

# North American **Guarantee Choice<sup>SM</sup> II**

Lock in Years of  
Financial Stability Today

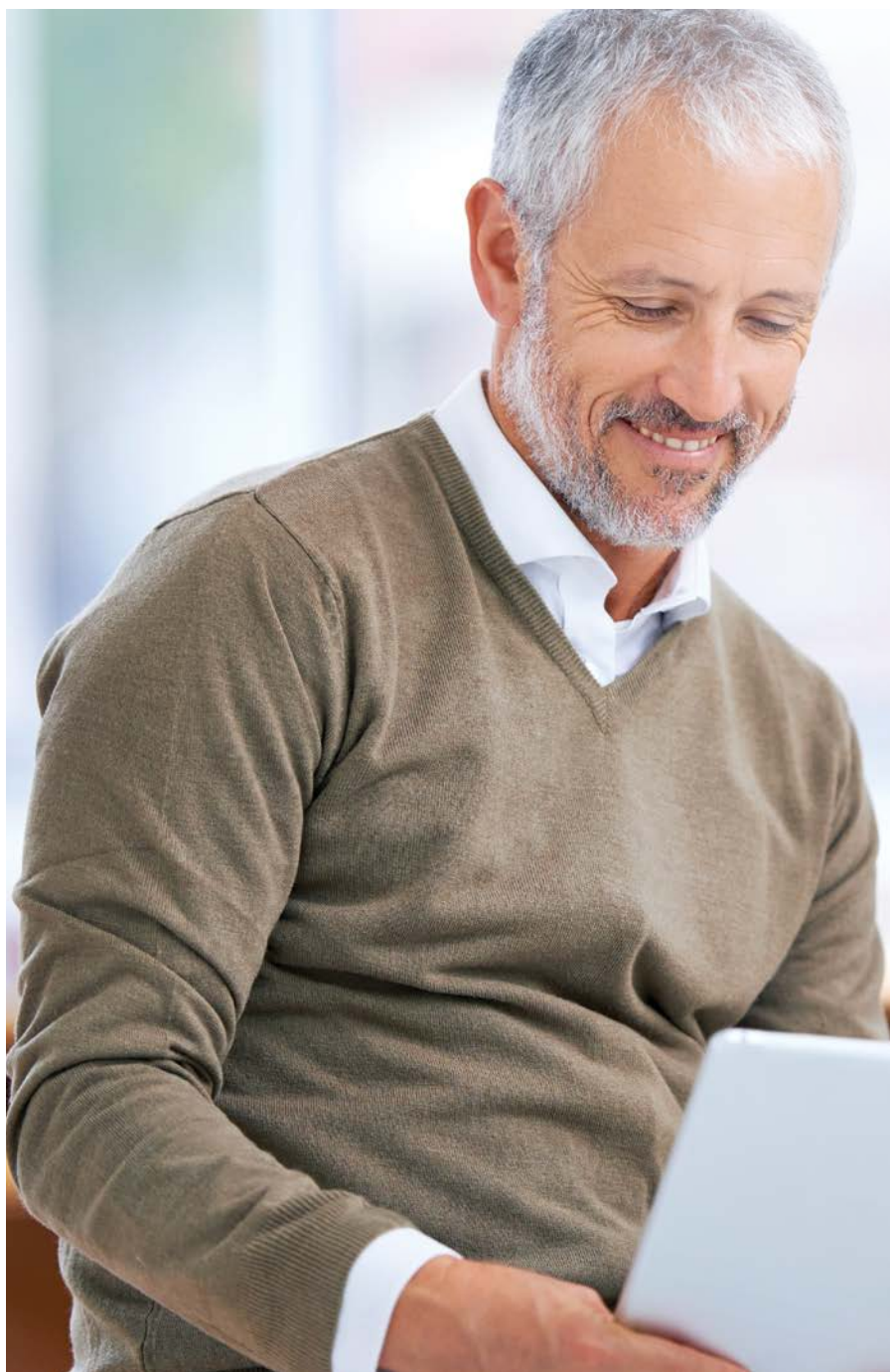


*Annuity*

# Secure Your Retirement Savings with North American Guarantee Choice II

Get more from your annuity with North American Guarantee Choice<sup>SM</sup> II Multi-Year Guarantee Annuity from North American Company for Life and Health Insurance<sup>®</sup>.

The single-premium, multi-year guarantee annuity (MYGA) is designed to help you reach your retirement goals and enjoy the financial freedom you so richly deserve.



## What Sets North American Guarantee Choice II Apart?

North American Guarantee Choice II is a flexible solution with the potential for a better return than some other fixed-rate products. You choose the rate and guarantee period combination that's best for you. You have the ability to take some withdrawals penalty-free, and you get to choose if and when you want to start drawing income from the annuity.

We know the choices you make as you prepare for retirement may seem overwhelming, but you can count on the expertise of your insurance agent and North American to support you every step of the way.

## Tax-deferral improves growth potential

Your money grows on a tax-deferred basis, meaning more of it is working for you. You'll owe taxes on the back end when you access your money. But you choose when you'll pay taxes, giving you more control.

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

## The more you set aside, the better your rate

Contribute \$200,000 or more (known as your annuity premium), and you'll receive a higher interest rate.

## Strike a balance between security and flexibility

Choose from guaranteed interest rate periods of anywhere from three to 10 years. *(In California and Connecticut, choose from three to five years.)*

## Provide a lasting legacy

Your beneficiaries will get the remaining value of your annuity as a death benefit – either in an immediate lump sum or in installments. And, because annuities may avoid probate, they may not have to wait.

*Please consult with and rely on your own legal or tax advisor and refer to your contract for situations of joint owners and annuitants.*

## Issue Ages (May Vary by State)

Available to issue ages 0-90 (qualified and non-qualified)

*For issue ages 0-17, a Uniform Gift to Minors Act (UGMA) or Uniform Transfers to Minors Act (UTMA) custodial account must be established.*

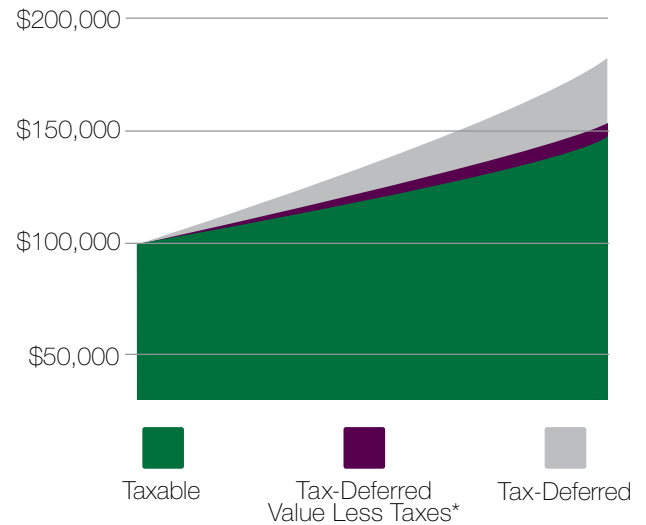
## Minimum Premium/Premium Banding

Single Premium, \$10,000 non-qualified and \$2,000 qualified.

Premium banding on interest rates - for initial premium amounts of \$200,000 or more, you will receive a higher interest rate.

Low Band: Less than \$200,000 and  
High Band: \$200,000 or more.

## The Power of Tax-Deferral



*The chart is a hypothetical example of tax-deferral and assumes an initial premium of \$100,000 earning 4.00% compounded annual rate of return for 15 years and a 33% tax rate. It is not intended to predict or project performance.*

*\* The tax-deferred value less taxes represents the increase in value, due to tax-deferral, less taxes at an assumed rate of 33% with no surrender charge or Market Interest Adjustment applied.*

## Why Choose North American®?

In good times and in bad, over the last 30 years, we've remained one of the most highly rated insurance companies in the U.S., rated A+ (Superior) by A.M. Best.<sup>a</sup>



*Annuity*

# Options for Accessing Your Money

North American Guarantee Choice II offers a variety of features to make it easier to access your money on your schedule.

## Your Payout Options

You may decide to begin receiving income payments from your annuity at the end of each guarantee period (in **Florida**, after the first contract year). These optional payouts are available in deferred annuities like North American Guarantee Choice II but are not required.

Once a payout option is elected, however, it can't be changed, and all other rights and benefits under the annuity end.

If you chose to put in money that was already taxed, your annuity would be considered a non-qualified plan. A portion of each income payout from a non-qualified plan would be considered a return of premium. That amount would not be taxable.

In all states except **Florida**, by current company practice\*, you may receive an income from the Accumulation Value after the first contract year (without surrender charges or Interest Adjustment) if you choose a Life Income Option.

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

## Payout Options

With the exception of life income options, income options are available from 5 to 20 years.

Choose from:

- income for a specified period
- income for a specified amount
- life income with a period certain
- life income
- joint and survivor life income

### For Florida

You may select an annuity payout option based on the Accumulation Value at any time after the first contract year. The following options are available:

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



## What if You Need Your Money Sooner than You Planned?

Like most annuities, you'll be limited in when and how much you can withdraw from your annuity. However, North American Guarantee Choice II does allow you access to a portion of your money each year equal to the interest earned that year.

Taking out more money will incur a charge, called a surrender charge, which applies during the guarantee period you choose. An interest adjustment also applies during each guarantee period.

Withdrawals may be treated by the government as ordinary income. If taken prior to age 59½, a withdrawal could also be subject to a 10% IRS penalty. Withdrawals will reduce your accumulation value accordingly.

## How and When You Can Take Penalty-Free Withdrawals

After the first contract anniversary, you may choose to take a penalty-free withdrawal (also known as a penalty-free partial surrender) equal to the interest earned each year. If you withdraw more than interest earned in a year, a surrender charge and interest adjustment may apply.

By current company practice\*, you can elect to receive interest withdrawal payments on a monthly, quarterly, semi-annual or annual basis, beginning as early as 30 days after your annuity is issued. Called a systematic withdrawal, these scheduled payments are penalty-free but must be at least \$50 each.

## Required Minimum Distribution

Surrender charges and Interest Adjustments on any portion of an IRS-Required Minimum Distributions exceeding the penalty-free withdrawal amount will be waived by current company practice\*.

## Nursing Home Confinement Waiver (For Connecticut, known as the Free Withdrawal Benefit for Nursing Home Confinement Rider)

After the first contract anniversary, if the annuitant becomes confined to a qualified nursing home facility for at least 90 consecutive days, we will increase the penalty-free withdrawal amount by 10% of the Accumulation Value each year while the annuitant is confined. This waiver is only available for issue ages 75 and younger and is automatically included with your annuity at no additional charge.

*In states where waiver is approved. Please contact your sales representative for state availability. If joint annuitants are named on the annuity, waiver will apply to the first annuitant who qualifies for the benefit.*

## Renewal Options Available to You When Your Guarantee Period is Up

When your annuity reaches the end of a guarantee period, you're able to renew your annuity for another period at a new guaranteed interest rate. You will have a 30-day window to select a guarantee period from those available, elect a payout option or withdraw your accumulation value. If no election is made, we'll automatically renew your annuity for an available guarantee period as described in your contract. Typically, this automatic renewal would be for the same guarantee period you selected originally but may vary.

Within this 30-day window, no surrender charges or interest adjustment will apply. After the 30-day window, a new guarantee period, guarantee period interest rate, surrender charge schedule and interest adjustment will be applied. **In California and Connecticut**, after the 30-day window, a new guarantee period interest rate and interest adjustment/market value adjustment will apply, and surrender charges cease.

If you renew and start a new guarantee period, the interest rate may differ from the interest rate during your initial guarantee period.

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



## Interest Adjustment

*(Also known as Market Value Adjustment)*

North American Guarantee Choice II also includes an interest adjustment that will be applied during each guarantee period. The interest adjustment may decrease or increase your surrender value, depending on the change in interest rates since the beginning of the guarantee period.

Lower interest rates at time of issue may result in less opportunity for a positive interest adjustment in future contract years. In certain rate scenarios at the time of issue, it may not be possible to experience a positive interest adjustment.

Due to the mechanics of an interest adjustment feature, the surrender value generally decreases as interest rates rise or remain constant. Likewise, when interest rates have decreased enough over a period of time, the surrender value generally increases. However, the interest adjustment is limited to the interest credited to the accumulation value.

During each guarantee period, the interest adjustment is applied to amounts withdrawn (as a full or partial surrender) that exceed the applicable penalty-free amount.

In **California**, the Interest Adjustment is limited to the lesser of 0.50% of the Accumulation Value or the total interest credited in the current guarantee period less the amount of all prior Interest Adjustments since the beginning of the current guarantee period.

*See the "Understanding the Market Value Adjustment" brochure for more information.*

## Surrender Value

The surrender value is the amount that is available at the time of surrender. The surrender value is equal to the accumulation value, subject to the interest adjustment, less applicable surrender charges and state premium taxes (where applicable). The minimum surrender value will not be less than 87.5% of all premiums; less any partial surrenders (after interest adjustment or reductions for surrender charges); accumulated at 1.00%, or otherwise directed by your Contract.

## Surrender Charges

Surrender charges allow the company to invest your money on a long-term basis and generally credit higher rates than possible with a similar annuity of shorter term. Surrender charges are based on your chosen guarantee period.

During each guarantee period, a surrender charge is assessed on any amount withdrawn, whether as a partial or full surrender, that exceeds the penalty-free amount applicable and may result in a loss of premium.

*A surrender during each guarantee period could result in a loss of premium. Surrender charge structure may vary by state.*

### Surrender Charge Schedule

Contract Year	10-Year	9-Year	8-Year	7-Year	6-Year	5-Year	4-Year	3-Year
1	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
2	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%
3	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
4	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	
5	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%		
6	4.75%	4.75%	4.75%	4.75%	4.75%			
7	3.80%	3.80%	3.80%	3.80%				
8	2.85%	2.85%	2.85%					
9	1.90%	1.90%						
10	.95%							

*On the contract anniversary following the Annuitant's 100th birthday the Surrender Charge percentage will be reduced to zero percent.*

### Surrender Charge Schedule State Variation for Connecticut and Florida

*For Connecticut, 6-10 year guarantee interest rate/surrender charge periods are not available.*

Contract Year	10-Year	9-Year	8-Year	7-Year	6-Year	5-Year	4-Year	3-Year
1	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
2	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
3	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
4	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	
5	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		
6	4.00%	4.00%	4.00%	4.00%	4.00%			
7	3.00%	3.00%	3.00%	3.00%				
8	2.00%	2.00%	2.00%					
9	1.00%	1.00%						
10	.75%							

### Surrender Charge Schedule State Variation for California

Contract Year	5-Year	4-Year	3-Year
1	8.00%	8.00%	8.00%
2	7.15%	7.15%	7.15%
3	6.20%	6.20%	6.20%
4	5.25%	5.25%	
5	4.30%		

# Protect Your Assets and Those You Love with an Industry Leader

North American Company for Life and Health Insurance® is a leading insurance company in the U.S. Throughout our 100+ year history, we've focused on providing growth, income, and financial protection to the clients we serve. Our insurance and annuity products have consistently provided value to our clients - in all types of market and economic environments.

For nearly 30 years, North American has continued to earn high ratings, based on our financial strength, operating performance, and ability to meet obligations to our policyholders and contract holders. North American currently holds the following ratings:

A.M. BEST <sup>A,B</sup>	S&P GLOBAL RATINGS <sup>B,C</sup>	<p>A.M. Best is a large third-party independent reporting and rating company that rates an insurance company on the basis of the company's financial strength, operating performance, and ability to meet its obligations to policyholders. S&amp;P Global Ratings is an independent, third-party rating firm that rates on the basis of financial strength. Ratings shown reflect the opinions of the rating agencies and are not implied warranties of the company's ability to meet its financial obligations. The ratings to the left apply to North American's financial strength and claims-paying ability. a) A.M. Best rating affirmed on July 14, 2016. For the latest rating, access <a href="http://www.ambest.com">www.ambest.com</a>. b) Awarded to North American as part of Sammons® Financial Group Inc., which consists of Midland National® Life Insurance Company and North American Company for Life and Health Insurance®. c) Standard &amp; Poor's rating assigned February 26, 2009 and affirmed on October 19, 2016.</p>
<p style="font-size: 2em; color: #008000;">“A+”</p> <p style="color: #008000;">(Superior)</p> <p style="color: #008000;">(2nd category of 15)</p> <p style="color: #008000;">Superior ability to meet ongoing obligations to policyholders</p>	<p style="font-size: 2em; color: #008000;">“A+”</p> <p style="color: #008000;">(Strong)</p> <p style="color: #008000;">(5th category of 22)</p> <p style="color: #008000;">Very strong financial security characteristics</p>	

This brochure is for solicitation purposes only. Please refer to your Contract for any other specific information. With every contract that North American® issues there is a free-look period. This gives you the right to review your entire Contract and if you are not satisfied, return it and have your premium returned.

The North American Guarantee Choice<sup>SM</sup> II is issued on form ICC12-NA1002A/NA1000A (contract) ICC12-AE539A, ICC12-LR356A, ICC12-LR357A, ICC12-LR385A, LR427A, LR433A, LR441A, LR441A-1, AE515A and AE516A (riders/endorsements) by North American Company for Life and Health Insurance®, West Des Moines, IA. This product and its features may not be available in all states.

Premium taxes: Accumulation Value will be reduced for premium taxes as required by the state of residence.

### Special Notice Regarding The Use Of A Living Trust As Owner Or Beneficiary Of This Annuity.

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

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



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<b>Not FDIC/NCUA Insured</b>	<b>Not a Deposit Of A Bank</b>	<b>Not Bank Guaranteed</b>
<b>May Lose Value</b>	<b>Not Insured By Any Federal Government Agency</b>	