the attached Disclosure Statement for more information. MEC premiums are computed according to the Internal Revenue Code.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

According to the Internal Revenue Code, a life insurance Policy is considered a Modified Endowment Contract ("MEC") if the accumulated premiums paid at any time during the first 7 Policy years, or during any 7-year testing period following a material change, exceed the sum of the MEC premium for the same period. The MEC premium for the first 7-year testing period is \$13,641.67. If a life insurance Policy is a MEC, a withdrawal or Policy loan may be taxable upon receipt. Further, unpaid loan interest may be taxable. Also, if you are exchanging a modified endowment contract for a new life insurance Policy, the new Policy will automatically be a modified endowment contract regardless of the amount of premiums paid.

#### Guaranteed Elements of the Policy

In the tabular detail section of this illustration under the "Guaranteed" column, we show you how your Policy would work if we charged you the maximum amount for your Policy charges and credited the minimum guaranteed interest rate for the Fixed Account of 2.50% in all years. This minimum interest reflects the Minimum Account Value, which uses an interest rate of 2.50% for all premiums in all Policy Years, regardless of whether the premiums are allocated to the Fixed Account or the Index Account.

#### Non-Guaranteed Elements of the Policy

We also show you how your Policy would work if the Policy charges are consistent with the rates declared today (which are lower than the maximum amount we could charge you in some or all years), and the interest rates for the Fixed Account and/or Index Selections to which you chose to allocate your premium payments remain the same in all years. The interest rate(s)/illustrated rate(s) used is based on your premium allocation selection(s).

To illustrate how interest rates and illustrated rates can affect the performance of the Policy, this illustration provides two different non-guaranteed scenarios:

\*The Non-Guaranteed scenario shows the values based on the non-guaranteed Policy charges, the interest rate used for the Fixed Account and/or the illustrated rates for the Index Selections to which you chose to allocate your premium payments.

\*The Non-Guaranteed Alternate scenario shows values based on the non-guaranteed Policy charges and the alternate interest rate. An alternate rate of 2.5% or less may initiate the Minimum Account Value.

The Non-Guaranteed Alternate and Non-Guaranteed interest rates are shown on the Tabular Details pages. The premium payments, distributions, and non-guaranteed Policy charge assumptions are the same between the two scenarios. Policy changes are also the same, except when a death benefit option change from an increasing option to a level option is illustrated. In that case, the resulting amount of the increase to the specified amount is different in each scenario. We do not guarantee these values, and they are shown in the "Non-Guaranteed" columns of the Tabular Detail pages.

The non-guaranteed values are subject to change by North American. This illustration assumes that the elements for both Non-Guaranteed Alternate and Non-Guaranteed scenarios will continue unchanged for all years shown. This will not occur, but is used for illustration purposes only. Actual results may be more or less favorable.

#### Account Value

This Policy's Account Value is the sum of the Fixed Account Value and the Index Account Value:

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

**Fixed Account Value** - is the total of Net Premiums (premiums paid minus Premium Load) and/or transfers that you allocate to the Fixed Account, minus policy charges and expenses, minus the cost of any additional insurance or benefits, minus any withdrawals. The Fixed Account Value is credited with the Company's currently declared, non-guaranteed interest rate (including any applicable Interest Bonus).

**Index Account Value** - is the total of all individual Index Selections. It is equal to the total Net Premiums (premiums paid minus Premium Load) and/or transfers allocated to the Index Selections, minus policy charges and expenses, minus the cost of any additional insurance or benefits, minus any withdrawals, plus any Index Credits (including any applicable Index Credit Bonus). The Index Credit is based on the performance of the Index(is) you selected.

#### **Minimum Account Value**

This Policy has a Minimum Account Value that is calculated using an annual interest rate of 2.5% in all years regardless of whether the premiums are allocated to the Fixed Account or the Index Account. Monthly deductions are subtracted from the Minimum Account Value and Surrender Charges may apply. If the Account Value is being calculated due to any termination of the policy, including lapse, death, surrender or maturity, the amount in your Policy's Account Value will be at least as large as the Minimum Account Value. The Minimum Account Value is not available for loans or withdrawals.

At the end of policy year 10 and every 10 years thereafter on the policy anniversary, the Account Value will be compared to the Minimum Account Value. If the Minimum Account Value is larger than the Account Value at those times, the Account Value will be increased to equal the Minimum Account Value. If the Minimum Account Value is not larger than the Account Value, no adjustments will be made.

The Minimum Account Value is equal to the total Net Premiums (premiums paid minus Premium Load), minus policy charges and expenses, minus the cost of any additional insurance or benefits, minus any withdrawals. The Minimum Account Value is credited at the guaranteed interest rate.

#### **Surrender Value**

The Surrender Value is the amount available to you upon surrender of the Policy. The Surrender Value is the Account Value (reduced by outstanding Policy Debt) minus the Surrender Charge, if any. The surrender charge reduces to zero at the end of 14 years.

#### **Interest Bonus on the Fixed Account**

After the 15th Policy anniversary, we will apply a conditionally guaranteed interest bonus of 0.75%. If we declare a current interest rate that is higher than the guaranteed interest rate, then we will increase the currently declared annual interest rate by 0.75% starting in Policy Year 11. This bonus is reflected in the values shown on the Tabular Detail pages of this illustration. The Interest Bonus is only applied to the portion of the Fixed Account that is not used for Standard Policy Loans.

#### **Interest Bonus on the Index Account**

After the 15th Policy anniversary, we will add a guaranteed interest bonus of 0.75% to the interest rate used to calculate the Index Credit. This bonus is reflected in the values shown on the Tabular Detail pages of this illustration. The Index Credit Bonus is also applied to the portion of your Account Value that is used for Variable Interest Policy Loans.

#### **Maturity**

The Maturity date is the Policy anniversary nearest your age 120 of the insured. If the insured is living at Maturity and the Policy is in effect, you may ask us to extend the Maturity date indefinitely as allowed by law. There are no deductions or premiums beyond age 100 of the insured, unless premiums are necessary to keep the Policy in effect due to a Policy loan or withdrawal.

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## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Distribution Options

**Access to the Account Value through loans and withdrawals will reduce the Policy's death benefit and Net Cash Surrender Value.  
This illustration is not reflecting distributions.**

#### Withdrawals

Withdrawals are available for up to 90% of the cash surrender value starting in year 2 (50% in year 1). The first withdrawal in any one Policy year is available without a processing fee. A withdrawal charge (which is in addition to any processing fee) may be deducted from the Account Value, if any Surrender Charges remain at the time of the withdrawal.

#### Loans

Rapid Builder IUL4 offers standard or variable loan options. You may choose the Policy Loan Option at the time of your request for a loan, subject to such availability. However, if your Policy has an outstanding loan at the time of your request for an additional loan, the new loan(s) must be the same Policy Loan Option as your outstanding loan. If you switch loan types, our current company practice is that we do not require a cash pay off to accomplish the change.

#### Standard Policy Loans

The Standard Policy Loan is currently charged a rate of 2.75% (guaranteed not to exceed 6.00%) in the first five Policy Years. Beginning in the 6th Policy Year, the rate is reduced to a guaranteed 1.5%. The portion of the Account Value securing the Policy Debt is guaranteed to earn 1.50% in all years. This results in a current net cost of 1.25% in the first five years and guaranteed net-zero cost loans thereafter.

#### Variable Interest Policy Loans

The Variable Policy Loan Option is available beginning the 6th Policy year. The Variable Policy Loan Interest Rate will be set equal to the greater of 3.50% or the published monthly average (Moody's Corporate Bond Yield Average - Monthly Average Corporates as published by Moody's Investors Services, Inc., or any successor there to). However, this loan interest rate will never be greater than 6.00% per year. The loan interest rate will be established as of March 31st, June 30th, September 30th, and December 31st of each calendar year, and it can only change on your Policy Anniversary. We will notify you of any loan interest rate change at least 30 days prior to it taking effect, if you have a Variable Policy Loan.

For the Non-Guaranteed scenario, the illustrated interest rate on the loaned portion of the Account Value will not be more than 1% higher than the illustrated Variable Loan rate. For the Non-Guaranteed Alternate scenario, the illustrated interest rate on the loaned portion of the Account Value will not be more than the illustrated Variable Loan rate.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

#### Included Benefits and Selected Riders Summary

Included Benefits	Highlights	Period	Premium
Accelerated Death Benefit Endorsement Terminal Illness	Max: 75% of death benefit on election date up to \$750,000	All Years	There is no additional Monthly Deduction or premium charge for the Accelerated Death Benefit Endorsement. However, the actual payment You receive in connection with any acceleration will be discounted and is lower than the Death Benefit amount accelerated. In addition, there is an administrative fee required each time an Election is made.
Accelerated Death Benefit Endorsement Chronic Illness	Max: 24% of death benefit on initial election date up to \$240,000	All Years	
Accelerated Death Benefit Endorsement Critical Illness	Max: The lesser of 25% of death benefit on each election date or \$50,000	All Years	
Overloan Protection Benefit	When elected, guarantees the Policy will not lapse due to loans	Able to access this benefit when insured is $\geq$ age 65 and the Policy has been in effect for at least 15 years	\$0.00
Protected Death Benefit	When elected, guarantees the Policy will not lapse due to loans. Allows clients to specify a death benefit amount to be protected	Able to access this benefit when insured is $\geq$ age 65 and the Policy has been in effect for at least 15 years	\$0.00 charges may apply if exercised
Systematic Premium Allocation Feature	Allows Policyowners to place premium in the Fixed Account and have that premium automatically transferred to the Index Selections by completing form O-2874	All Years	\$0.00
Automatic Distribution Option	The owner can request monthly, quarterly, semi-annual or annual distributions of the account value by completing for O-2788	All Years	No processing fee
Selected Riders	Highlights	Period	Premium
Waiver of Surrender Charge Option	Waives all surrender charges on full surrenders, withdrawals and face amount decreases	14 Years	\$10.00 annually

*See full definitions of the included benefits and selected riders for this illustration on the following pages.*

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

#### Included Benefits and Selected Riders Definitions

##### Accelerated Death Benefit Endorsements-

**Terminal Illness:** This benefit allows the Policy owner to receive an advance sum from the Policy if the base insured suffers from a terminal illness. The insured qualifies as terminally ill if a physician has certified that the insured's life expectancy is 24 months or less. The minimum Terminal Illness benefit per year is 10% of the Death Benefit on the Election Date or \$100,000, if smaller. The maximum Terminal Illness benefit per year is 75% of the Death Benefit on the Election Date or \$750,000, if smaller. The accelerated death benefit payment amount that is received from the Terminal Illness benefit is based on the following factors:

1. The benefit discount rate that the Company is required to use at the time of election. A higher discount rate results in a lower payment.
2. The insured's life expectancy used by the Company. The longer the Company assumes the insured lives with a Terminal Illness, the lower the payment.

**Chronic Illness:** This benefit allows the Policy owner to receive an advance sum from the Policy if the base insured suffers from a chronic illness. The insured qualifies as chronically ill if a physician has certified that the insured is expected to be permanently unable to perform, for at least 90 consecutive days, without substantial assistance from another person, at least two Activities of Daily Living or suffers from severe cognitive impairment. (Activities of Daily Living include bathing, continence, dressing, eating, toileting and transferring.) The minimum Chronic Illness benefit is 5% of the Death Benefit on the initial Election Date or \$50,000, if smaller. The maximum Chronic Illness benefit is 24% of the Death Benefit on the initial Election Date or \$240,000, if smaller. The accelerated death benefit payment amount that is received from the Chronic Illness benefit is based on the following factors:

1. The insured's age at election. In general, the younger the insured's age at the time of election, the lower the payment.
2. The benefit discount rate that the Company is required to use at the time of election. A higher discount rate results in a lower payment.
3. The insured's life expectancy used by the Company. The longer the Company assumes the insured lives with a Chronic Illness, the lower the payment.

**Critical Illness:** This benefit allows the Policy owner to receive an advance sum from the Policy if the base insured suffers from a critical illness. The insured qualifies as critically ill if a physician has certified that the insured has had one of the following specified medical conditions within the last 12 months: cancer, heart attack, kidney failure, major organ transplant, or stroke. The minimum Critical Illness benefit amount that can be accessed at each election is \$2,500. The maximum benefit at each election is the smaller of 25% of the Policy's death benefit at the time of election or \$50,000. The accelerated death benefit payment amount for the Critical Illness benefit is determined by using 40% of the Accelerated Death Benefit at the time of election - regardless of age, gender, underwriting class, or severity of the illness. This percentage will not change for the life of the Policy.

Amounts payable as accelerated death benefits could be taxable under some circumstances. We recommend that you consult your personal tax advisor prior to electing an accelerated death benefit under any of these endorsements to assess the tax treatment in your individual circumstances. Reference the Accelerated Death Benefit Endorsement Disclosure you receive at time of application for more details.

##### Overloan Protection Benefit

This benefit guarantees the Policy will not lapse due to loans you have taken from the Policy. The Policy will remain in effect until the insured's death with no further premium payments, provided the following conditions are met:

- The Protected Death Benefit, described below, is not in effect; and
- The Policy has been in effect for at least 15 Policy years; and
- The insured's Policy age is at least age 65; and
- Policy debt does not exceed the Overloan Election Amount.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

The Overloan Election Amount is defined as follows:

- 89% of the account value for Policy ages that are greater than or equal to age 65 but less than or equal to age 74;
- 93% of the account value for Policy ages that are greater than or equal to age 75.

When the Overloan Protection Benefit is exercised, the Specified Amount of insurance may be reduced, and the entire Account Value will be allocated to the Fixed Account. Other requirements may also apply. See the Policy form for benefit availability conditions and other details.

#### **Protected Death Benefit**

The Protected Death Benefit provision is automatically included in your Policy at issue. There is no additional premium to have this benefit as part of your Policy, but there are charges associated with the benefit once it is elected. If you elect the Protected Death Benefit, it guarantees that the Policy will remain in effect and that the death benefit, less any Policy debt at the insured's death, will at least be equal to the Protected Death Benefit Amount you specify at the time that you exercise this benefit. The minimum benefit amount is \$25,000. The Protected Death Benefit does not guarantee that other riders that are attached to the Policy will remain in effect. The earliest that you may elect this benefit is when the Policy has been in effect for at least 15 Policy years and the insured's Policy age is at least age 65. You may elect the benefit by sending us written notice on or after the date these conditions are met. The portion of the Policy's Account Value that is required to maintain this benefit must be allocated to the Fixed Account. The Protected Death Benefit cannot be elected if the Overloan Protection Benefit is in effect. Other requirements may also apply.

#### **Systematic Premium Allocation Feature**

This feature allows the Policyowner to place premium in the Fixed Account and have that premium automatically transferred to Index Selections that they specify. Policyowners may designate a portion of the premium to utilize the Systematic Premium Allocation at any time. That premium will then be transferred monthly to the chosen Index Selection in equal amounts over the following 12 month period until the Fixed Account is exhausted or until you request termination of the program. The minimum amount that can be designated for systematic premium is \$2400. You may change the Systematic Premium amount or the Systematic Premium Allocation percentage twice each Policy year.

#### **Waiver of Surrender Charge Option**

When this option is selected, we will waive all surrender charges that are normally applied on full surrenders. However, if the option is selected and you request that your Policy be surrendered and subsequently transferred to another insurance company as a 1035 exchange (under Section 1035 of the Internal Revenue Code), we reserve the right to deduct an applicable surrender charges. The Waiver of Surrender Charge Option must be selected at the time of application. Once selected, it becomes part of the Policy and cannot be changed. The cost for this option is \$0.0400 per \$1,000 of face amount per month and is reflected in the values shown in on the Tabular Detail pages of this illustration. This option includes a table shave from table 3 to standard.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

#### Index Definitions

The following are definitions of various terms that are used throughout this illustration in connection with the available Indices.

- **Index:** is a numerical value used to measure the performance of a group of stocks and/or bonds (excluding dividends). The available Indices for this Policy are: S&P 500®, Uncapped S&P 500®, S&P MidCap 400®, NASDAQ-100®, EURO STOXX 50®, Multi-Index Group, and Russell 2000®.
- **Index Crediting Method:** refers to the way that the change in the Index Value is calculated for each 12-month Index Period.
- **Index Participation Rate:** is the portion of the Index growth that will be used in the calculation of the Index Credit. The Index Participation Rate is subject to change, but it will never be less than the Minimum Index Participation Rate shown in the Policy.
- **Index Cap Rate:** is the maximum annual percentage increase that will be credited with the Annual Point-to-Point Index Crediting Method. It is subject to change, but will never be less than the Minimum Index Cap Rate shown in the Policy.
- **Index Spread:** is the difference between the index segment and the index percentage credited. Ex. If index growth is 20% and the index spread is 4%, the interest credit is 16%.
- **Index Credit:** is the amount that is actually credited to the Account Value based on the performance of the Index (excluding dividends). The Index Credit is only applied at the end of the Index Period. The Index Credit will never be less than the guaranteed floor rate of zero.
- **Index Period:** The length of consecutive time over which an Index Credit is calculated. This Policy uses a 12 month period. (Premium payments in the first month of the contract may have a shorter index period.)
- **Index Segment:** When you place premium or transfer money into an Index Selection, an Index Segment is created. Each Index Segment earns an Index Credit based on the Index Selection, unless the Index Segment ends before the end of the Index Period. The Policy may contain multiple Index Segments.

#### Crediting Methods

- **Annual Point-to-Point:** this method compares the value of the Index at the beginning of the Index Period and the value of the Index at the end of the Index Period. The amount credited to the Policy will depend on the change in the value of the Index at the end of the Index Period (all intermediate values are ignored). The rate credited will never be less than zero percent.
- **Index Spread:** this is an annual point to point crediting method using the S&P 500 index with 100% participation rate and without a cap. This method employs an index spread rate which may vary. Ex. If index growth is 20% and the index spread is 4%, the interest credit is 16%. The floor rate of 0% is applied after the spread rate is applied.
- **Multi-Index Annual Point-to-Point:** contains the following three indices: S&P 500®, EURO STOXX 50® and Russell 2000®. The annual point-to-point Index growth from each of the three individual indices derives the Multi-Index change. 50% of the best performing index growth plus 30% of the second best performing Index growth plus 20% of the third best performing Index growth equals the Multi-Index change. The Multi-Index change is subject to the Index Cap Rate and any earnings are credited and locked in at the end of the 12 month Index Period. The rate credited will never be less than zero percent.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

- **Monthly Point-to-Point:** this method looks at the value of the Index on each Monthly Index Date throughout the Index Period. At each Monthly Index Date, the Monthly Index Return is calculated and is limited by the current Monthly Index Cap Rate. The Monthly Point-to-Point crediting method does not use a monthly floor rate, but there is still an annual floor rate of 0%. The amount credited to the Policy will depend on the sum of the 12 Monthly Index Returns during the Index Period.
  - o **Monthly Index Return:** is based on the percentage increase or decrease in the Index.
  - o **Monthly Index Date:** is the same day of the month as the date on which the Index Segment was created.

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## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Available Index Selections

In this Policy, you can allocate premiums to an account that offers a fixed interest rate (the "Fixed Account"), and/or an account that offers an interest rate based on the performance of a combination of the following Index Options and one of the Index Crediting Methods (Index Selection). Together an Index Option and an Index Crediting method make an Index Selection.

#### Index Options

- Standard & Poor's 500® Composite Stock Price Index (**S&P 500®**)
- Standard & Poor's MidCap 400® Composite Stock Price Index (**S&P MidCap 400®**)
- NASDAQ-100® Stock Price Index (**NASDAQ-100®**)
- EURO STOXX 50® (**EURO STOXX 50®**)
- Multi-Index Group (**S&P 500®, Russell 2000®, and EURO STOXX 50®**)
- Russell 2000® Composite Stock Price Index (**Russell 2000®**)

#### Index Crediting Methods

*Refers to the way that the change in the Index Value is calculated for each Index Period*

- **Annual Point to Point** (available with S&P 500®, Uncapped S&P 500®, NASDAQ-100®, S&P MidCap 400®, Russell 2000® and EURO STOXX 50®)
- **Annual Point to Point Uncapped** (S&P 500®)
- **Annual Point to Point with Spread** (S&P 500®)
- **Annual Point to Point High Par** (S&P 500®)
- **Monthly Point-to-Point** (available with S&P 500®)
- **Multi-Index Annual Point-to-Point** (combination of the S&P 500®, Russell 2000®, and EURO STOXX 50®)

**If you choose to allocate premiums to an Index Selection(s), it is important that you understand that:** the interest credited to the Policy's Account Value will depend on the performance of the Index Option(s) you select and will never be less than zero; the premiums are not invested in any stocks, bonds or equity investments; the Index performance does not include dividends; the allocation does not represent an investment by you in any Index or stock market.

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**Rapid Builder IUL4**  
A Universal Life Insurance Policy Illustration

**Historical Returns & Current Illustrated Rate for Index Selections**

Indexed Universal Life Insurance (IUL)

The chart below shows historical returns for the index selection(s) that you selected based on the current Index Cap Rate, Index Floor Rate, and Index Participation Rate. The Maximum Illustrated Rate is the average return (using current cap rates) of a rolling 25 year period over a 65 year time span or, if less, the longest time span available. This rate can be no higher than the maximum rate for the S&P500 Annual Pt to Pt prescribed by the NAIC. These calculations assume that premium is paid on each business day of the year. Historical performance of the indices is not intended to predict or project performance.

The rate of return can vary significantly for individual business days. If your client allocates premium payments to more than one index selection, the Maximum Illustrated Rate that can be used will be a weighted average of each of the Maximum Illustrated Rates for the indices your client chooses, taking into account the percentage of premium you allocated to each Index. Those percentage allocations are shown at the beginning of the Tabular Detail pages.

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 client's Policy will depend on the actual change in the selected Index. The actual credited rate for any given year will almost certainly be different from the illustrated rate, as it is not possible to know in advance what the actual credited rate will be.

-----Average Rates of Return Rounded to the nearest 0.1%-----

*The Average Rate of Return uses the current Index Cap Rate, Index Participation Rate and Index Floor Rate and assumes money is deposited on each business day of the year.*

Index	Crediting Method	5 Year	10 Year	20 Year	25 Year	30 Year	40 Year	Max Illus. Rate
S&P 500®	Annual Pt-to-Pt	7.3%	6.5%	6.6%	6.8%	6.8%	6.6%	6.28%

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**Rapid Builder IUL4**  
 A Universal Life Insurance Policy Illustration

**Index Selections & Initial Premium Allocation**

	Index	Crediting Method	Min Index Par Rate	Current Index Par Rate	Min Index Cap Rate	Current Index Cap Rate	Min Index Floor	Current Index Floor	Current Spread Rate	Initial Premium Allocation
1	S&P 500®	Annual Pt-to-Pt	100%	100%	2%	10.5%	0%	0%	None	100.00%

Fixed Account Premium Allocation:

0.00%

*This illustration assumes that the premium allocation percentages shown above are used for the life of the Policy. However, you may change the percentage allocation of future premium payments at any time while the Policy is in force.*

The following chart shows the minimum, average, and maximum of the average annual returns of the S&P 500 index with the Annual Point-to-Point crediting method for rolling 25-year periods over the past 65 years. This calculation uses the Current Index Cap Rate of 11.5%, an Index Participation Rate of 100%, and an Index Floor Rate of 0%. The Average value is the Maximum Illustrated Rate allowed for this product.

Minimum	Average	Maximum
4.06%	6.28%	7.98%

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## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Historical Index Change Detail

The following chart shows historical detail for each year in the most recent 20-year period. "Index Change" shows the change for the specified Index and Index Crediting Method combination. "Return for Index Selection" shows the return for that Index Selection using the current Index Cap Rate, current Index Participation Rate, and the Index Floor Rate of 0%. The Average is the average annual return over the 20-year period. These calculations assume money is deposited on December 31. If December 31 is not a business day, the value from the next business day is used.

End Year	S&P 500 Annual PtP	
	Index Change	Return for Index Selection
1997	31.0%	10.5%
1998	26.7%	10.5%
1999	19.5%	10.5%
2000	-12.7%	0.0%
2001	-13.0%	0.0%
2002	-23.4%	0.0%
2003	26.4%	10.5%
2004	9.0%	9.0%
2005	4.7%	4.7%
2006	13.5%	10.5%
2007	3.5%	3.5%
2008	-38.5%	0.0%
2009	23.5%	10.5%
2010	12.8%	10.5%
2011	1.5%	1.5%
2012	13.4%	10.5%
2013	29.6%	10.5%
2014	11.4%	10.5%
2015	-0.7%	0.0%
2016	10.5%	10.5%
Average		6.7%

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

## Index Disclosures

### THE STANDARD & POOR'S 500® COMPOSITE STOCK PRICE INDEX THE STANDARD & POOR'S MIDCAP 400® COMPOSITE STOCK PRICE INDEX

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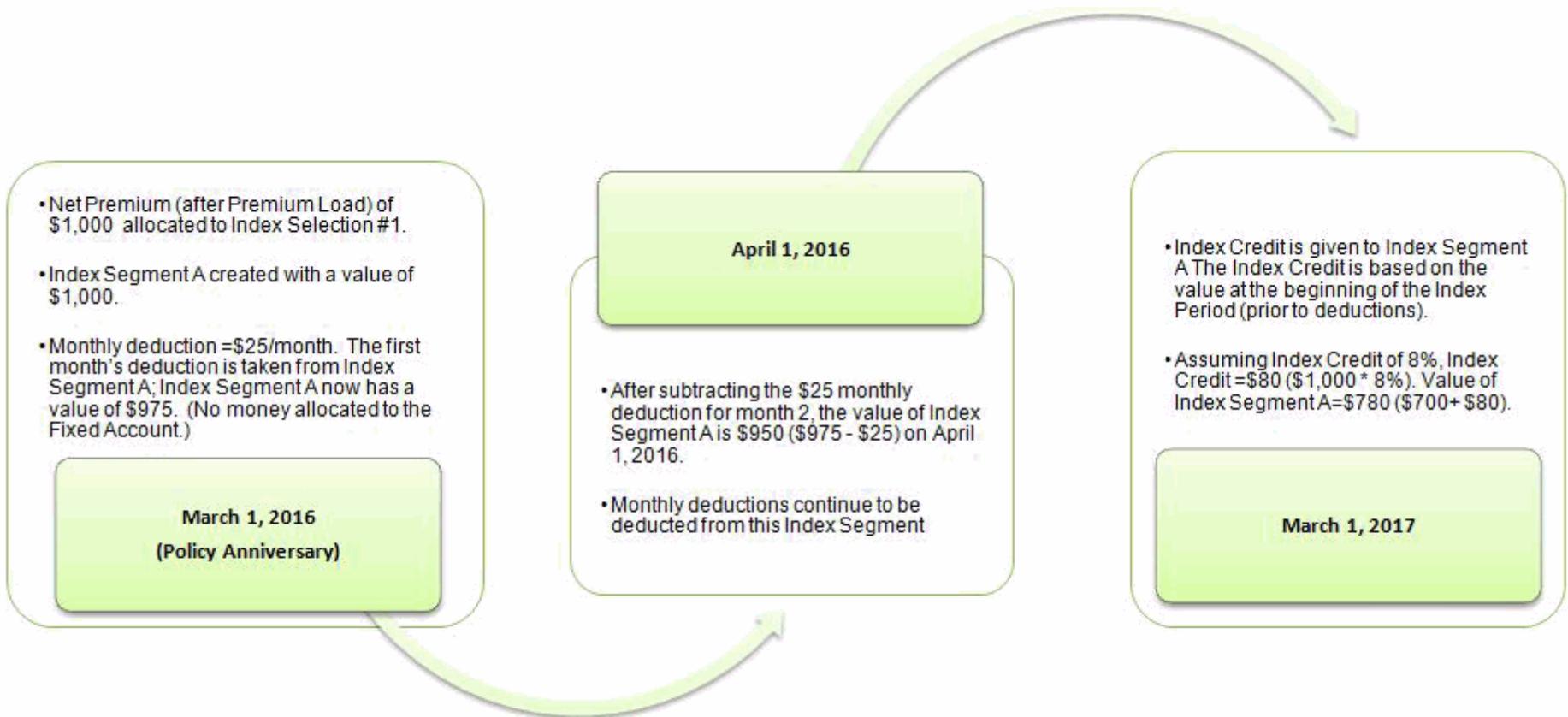
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**Rapid Builder IUL4**  
 A Universal Life Insurance Policy Illustration

**Indexed UL Hypothetical Example**

Assuming 100% allocated to Index: **S&P500® Annual Point-to-Point**



Any additional premium received would create additional Index Segments that would receive Index Credits on the appropriate Index Crediting Date.

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## Rapid Builder IUL4

### A Universal Life Insurance Policy Illustration

Prepared For: **Valued Client**

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

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

Initial Death Benefit: \$200,000 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; Minimum Account Value 2.5%				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	\$201,148	\$201,148	\$484,565	\$202,757	\$202,757	\$488,441	\$210,356	\$210,356	\$506,747
2	56/57 *	\$0.00	\$202,175	\$202,175	\$472,484	\$205,029	\$205,029	\$479,153	\$220,759	\$220,759	\$515,913
3	57/58 *	\$0.00	\$203,162	\$203,162	\$460,772	\$207,076	\$207,076	\$469,648	\$231,446	\$231,446	\$524,920
4	58/59 *	\$0.00	\$204,090	\$204,090	\$449,405	\$209,101	\$209,101	\$460,440	\$242,639	\$242,639	\$534,292
5	59/60 *	\$0.00	\$204,942	\$204,942	\$438,370	\$211,026	\$211,026	\$451,384	\$254,271	\$254,271	\$543,886
		<b>\$200,000.00</b>									
6	60/61 *	\$0.00	\$205,708	\$205,708	\$427,460	\$212,484	\$212,484	\$441,541	\$265,975	\$265,975	\$552,696
7	61/62 *	\$0.00	\$206,353	\$206,353	\$416,833	\$213,766	\$213,766	\$431,808	\$278,035	\$278,035	\$561,632
8	62/63 *	\$0.00	\$206,848	\$206,848	\$406,456	\$214,896	\$214,896	\$422,270	\$290,482	\$290,482	\$570,798
9	63/64 *	\$0.00	\$207,215	\$207,215	\$396,402	\$215,916	\$215,916	\$413,048	\$303,379	\$303,379	\$580,363
10	64/65 *	\$0.00	\$207,434	\$207,434	\$386,449	\$216,937	\$216,937	\$404,154	\$316,886	\$316,886	\$590,358
		<b>\$200,000.00</b>									
11	65/66 *	\$0.00	\$207,547	\$207,547	\$376,906	\$219,227	\$219,227	\$398,116	\$332,427	\$332,427	\$603,687
12	66/67 *	\$0.00	\$207,558	\$207,558	\$367,586	\$221,495	\$221,495	\$392,268	\$348,670	\$348,670	\$617,495
13	67/68 *	\$0.00	\$207,493	\$207,493	\$358,341	\$223,818	\$223,818	\$386,534	\$365,762	\$365,762	\$631,671
14	68/69 *	\$0.00	\$207,333	\$207,333	\$349,564	\$226,181	\$226,181	\$381,341	\$383,725	\$383,725	\$646,961
15	69/70 *	\$0.00	\$207,227	\$207,227	\$341,096	\$228,717	\$228,717	\$376,468	\$402,743	\$402,743	\$662,915
		<b>\$200,000.00</b>									

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Initial Annual Premium: \$0.00

Lump Sum: \$200,000.00 (Month 1)

### TABULAR DETAIL (Continued...)

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; Minimum Account Value 2.5%			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
16	70/71 *	\$0.00	\$207,035	\$207,035	\$332,705	\$231,236	\$231,236	\$371,596	\$425,648	\$425,648	\$684,017
17	71/72 *	\$0.00	\$206,704	\$206,704	\$324,732	\$233,684	\$233,684	\$367,117	\$449,684	\$449,684	\$706,453
18	72/73 *	\$0.00	\$206,224	\$206,224	\$316,554	\$236,181	\$236,181	\$362,539	\$475,126	\$475,126	\$729,319
19	73/74 *	\$0.00	\$205,610	\$205,610	\$308,827	\$238,663	\$238,663	\$358,471	\$501,927	\$501,927	\$753,894
20	74/75	\$0.00	\$204,879	\$204,879	\$301,172	\$241,122	\$241,122	\$354,449	\$530,144	\$530,144	\$779,312
		<b>\$200,000.00</b>									
21	75/76 *	\$0.00	\$204,017	\$204,017	\$293,785	\$243,588	\$243,588	\$350,767	\$559,914	\$559,914	\$806,276
22	76/77 *	\$0.00	\$203,028	\$203,028	\$286,472	\$246,071	\$246,071	\$347,206	\$591,339	\$591,339	\$834,379
23	77/78 *	\$0.00	\$201,891	\$201,891	\$279,215	\$248,557	\$248,557	\$343,754	\$624,480	\$624,480	\$863,656
24	78/79 *	\$0.00	\$200,585	\$200,585	\$272,194	\$251,095	\$251,095	\$340,736	\$659,548	\$659,548	\$895,006
25	79/80 *	\$0.00	\$199,096	\$199,096	\$265,395	\$253,633	\$253,633	\$338,093	\$696,524	\$696,524	\$928,466
		<b>\$200,000.00</b>									
26	80/81 *	\$0.00	\$197,429	\$197,429	\$258,632	\$256,158	\$256,158	\$335,567	\$735,470	\$735,470	\$963,466
27	81/82 *	\$0.00	\$195,602	\$195,602	\$251,936	\$258,588	\$258,588	\$333,061	\$776,260	\$776,260	\$999,823
28	82/83 *	\$0.00	\$193,627	\$193,627	\$245,519	\$260,947	\$260,947	\$330,880	\$819,042	\$819,042	\$1,038,546
29	83/84 *	\$0.00	\$191,513	\$191,513	\$239,200	\$263,237	\$263,237	\$328,783	\$863,908	\$863,908	\$1,079,021
30	84/85	\$0.00	\$189,237	\$189,237	\$233,140	\$265,454	\$265,454	\$327,039	\$910,936	\$910,936	\$1,122,273
		<b>\$200,000.00</b>									

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Initial Death Benefit: \$200,000 DB Option Level

Initial Annual Premium: \$0.00

Lump Sum: \$200,000.00 (Month 1)

### TABULAR DETAIL (Continued...)

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; Minimum Account Value 2.5%			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
31	85/86 *	\$0.00	\$186,820	\$186,820	\$226,987	\$267,598	\$267,598	\$325,131	\$960,219	\$960,219	\$1,166,666
32	86/87 *	\$0.00	\$184,243	\$184,243	\$221,092	\$269,594	\$269,594	\$323,513	\$1,011,596	\$1,011,596	\$1,213,915
33	87/88 *	\$0.00	\$181,518	\$181,518	\$215,280	\$271,434	\$271,434	\$321,921	\$1,065,097	\$1,065,097	\$1,263,205
34	88/89 *	\$0.00	\$178,658	\$178,658	\$209,566	\$273,147	\$273,147	\$320,402	\$1,120,896	\$1,120,896	\$1,314,811
35	89/90 *	\$0.00	\$175,684	\$175,684	\$203,969	\$274,688	\$274,688	\$318,913	\$1,178,890	\$1,178,890	\$1,368,692
		<b>\$200,000.00</b>									
36	90/91 *	\$0.00	\$172,580	\$172,580	\$200,000	\$276,121	\$276,121	\$317,539	\$1,239,399	\$1,239,399	\$1,425,308
37	91/92 *	\$0.00	\$168,229	\$168,229	\$200,000	\$277,410	\$277,410	\$315,970	\$1,302,353	\$1,302,353	\$1,483,381
38	92/93 *	\$0.00	\$161,878	\$161,878	\$200,000	\$278,529	\$278,529	\$314,459	\$1,367,703	\$1,367,703	\$1,544,136
39	93/94 *	\$0.00	\$152,548	\$152,548	\$200,000	\$279,494	\$279,494	\$312,754	\$1,435,576	\$1,435,576	\$1,606,410
40	94/95 *	\$0.00	\$138,688	\$138,688	\$200,000	\$280,310	\$280,310	\$310,863	\$1,506,054	\$1,506,054	\$1,670,214
		<b>\$200,000.00</b>									
41	95/96 *	\$0.00	\$117,869	\$117,869	\$200,000	\$281,070	\$281,070	\$308,896	\$1,579,698	\$1,579,698	\$1,736,088
42	96/97 *	\$0.00	\$86,210	\$86,210	\$200,000	\$281,823	\$281,823	\$306,623	\$1,656,889	\$1,656,889	\$1,802,696
43	97/98 *	\$0.00	\$36,986	\$36,986	\$200,000	\$282,847	\$282,847	\$304,060	\$1,739,402	\$1,739,402	\$1,869,858
44	98/99 *	\$0.00	\$0	\$0	\$0	\$283,532	\$283,532	\$303,379	\$1,823,973	\$1,823,973	\$1,951,652
45	99/100 *	\$0.00	\$0	\$0	\$0	\$283,835	\$283,835	\$302,852	\$1,910,251	\$1,910,251	\$2,038,237
		<b>\$200,000.00</b>									

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

Initial Death Benefit: \$200,000 DB Option Level

Initial Annual Premium: \$0.00

Lump Sum: \$200,000.00 (Month 1)

### TABULAR DETAIL (Continued...)

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		Guaranteed Maximum Charges; Minimum Account Value 2.5%				Non-Guaranteed Alternate Current Charges; Minimum Account Value 2.5%			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
46	100/101*	\$0.00	\$0	\$0	\$0	\$290,931	\$290,931	\$309,260	\$2,044,541	\$2,044,541	\$2,173,347
47	101/102*	\$0.00	\$0	\$0	\$0	\$298,204	\$298,204	\$316,096	\$2,188,273	\$2,188,273	\$2,319,569
48	102/103*	\$0.00	\$0	\$0	\$0	\$305,659	\$305,659	\$323,082	\$2,342,108	\$2,342,108	\$2,475,608
49	103/104*	\$0.00	\$0	\$0	\$0	\$313,300	\$313,300	\$330,219	\$2,506,758	\$2,506,758	\$2,642,123
50	104/105	\$0.00	\$0	\$0	\$0	\$321,133	\$321,133	\$337,511	\$2,682,983	\$2,682,983	\$2,819,816
		<b>\$200,000.00</b>									
51	105/106*	\$0.00	\$0	\$0	\$0	\$329,161	\$329,161	\$344,961	\$2,871,597	\$2,871,597	\$3,009,434
52	106/107*	\$0.00	\$0	\$0	\$0	\$337,390	\$337,390	\$352,572	\$3,073,470	\$3,073,470	\$3,211,777
53	107/108*	\$0.00	\$0	\$0	\$0	\$345,824	\$345,824	\$360,695	\$3,289,535	\$3,289,535	\$3,430,985
54	108/109*	\$0.00	\$0	\$0	\$0	\$354,470	\$354,470	\$368,649	\$3,520,790	\$3,520,790	\$3,661,621
55	109/110*	\$0.00	\$0	\$0	\$0	\$363,332	\$363,332	\$377,138	\$3,768,301	\$3,768,301	\$3,911,497
		<b>\$200,000.00</b>									
56	110/111*	\$0.00	\$0	\$0	\$0	\$372,415	\$372,415	\$385,449	\$4,033,213	\$4,033,213	\$4,174,375
57	111/112*	\$0.00	\$0	\$0	\$0	\$381,725	\$381,725	\$394,322	\$4,316,748	\$4,316,748	\$4,459,200
58	112/113*	\$0.00	\$0	\$0	\$0	\$391,268	\$391,268	\$404,180	\$4,620,215	\$4,620,215	\$4,772,682
59	113/114*	\$0.00	\$0	\$0	\$0	\$401,049	\$401,049	\$414,284	\$4,945,016	\$4,945,016	\$5,108,202
60	114/115	\$0.00	\$0	\$0	\$0	\$411,075	\$411,075	\$424,230	\$5,292,651	\$5,292,651	\$5,462,016
		<b>\$200,000.00</b>									

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Initial Annual Premium: \$0.00

Lump Sum: \$200,000.00 (Month 1)

### TABULAR DETAIL (Continued...)

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; Minimum Account Value 2.5%			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
61	115/116*	\$0.00	\$0	\$0	\$0	\$421,352	\$421,352	\$434,835	\$5,664,724	\$5,664,724	\$5,845,995
62	116/117*	\$0.00	\$0	\$0	\$0	\$431,886	\$431,886	\$445,706	\$6,062,954	\$6,062,954	\$6,256,969
63	117/118*	\$0.00	\$0	\$0	\$0	\$442,683	\$442,683	\$456,406	\$6,489,180	\$6,489,180	\$6,690,345
64	118/119*	\$0.00	\$0	\$0	\$0	\$453,750	\$453,750	\$466,454	\$6,945,369	\$6,945,369	\$7,139,840
65	119/120*	\$0.00	\$0	\$0	\$0	\$465,093	\$465,093	\$474,395	\$7,433,629	\$7,433,629	\$7,582,301
		<b>\$200,000.00</b>									

**Tabular Detail Descriptions:**

Non-Guaranteed Alternate interest rates for Index Selections: 0.01% all years.

Non-Guaranteed interest rates for Index Selections: 6.28% all years.

(\* Non-Guaranteed Alternate values shown for this year are based on the Minimum Account Value

**Selected Riders:**

Waiver of Surrender Charge Option

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MODIFIED ENDOWMENT CONTRACT DISCLOSURE STATEMENT

A Modified Endowment Contract (MEC) is a life insurance Policy under which the gross premiums paid at any time during the first seven years, or during any 7-year testing period following a material change, exceed the sum of the annual net level premiums under the statutory 7 pay test. Also, if you are exchanging a MEC for a new life insurance Policy, the new Policy will automatically be a MEC regardless of the amount of premiums paid.

In addition, payment of premiums in excess of Necessary Premium as defined by the Internal Revenue Code (IRC), will usually cause a Policy to become a MEC.

Your Plan of insurance, as proposed, is a MEC. Once a MEC you should be aware that:

- 1) Any cash distributions, withdrawals or loans made at any time during the life of the Policy will be includable in your taxable income to the extent that there is gain in your Policy.
2) Such distributions will also be subject to a 10% penalty tax (on amounts includable as income) unless you have attained age 59 1/2, or otherwise meet the narrow requirements of IRC Section 72(v).

The information given above is NOT intended as legal or tax advice. For such advice, you should consult your attorney or tax advisor.

I acknowledge that I have read this disclosure statement and understand that the proposed plan of insurance would be a MEC and subject to the tax treatment as outlined above. I further understand that this illustration is not part of the contract and it does not predict actual performance.

X \_\_\_\_\_ Date \_\_\_\_\_
First Policy Owner/Applicant Signature

X \_\_\_\_\_ Date \_\_\_\_\_
Second Policy Owner/Applicant Signature

X \_\_\_\_\_
Agent Signature

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## Rapid Builder IUL4

A Universal Life Insurance Policy Illustration

### Policy Summary

**First Year Annualized Premium: \$200,000.00**

**Interest and Cost Scenarios:**

- Guaranteed:** Maximum charges at Minimum Account Value of 2.5%
- Midpoint:** Interest and charges half way between illustrated & guaranteed (Interest and charges are different than those used in previous Non-Guaranteed Alternate scenarios.)
- Non-Guaranteed:** Current charges at Index Credits & Fixed Account interest rate patterns as shown at the end of the tabular detail

**Non-guaranteed benefits and values are subject to change and may be more or less favorable than shown.**

		Guaranteed		Non-Guaranteed Midpoint		Non-Guaranteed	
End of Year	Beg/ End of Year Age	Surrender Value	Death Benefit	Surrender Value	Death Benefit	Surrender Value	Death Benefit
<b>5</b>	59/60	\$204,942	\$438,370	\$223,238	\$477,506	\$254,271	<b>\$543,886</b>
<b>10</b>	64/65	\$207,434	\$386,449	\$245,098	\$456,617	\$316,886	<b>\$590,358</b>
<b>15</b>	69/70	\$207,227	\$341,096	\$271,244	\$446,468	\$402,743	<b>\$662,915</b>
<b>20</b>	74/75	\$204,879	\$301,172	\$306,377	\$450,375	\$530,144	<b>\$779,312</b>
<b>Last Policy Year a Death Benefit is Supported*</b>			<b>44</b>		<b>N/A</b>		<b>N/A</b>

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed. I further understand that this illustration is not part of the contract and it does not predict actual performance.

X \_\_\_\_\_ Date \_\_\_\_\_  
**First Policy Owner/Applicant Signature**

X \_\_\_\_\_ Date \_\_\_\_\_  
**Second Policy Owner/Applicant Signature**

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration or any promises about future performance or values of the Policy.

X \_\_\_\_\_ Date \_\_\_\_\_  
**Agent Signature**

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

*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.*

**COMMISSION OPTION SELECTION**

**For Agent Use Only**

Prepared For: Valued Client

Submit this form with application.

This selection cannot be changed after issue.

If no election is made option A will be the default.

For additional information refer to the supplemental commission report in the illustration software.

Commission Option      A

Agent Signature \_\_\_\_\_

Date \_\_\_\_\_