

CUSTOM

TermGULsm

MARKETING
GUIDE

Low cost universal life insurance with a death benefit guarantee for individuals seeking

- Income replacement
- Low-cost coverage

Premium Guarantee Rider

- Optional rider that extends the No Lapse Guarantee period to any age up to maturity

Conditionally Guaranteed Interest Bonus

- Earns your clients an extra 1% in years 11+



North American Company
for Life and Health Insurance
Since 1886

PR-1166 10/08

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



MARKETING CUSTOM TERMGUL

Many people like the idea of permanent life insurance protection. As opposed to term life insurance, permanent life insurance can provide death benefit protection for life. With its cash accumulation potential, it can also help with financial needs down the road.

Though the idea of permanent life insurance is nice, many are concerned about the cost of its added benefits. These clients are seeking affordable, long-term coverage that will be there when their loved ones need it most. For these scenarios, Custom TermGUL may be the ideal product.

Custom TermGUL is a universal life insurance product that provides low-cost death benefit protection. It performs well on minimum premium to carry the product to maturity. In addition to its value, Custom TermGUL offers several added benefits.

A key benefit of Custom TermGUL is its competitive performance on several payment methods including 1035 Exchanges, short pay, and single-pay scenarios. It offers cash value growth opportunity to help give your clients flexibility, control, and can provide them surrender value should the need arise. Custom TermGUL offers low-cost life insurance coverage with the added opportunity for cash value growth for unexpected needs.

Custom TermGUL offers the death benefit coverage your clients are looking for along with several impressive features:

- Premium Guarantee Rider
- Competitive premium to carry to maturity
- Net zero cost loans in years 11+
- Conditionally guaranteed interest bonus in years 11+

Custom TermGUL offers permanent death benefit protection and is ideal for:

- Income replacement
- Paying inheritance taxes
- Low-cost coverage

It may also help with business financial planning needs:

- Buy sell
- Key person insurance

Premium Guarantee Rider

A little certainty in a not-so-certain world is a nice advantage to have when it comes to protecting a financial future. Your clients can gain that advantage when they choose to add the Premium Guarantee Rider (PGR) to their Custom TermGUL policy.

Quite simply, the PGR extends the No Lapse Guarantee period to any age up to 120 (subject to premium paying requirements). It guarantees that the policy will not enter the grace period when certain conditions are met.

How the benefit of the rider works is that if, on any monthly anniversary after the No Lapse Guarantee period, the total of all premium guarantee accounts (explained below) is greater than or equal to the policy debt, then the policy will not enter the grace period or lapse due to its net cash surrender value, even if the net cash surrender value is insufficient to pay the monthly deductions.

The premium guarantee accounts are reference values used to determine whether the rider is in effect to provide the benefit. These accounts are used only for the purpose of determining whether the rider is in effect. They do not represent an independent dollar value that can be accessed. They also do not affect the calculation of the actual account value, net cash surrender value or any other value described in the policy.

What your clients gain from the Premium Guarantee Rider is peace of mind and reassurance that their life insurance coverage will be there when needed.

Interest Bonus

Custom TermGUL offers a conditionally guaranteed interest bonus to help your clients build long-term cash value accumulation. Interest bonus may be earned when we declare a current interest rate that exceeds the guaranteed interest rate of 2.5%. The current interest bonus rate is 1.0% in years 11 and thereafter. The Interest Bonus percentage is subject to change; however once a policy is issued, the percentage will not change. Interest Bonus is not available in Texas.

Interest bonus is not applied to loaned funds. North American's illustration software allows you to illustrate a case with or without interest bonus. Changing the assumed interest rate to 2.5% removes the interest bonus from the illustrations.



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

CUSTOM TERMGUL PRODUCT SPECIFICATIONS

The following product details are highlights of Custom TermGUL. For complete details, please visit our distributor Website, Producer's InfoNet, at www.producersinfony.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

- \$25,000

Issue Ages

- 15 days-85 years (age nearest birthday)

Minimum Premium

- Coverage is guaranteed for fifteen years or to age 75 (whichever is less, but never less than ten years) provided the no-lapse guarantee minimum premium is paid.

Please consult our illustration software for premium rates.

Target Premium

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

Please consult our illustration software for Target Premium rates.

Interest Rate

- 2.5% guaranteed in all years is credited to the account value.
- Current interest rate set by company—only non-loaned policy values gain current rate.
- Current interest rate is guaranteed for the first policy year.
- Current interest bonus rate is 1.0% in years 11+ when North American declares a current interest rate that exceeds the guaranteed interest rate (interest bonus not applied to loaned funds). The Interest Bonus percentage is subject to change; however once a policy is issued, the percentage will not change.

Withdrawals

- Partial withdrawals are available starting in the first policy year. (Available in year two in Oregon)
- Only one withdrawal may be made in the first policy year.
- The maximum withdrawal in policy year one is equal to 50% of the net cash surrender value. In policy year two and beyond, the maximum cumulative withdrawal in each policy year is equal to 90% of the net cash surrender value.
- Minimum withdrawal is \$500.
- Surrender charges decrease on an annual basis for policy years 1 through 20.
- Surrender charges vary by age, sex, underwriting class, policy year and amount of coverage.
- Consult illustration software for surrender charges for all ages and durations.

In some situations, loans and withdrawals may be subject to federal taxes. North American Company and its agents do not give tax or legal advice. Clients should be instructed to consult with and rely on their own tax advisor or attorney for advice on their specific situation.



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

Loans

There are two types of loans on Custom TermGUL depending on when the loan is taken.

- **Regular Loans**

Regular loans are available in the first ten policy years. Please refer to the illustration software for the current loan interest rate. The policy loan interest rate is guaranteed not to exceed 6%.

- **Net Zero Cost Loans**

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.

Automatic Distribution Option

The policyowner can request monthly, quarterly, semi-annual or annual distributions of the account value. The policyowner needs to complete the Automatic Distribution Option form O-2788 to begin receiving the distribution.

Death Benefits

There are two Death Benefit options with Custom TermGUL:

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

In some situations, loans and withdrawals may be subject to federal taxes. North American Company and its agents do not give tax or legal advice. Clients should be instructed to consult with and rely on their own tax advisor or attorney for advice on their specific situation.

Life Insurance Tests

- **Guideline Premium Test (GPT)**
A policy that uses the GPT will have limitations on the amount of premium that can be paid. The limitations, called Guideline Single Premium and Guideline Level Premium, are required by the Internal Revenue Code for the policy to qualify as a life insurance contract.
- **Cash Value Accumulation Test (CVAT)**
A policy that uses CVAT does not have limitations on the amount of premium that can be paid. The death benefit for a policy that uses CVAT might be increased in order to qualify the policy as a life insurance contract.

Maturity Date

- To age 120, age nearest birthday

Specified Amount Changes

Increases

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

Decreases

- Available after the second policy year
- The specified amount may not be decreased below \$25,000



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

Chronic Illness Accelerated Benefit Rider¹

This accelerated benefit rider advances a portion of the death benefit if the insured is chronically ill, which is defined as being permanently unable to perform at least two of the six Activities of Daily Living or having a severe cognitive impairment. 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. May not be exercised at the same time as the Accelerated Benefit Endorsement. Refer to the Chronic Illness Accelerated Benefit Rider guide (PR-1080) for complete details. (In Minnesota, this rider is known as the Accelerated Benefit Rider for Continuous Confinement.)

Additional Riders

Additional riders available for Custom TermGUL are:

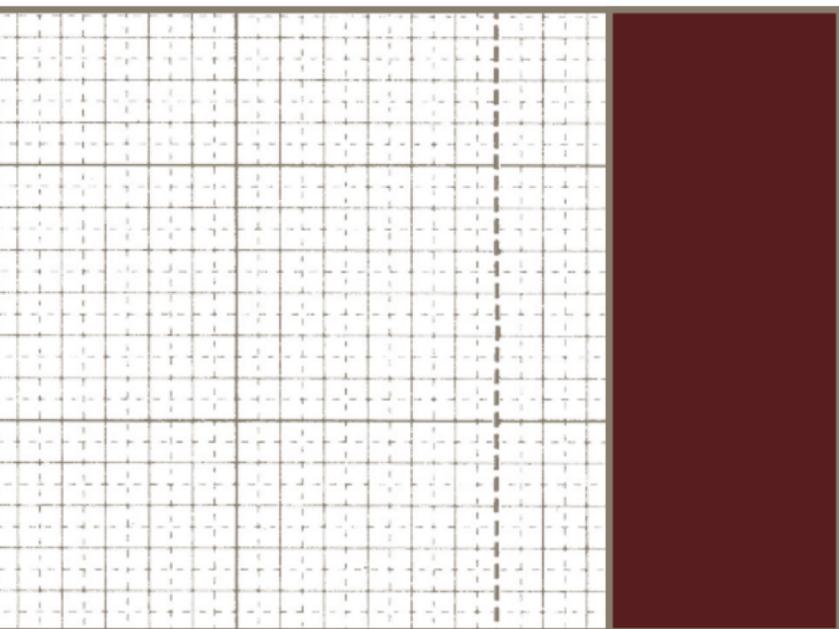
- Accelerated Benefit Endorsement
- Accidental Death Benefit Rider
- Children's Term Rider
- Guaranteed Insurability Rider
- Premium Guarantee Rider (See page 3 for details)
- Waiver of Monthly Deductions Rider

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

¹ Chronically ill is defined as permanently unable to perform at least two of the six Activities of Daily Living (bathing, continence, dressing, eating, toileting and transferring) without substantial assistance from another person. Severe cognitive impairment means the insured requires substantial supervision by another person to protect him or herself from threats to health and safety due to a severe cognitive impairment. (In MN, Continuous Confinement in an Eligible Institution and expected to remain there for the rest of his or her life).

Policy Costs

- Monthly administrative fee is \$7.00 up to age 100.
- Premium load is 7% in all policy years up to age 100.
- Per \$1,000 Unit Expense Charge is charged for 10 years on a current basis and to age 100 on a guaranteed basis.
- Guaranteed cost of insurance charges based on 2001 CSO, ANB, gender distinct, smoker distinct mortality tables (Montana uses gender non-distinct tables). COI rates are \$0 starting at age 100.



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

Underwriting

Issue Ages (Age Nearest)	Specified Amount: \$25,000 to Maximum
-------------------------------------	--

15 days-17 years*	Standard NT
-------------------	-------------

18-85 years	Super Preferred NT Preferred NT Standard NT
-------------	---

18-85 years	Preferred TB
15 years -85 years	Standard TB

*Juveniles (issue ages 15 Days to 14 Years) are issued Standard Non-Tobacco

Substandard

Table ratings are available for medical reasons and vary by issue age. Table ratings are applied under the following guidelines:

- Table ratings are 25% per table for COI rates and minimum premiums
- Table ratings are 25% 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%

Flat extras are available for both medical and non-medical reasons and vary by issue age. Flat extras are applied under the following guidelines:

- Non-medical flat extras are applied to all rate classes except Super Preferred NT
- Medical 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/Preferred Tobacco Underwriting Classifications

	Super Preferred Non-Tobacco	Preferred Non-Tobacco
Aviation	Private pilots (ages 27-65) may qualify with 300+ hours, IFR, 50-150 flight hours per year, and all flights within the USA	Flat extra allowed for aviation
Blood Pressure	<p>Up to age 50: Has blood pressure that is 140/85 or better, without treatment from all sources</p> <p>Ages 51-60: Has blood pressure that is 145/85 or better, without treatment from all sources</p> <p>Age 61 and above: Has blood pressure that is 150/85 or better, without treatment from all sources</p>	<p>Up to age 50: Has blood pressure that is 140/90 or better, with or without treatment from all sources</p> <p>Ages 51-60: Has blood pressure that is 145/90 or better, with or without treatment from all sources</p> <p>Age 61 and above: Has blood pressure that is 150/90 or better, with or without treatment from all sources</p>
Cholesterol	Has a cholesterol count, without treatment, of 220 or less, with a total cholesterol/HDL ratio of 5.0 or less, without treatment	Has a cholesterol count, with or without treatment, of 240 or less, with a total cholesterol/HDL ratio of 6.0 or less, with or without treatment
Citizenship	Is a US Citizen or has had a permanent resident status for at least 2 years	Is a US Citizen or has had a 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, reckless driving conviction, multiple accidents, or non-administrative license suspension in the past 5 years	Has not had more than 3 moving violations in the past 3 years, or a DWI, DUI, reckless driving conviction, or non-administrative license suspension in the past 5 years
Drug / Alcohol	No history of drug or alcohol abuse or treatment within the past 10 years	No history of drug or alcohol abuse or treatment 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
Physical Measurements	Weight within the range shown in Super Preferred Non-Tobacco height/weight chart	Weight within the range shown in the Preferred Non-Tobacco height/weight chart
Recreation	No participation in hazardous sports within past 24 months with no future plans to participate in hazardous sports. Non-technical (wreck, cave, etc.) scuba diving with max. depth 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 36 months	Has not used tobacco or nicotine, in any form (including nicotine patches and gum), in the past 36 months
Ratings	Must not be substandard for any reason	Must not be substandard for any reason other than flat extra for aviation or avocation

* This may vary by state



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

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

Super Preferred Non-Tobacco Height & Weight Limits - Female					
4' 10"	127	5' 6"	165	6' 2"	207
4' 11"	131	5' 7"	169	6' 3"	212
5' 0"	136	5' 8"	174	6' 4"	218
5' 1"	140	5' 9"	179	6' 5"	224
5' 2"	145	5' 10"	184	6' 6"	230
5' 3"	149	5' 11"	190	6' 7"	236
5' 4"	155	6' 0"	195		
5' 5"	159	6' 1"	201		

Super Preferred Non-Tobacco Height & Weight Limits - Male					
4' 10"	135	5' 6"	176	6' 2"	220
4' 11"	140	5' 7"	180	6' 3"	226
5' 0"	145	5' 8"	186	6' 4"	232
5' 1"	150	5' 9"	192	6' 5"	238
5' 2"	155	5' 10"	197	6' 6"	244
5' 3"	160	5' 11"	203	6' 7"	251
5' 4"	165	6' 0"	208		
5' 5"	170	6' 1"	214		

Preferred Non-Tobacco/Preferred Tobacco Height & Weight Limits - Female					
4' 10"	135	5' 6"	174	6' 2"	219
4' 11"	140	5' 7"	180	6' 3"	225
5' 0"	144	5' 8"	185	6' 4"	231
5' 1"	149	5' 9"	190	6' 5"	237
5' 2"	154	5' 10"	196	6' 6"	243
5' 3"	160	5' 11"	202	6' 7"	250
5' 4"	164	6' 0"	207		
5' 5"	169	6' 1"	213		

Preferred Non-Tobacco/Preferred Tobacco Height & Weight Limits - Male					
4' 10"	146	5' 6"	188	6' 2"	238
4' 11"	151	5' 7"	194	6' 3"	243
5' 0"	156	5' 8"	200	6' 4"	250
5' 1"	161	5' 9"	206	6' 5"	257
5' 2"	167	5' 10"	212	6' 6"	264
5' 3"	172	5' 11"	218	6' 7"	270
5' 4"	177	6' 0"	224		
5' 5"	183	6' 1"	231		

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

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



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



North American Company
for Life and Health Insurance
Since 1886

We're Here for Life®

Custom TermGUL is issued on policy form series LS167, Accelerated Benefit Endorsement is issued on form series LR352A, Accidental Death Benefit Rider is issued on form series LR370A, Children's Term Rider is issued on form series LR372A, Chronic Illness Accelerated Benefit Rider (In Minnesota, Accelerated Benefit Rider for Continuous Confinement) is issued on form series LR450A, Guaranteed Insurability Rider is issued on form series LR373A, Premium Guarantee Rider is issued on form series LR452, 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 product features, riders, endorsements or issue ages are available in all jurisdictions. Limitations and restrictions may apply.

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

nacolah.com®



Executive Office
525 W Van Buren
Chicago IL 60607