

CUSTOM

# ACCUMULATOR<sup>®</sup> III

Universal life insurance designed to provide strong cash value accumulations, making it ideal for:

- College funding
- Retirement funding

Return of premium

- 95% up to policy year 5
- 100% policy years 6-10 (through issue age 64)
- 100% policy years 6-7 (issue age 65+)

Fast & Fair Underwriting

- Featuring five underwriting classifications, including Super Preferred Non-Tobacco.

Chronic Illness Accelerated Benefit Rider

- Available at no additional premium

MARKETING  
GUIDE



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

PR-1084

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## MARKETING CUSTOM ACCUMULATOR III

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Universal life insurance can be used as an estate planning tool for many clients who are conscious of the tax ramifications for their accumulated assets, particularly as they head towards retirement. Typical concerns these clients express are protection of assets, tax-deferred growth, accessibility of assets in an emergency to supplement income, and tax advantages upon distribution of assets.

Custom Accumulator III, as part of our universal life insurance product portfolio that provides lifetime death benefit protection, addresses these concerns plus offers powerful additional advantages:

- Return of premium
- Low net cost loans
- Strong cash value accumulations

With these advantages, Custom Accumulator III is the ideal fit for your clients considering:

- Asset reallocation
- An annuity transfer when there are no plans for annuitization
- College funding
- Retirement funding

### **Asset Protection and Reallocation**

Custom Accumulator III can provide the policy owner a guaranteed return of premium (available as policy cash surrender value) throughout the first 10 policy years (seven years for issue age 65+). This is an attractive benefit especially for your clients who have assets available to them in a lump sum that they wish to reposition, such as an annuity transfer when there are no plans for annuitization, or a 1035 transfer.

The return of premium feature can be beneficial for your clients who wish to leverage currently taxed savings and investment vehicles into one option that provides an immediate estate value increase.<sup>1</sup>

<sup>1</sup> North American 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.

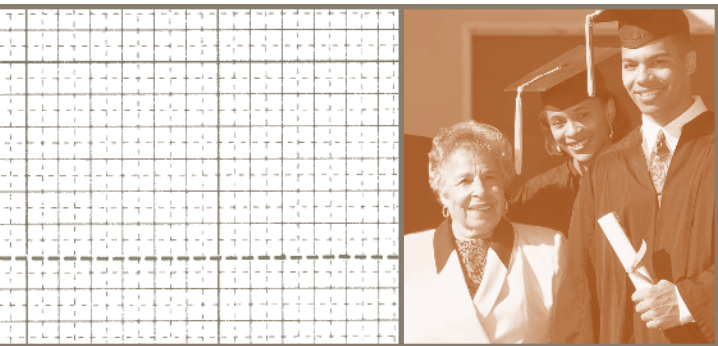
## SPECIAL MARKET NICHE!

### College and Retirement Planning

Prospects planning on borrowing funds for college or retirement expenses will appreciate Custom Accumulator III's low net cost loans in the first 10 policy years and 0% net cost loans in years 11 and beyond.

Plus, Custom Accumulator III has the attractive Chronic Illness Accelerated Benefit Rider feature, which is automatically included.\* Your clients will appreciate this value added benefit as a means to help maintain their quality of life and financial security, should they be diagnosed with a chronic illness\*\*. They'll also appreciate that the Chronic Illness Accelerated Benefit Rider is included as part of their coverage at no additional premium! See the Chronic Illness Accelerated Benefit Rider guide (PR-1080) for complete details.

Illustrate a case today to see how Custom Accumulator III performs for your clients!



\* Subject to issue age and underwriting requirements.

\*\* Physician certification required to exercise this benefit.



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## **CUSTOM ACCUMULATOR III PRODUCT SPECIFICATIONS**

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The following product details are highlights of Custom Accumulator III. For complete details, please visit our distributor website, Producer's InfoNet, at [www.producersinfonet.com](http://www.producersinfonet.com).

Also, be sure to consult our illustration software—you'll find helpful tools that are designed to provide answers quickly and easily!

### **Minimum Face Amount**

- \$50,000

### **Issue Ages**

- 15 days-75 years (age nearest)

### **Minimum Premium**

- For clients 64 and younger at issue, coverage is guaranteed for ten years provided the no-lapse guarantee minimum premium is paid during the first ten policy years (coverage guaranteed for five years for issue ages 65-75)
- On a current and guaranteed basis, the policyholder is allowed to "catch-up" on the no-lapse guarantee minimum premium

Please consult our illustration software for premium rates.

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**GREAT COMMISSION OPPORTUNITY FOR YOU!**

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### **Target Premium**

- Target Premiums are based upon age, gender, specified amount, death benefit option, underwriting class, riders and ratings.

Please consult our illustration software for Target Premium rates.

## Return of Premium

The premium paid within six months of the policy issue date is measured against a tabular formula based on age, gender, specified amount, underwriting class, riders and ratings. Meeting the Return of Premium threshold requirement guarantees the policy surrender value amount will never be less than the sum of the premiums paid to the surrender date multiplied by the Return of Premium percentage (as noted in the table below) less the cost of riders, any loan balance, and partial surrenders. The Return of Premium percentage varies by policy year and issue ages:

Return of Premium %	Policy Year
95%	first 5 policy years
100%	policy years 6-10 (through issue age 64) policy years 6-7 (issue ages 65+)

### Example: How Return of Premium Works

Assume that a 50-year old, Super Preferred Non-Tobacco male purchasing a \$500,000 level death benefit Custom Accumulator III policy (with no riders) pays a \$130,000 premium within the first six months of the policy issue date and makes no loans or withdrawals during the first year. According to an illustration from North American's Illustration Software, the premium is sufficient to meet the Return of Premium requirements. The amount available for surrender during the first policy year is then guaranteed to be \$123,500. Any premiums paid in the first six months of the policy's effective date apply toward the premium needed to qualify.

BE SURE TO CHECK OUT THE  
SALES TOOLS SECTION OF OUR  
SOFTWARE TO HELP DETERMINE  
YOUR CLIENTS' NEEDS!



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## Interest Rate

- 2.5% guaranteed in all years is credited to the account value
- 1.0% bonus in year 6+ on a non-guaranteed basis (bonus interest not applied to loaned funds)
- Current rate set by company—only non-loaned policy values gain current rate

## Withdrawals

- Partial withdrawals are available starting in the second policy year.
- The maximum cumulative withdrawal in policy year two is equal to 25% of the cumulative premium paid to date less the cumulative annual minimum premium requirement, less all prior withdrawals.
- In each successive policy year, the withdrawal availability increases by 25%, capped at 100% starting in policy year five through the end of the Return of Premium period. Note, however, that during the Return of Premium period any withdrawal amount cannot exceed the greater of the surrender value or the Return of Premium Benefit, if applicable.
- Payment of at least the minimum annual premium preserves the maximum withdrawal availability.

## Surrenders

- Surrender charges decrease on a monthly basis for policy years 1 through 15
- Surrender charges vary by age, sex, issue class and amount of coverage
- Consult illustration software for surrender charges for all ages and durations

## Loans

- Please refer to the illustration software for the current loan interest rate. For the first 10 policy years, the policy loan interest rate is guaranteed not to exceed 8.0%.
- Beginning in the 11th policy year, loans have no net cost because the loan interest rate and the credited interest rate are both set at 2.5% resulting in a 0% net loan interest rate

## Death Benefits

There are two Death Benefit options with Custom Accumulator III:

- Level Death Benefit, where the death benefit generally remains level, at the Specified Amount
- Increasing Death Benefit, where the death benefit is the Specified Amount plus the Account Value in the policy

## Maturity Date

- To age 120, age nearest birthday

## Specified Amount Changes

Increases

- Available after the first policy year with satisfactory evidence of insurability
- Minimum increase amount is \$25,000

Decreases

- Available after the second policy year
- Minimum decrease amount is \$5,000

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**GREAT FOR COLLEGE AND  
RETIREMENT FUNDING!**

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## VALUABLE BENEFIT AT NO COST!

### **Accelerated Benefit Endorsement\***

The owner can request an advance of up to 75% of the policy's face amount (up to \$250,000) if diagnosed for the first time after policy issue as having a terminal illness which would likely result in death within two years. The endorsement is not available to insureds rated over Table 4 or on policies that contain a flat extra due to medical reasons. There is no additional cost for this benefit.

### **Chronic Illness Accelerated Benefit Rider\***

This accelerated benefit rider advances a portion of the death benefit if the insured is chronically ill, which is defined as permanently unable to perform at least two of the six Activities of Daily Living or has a severe cognitive impairment. A maximum benefit of the lesser of 24% of the death benefit amount on the initial election date or \$240,000 can be elected every 12 months. The minimum benefit amount is the lesser of 5% of the death benefit on the initial election date or \$75,000. There is a residual death benefit of 5% of the death benefit on the initial election date or \$10,000, if greater. The rider is not available to insureds over issue age 75, or on insureds rated higher than Table 4 or on policies that contain medical flat extras. An administrative fee is required at the time of election. There is no additional premium for this benefit. Additional exclusions and limitations apply. Refer to the Chronic Illness Accelerated Benefit Rider guide (PR-1080) for complete details.

### **Additional Riders**

Additional riders available for Custom Accumulator III are:

- Accidental Death Benefit Rider
- Additional Insured Rider
- Children's Term Rider
- Guaranteed Insurability Rider
- Waiver of Monthly Deductions Rider

North American's illustration software can illustrate cases that include these riders.

\* The Accelerated Benefit Endorsement and Chronic Illness Accelerated Benefit Rider may not be exercised simultaneously.



## Policy Costs

- Monthly administrative fee is \$7.50.
- Guaranteed premium load assessed is a maximum of 7% in all years.
- Current target premium load is 7% in policy years one through 10, however this charge is waived on premium in excess of the target premium received within the first six months of policy issue. Current target premium load is 3% in policy years 11+.
- Excess premium load is 7% in policy month seven through policy year ten. A 3% excess premium load is applied in policy years 11+.
- Guaranteed cost of insurance charges based on 2001 CSO Ultimate, ANB, gender distinct, smoker distinct tables.



## Underwriting

Issue Ages (Age Nearest)	Specified Amount: \$50,000 to Maximum
15 days-17 years*	Standard NT
18-75	Super Preferred NT Preferred NT Standard NT
18-70	Preferred TB Standard TB

\*Juveniles (issue ages 15 Days to 17 Years) are issued Standard Non-Tobacco

### Substandard

Table ratings are available for both medical and non-medical reasons for issue ages 18-75, and are applied under the following guidelines:

- Table ratings are 25% per table for COI rates and minimum premiums
- Table ratings are 10% per table for target premiums
- Table ratings are applied to the Standard Non-Tobacco or Standard Tobacco rates
- Table ratings are capped at a maximum table rating of 400% for issue ages 18-75.

Flat extras may be applicable for issue ages 18-75, and are applied under the following guidelines.

- Non-medical permanent flat extras are applied to the Standard Non-Tobacco or Standard Tobacco rates
- Medical temporary flat extras are applied to the Standard Non-Tobacco and Standard Tobacco rates
- Temporary flat extras are non-commissionable

## Unisex Requirements for Super Preferred Non-Tobacco and Preferred Non-Tobacco Underwriting Classifications

	Super Preferred Non-Tobacco	Preferred Non-Tobacco
Aviation	Commercial pilots for major airlines or with Aviation Exclusion Rider Only	Non-ratable licensed commercial and private pilots are acceptable. Exclusion may be required.
Blood Pressure	Up to age 60: Has blood pressure that is 135/85 or better, without treatment from all sources	Up to age 60: Has blood pressure that is 145/85 or better, with or without treatment, from all sources
	Age 61 and above: Has blood pressure that is 145/90 or better, without treatment from all sources	Age 61 and above: Has blood pressure that is 150/90 or better, with or without treatment, from all sources
Cholesterol	Has a cholesterol count, with or without treatment, of 220 or less, with a total cholesterol/HDL ratio of 4.5 or less	Has a cholesterol count, with or without treatment, of 240 or less, with a total cholesterol/HDL ratio of 5.5 or less
Citizenship	Is a US Citizen or has had permanent resident status for at least 2 years	Is a US Citizen or has had permanent resident status for at least 2 years
Driving	Has not had more than 1 moving violation in the past 3 years, or a DWI, DUI or reckless driving conviction or non-administrative license suspension in the past 5 years	Has not had more than 2 moving violations in the past 3 years, or a DWI, DUI or reckless driving conviction or non-administrative license suspension in the past 5 years
Drug Alcohol	No history of drug or alcohol abuse or treatment	No history of drug or alcohol abuse within the past 10 years
Family History	Has not had a natural parent or sibling diagnosed with or die from coronary artery disease or cancer prior to age 60	Has not had a natural parent or sibling die from coronary artery disease or cancer prior to age 60
Foreign Travel*	Travel to countries or areas considered hazardous by North American may be excluded	Travel to countries or areas considered hazardous by North American may be excluded
Military	Not an active duty military risk	Not an active duty military risk
Personal History	No history of cancer (excluding non-melanoma skin cancers), diabetes, cardiovascular disease, coronary artery disease, or other significant health problems	No history of cancer (excluding non-melanoma skin cancers), diabetes, cardiovascular disease, coronary artery disease, or other significant health problems
Recreation	No hazardous sports activity in the past 2 years, no future plans to participate in hazardous sports. Non-technical (wreck, cave, etc.) scuba diving with max. dept of 50 ft. is acceptable	Non-ratable hazardous sports (e.g. racing, scuba diving, skydiving) are acceptable
Tobacco	Has not used tobacco or nicotine, in any form (including nicotine patches and gum), in the past 60 months	Has not used tobacco or nicotine, in any form (including nicotine patches and gum), in the past 36 months

\* This may vary by state.



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**Build Requirements for Super Preferred Non-Tobacco  
and Preferred Non-Tobacco Underwriting Classifications**

<b>Super Preferred Non-Tobacco Height &amp; Weight Limits - Female</b>					
4' 10"	124	5' 6"	161	6' 2"	202
4' 11"	128	5' 7"	166	6' 3"	208
5' 0"	133	5' 8"	171	6' 4"	213
5' 1"	137	5' 9"	176	6' 5"	219
5' 2"	142	5' 10"	181	6' 6"	225
5' 3"	146	5' 11"	186	6' 7"	231
5' 4"	151	6' 0"	191		
5' 5"	156	6' 1"	197		

<b>Super Preferred Non-Tobacco Height &amp; Weight Limits - Male</b>					
4' 10"	134	5' 6"	173	6' 2"	218
4' 11"	138	5' 7"	178	6' 3"	224
5' 0"	143	5' 8"	184	6' 4"	230
5' 1"	148	5' 9"	189	6' 5"	236
5' 2"	153	5' 10"	195	6' 6"	242
5' 3"	158	5' 11"	200	6' 7"	249
5' 4"	163	6' 0"	206		
5' 5"	168	6' 1"	212		

<b>Preferred Non-Tobacco Height &amp; Weight Limits - Female</b>					
4' 10"	129	5' 6"	167	6' 2"	210
4' 11"	133	5' 7"	172	6' 3"	216
5' 0"	138	5' 8"	177	6' 4"	221
5' 1"	143	5' 9"	182	6' 5"	228
5' 2"	147	5' 10"	188	6' 6"	234
5' 3"	152	5' 11"	193	6' 7"	240
5' 4"	157	6' 0"	199		
5' 5"	162	6' 1"	204		

<b>Preferred Non-Tobacco Height &amp; Weight Limits - Male</b>					
4' 10"	138	5' 6"	179	6' 2"	225
4' 11"	143	5' 7"	185	6' 3"	232
5' 0"	148	5' 8"	190	6' 4"	238
5' 1"	153	5' 9"	196	6' 5"	245
5' 2"	158	5' 10"	202	6' 6"	251
5' 3"	163	5' 11"	208	6' 7"	258
5' 4"	169	6' 0"	213		
5' 5"	174	6' 1"	219		

## Requirements for Tobacco Underwriting Classifications

### Preferred Tobacco

- All requirements needed for the Preferred Non-Tobacco class for the appropriate issue age
- Tobacco Usage

Has used tobacco or nicotine in some form during the last 36 months

Cigarette use: No more than one pack per day

Other forms: Daily or less frequent use

- No diagnosis of chronic bronchitis
- No diagnosis of chronic obstructive pulmonary disease
- No diagnosis of arteriosclerotic vascular disease

### Standard Tobacco

- All requirements needed for the Standard Non-Tobacco class for the appropriate issue age
- Tobacco Usage

Has used tobacco or nicotine in some form during the last 12 months



We're Here for Life®

Custom Accumulator III is issued on policy form series LS165B. Accelerated Benefit Endorsement is issued on form series LR352A, Accidental Death Benefit Rider is issued on form series LR370A, Additional Insured Rider is issued on form series LR371A, Children's Term Rider is issued on form series LR372A, Chronic Illness Accelerated Benefit Rider is issued on form series LR450A, Guaranteed Insurability Rider is issued on form series LR373A, Waiver of Monthly Deductions Rider is issued on form series LR416A or state variation by North American Company for Life and Health Insurance.

Not all products, features, riders, endorsements or issue ages are available in all jurisdictions. Limitations and restrictions may apply.

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