

CUSTOM

GUARANTEE®

MARKETING
GUIDE

Universal life insurance designed to provide solid guarantees

- Guaranteed death benefit coverage up to age 120*
- Competitive rates for level pay cases
- Guaranteed death benefit for a minimum of five years*
- Guaranteed acceleration of death benefit for terminal illness and chronic illness**
- Guaranteed exchange privilege

Extended No Lapse Guarantee

- Allows client to select the death benefit guarantee duration after the 5-year no-lapse guarantee period*

Attractive commissions

- Two-year rolling target premium



North American Company
for Life and Health Insurance
Since 1886

* Subject to premium payment requirements.

** Subject to eligibility requirements.

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MARKETING CUSTOM GUARANTEE

Uncertainty in life is guaranteed. No one can predict what changes may occur in his or her lifetime, or when the unthinkable might happen. Fortunately, universal life insurance can help provide protection from the unpredictable—and now, with Custom Guarantee[®], death benefit protection can be guaranteed.¹

Custom Guarantee, part of our Custom Series of universal life insurance products, can give your clients the life insurance they need, regardless of what happens. It delivers guarantees that are more typical of whole life insurance, but offers the performance and flexibility of universal life. Plus, with its Extended No Lapse Guarantee, your clients can select the duration of the guarantee period that meets their specific needs.¹

Guarantees include:

- Guaranteed death benefit for the duration the client chooses¹
- Guaranteed no premium payments on the base policy beyond age 100 (rider charges may apply)
- Guaranteed acceleration of death benefit for terminal illness²
- Guaranteed acceleration of death benefit for chronic illness³
- Guaranteed exchange privilege
- Guaranteed policy expenses — no hidden fees

With these guarantees, Custom Guarantee meets the needs of your clients looking for:

- Guaranteed death benefit protection
- An alternative to whole life
- A traditional universal life policy with solid guarantees
- A tool for estate planning
- A vehicle for legacy building

1 Subject to premium payment requirements.

2 Subject to eligibility requirements. Only if terminal illness will result in death within two years. See Accelerated Benefit Endorsement section.

3 Subject to eligibility requirements. See Chronic Illness Accelerated Benefit Rider section.

Extended No Lapse Guarantee

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 with the Extended No Lapse Guarantee.

The Extended No Lapse Guarantee is automatically included on every policy and extends the 5-year no lapse guarantee period to any age up to age 120 (subject to premium payment requirements). It guarantees that the policy will not enter the grace period when certain conditions are met.

Here's how the benefit of the Extended No Lapse Guarantee works: If on any monthly anniversary after the 5-year 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 Extended No Lapse Guarantee 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 Extended No Lapse Guarantee is peace of mind and reassurance that their life insurance coverage will be there when needed.

Guaranteed Exchange Privilege

With the guaranteed exchange privilege, your client can exchange a policy (up to the specified amount) without evidence of insurability to one of North American's cash accumulation universal life insurance products then available from us for exchange from this product.

- The guaranteed exchange privilege is available to policy age 75, and is not available to policy ages 76 and above.
- Any supplementary benefit, rider, or new feature may be included on the new policy subject to North American's approval and to the terms and conditions of each rider or endorsement.



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CUSTOM GUARANTEE PRODUCT SPECIFICATIONS

The following product details are highlights of Custom Guarantee. You may also visit our Website, the Producer's InfoNet® at www.producersinfonet.com, for information.

Minimum Face Amount

- \$25,000

Issue Ages

- 15 days to 85 years (age nearest)

Minimum Premium

- Coverage is guaranteed for five years for all issue ages provided the 5-year no lapse guarantee minimum premium is paid.

Please consult our illustration software for premium rates.

Target Premium

Custom Guarantee features a two-year rolling target:

- Generally, the premium required to provide guaranteed coverage to age 120 is fully commissionable for issue ages up to 75 (on non-rated cases) on a level pay basis. Beyond issue age 75 and on rated cases, that premium may not be fully commissionable.
- We will pay the full first year commission on premium paid during the first 24 policy months up to the target premium established at the time of issue.
- We will not apply a rolling target to commissions paid for face increases.

Interest Rate

- 2.5% guaranteed in all years.
- Current rate is set by the company and is guaranteed for the first policy year.

Withdrawals

- Partial withdrawals are available starting in the first policy year.
- 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.
- The minimum withdrawal is \$500.
- There is no withdrawal processing fee for the first withdrawal made in a policy year. A \$25 fee applies for each subsequent withdrawal made in the same policy year.

Surrender Charges

- Surrender charges decrease on an annual basis for policy years 1 through 20, but are not applied after attained age 95.
- Surrender charges vary by issue age, sex, premium class, policy year and amount of coverage.

Loans

There are two types of loans on Custom Guarantee. The amount available for loans is the net cash surrender value less the interest on policy loans that will accumulate on the next policy anniversary.

- **Regular Loans**

Through policy year 10, the policy loan interest rate is 4%, with a credited interest rate set at 2.5%, resulting in a net cost annual loan interest rate of 1.5%. 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 cost.



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Automatic Distribution Option

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

Death Benefit Options

There are two Death Benefit options available on Custom Guarantee.

- 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.

Maturity Date

- To age 120, age nearest.
- Extended maturity: If the contract is still in force at age 120 and if the IRS will still treat the policy as life insurance past age 120, then the owner may elect to extend the maturity date. (The Death Benefit Option must be the Level Death Benefit Option.)

Specified Amount Changes

- Increases
 - Available in the first policy year with satisfactory evidence of insurability
 - Minimum increase amount is \$25,000
- Decreases
 - Available after the second policy year
 - Specified amount may not be decreased below \$25,000
 - Subject to surrender charges

FLEXIBILITY FOR YOUR CLIENTS!

RIDERS AND ENDORSEMENTS

Accelerated Benefit Endorsement

The owner can request an advance of 75% of the policy's specified face amount (up to \$250,000) upon a physician's certification that the insured is suffering from a terminal illness, which would likely result in death within two years. The endorsement is not available to insureds rated over Table 4 or policies that contain flat extras due to medical reasons. There is no additional cost for this benefit.

Chronic Illness Accelerated Benefit Rider⁴

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. 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. Since benefits are paid prior to death, the actual amount received will be discounted and will be less than the death benefit accelerated. 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.

⁴ 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, chronically ill is defined as an insured having a condition that requires Continuous Confinement in an Eligible Institution and expected to remain there for the rest of his or her life).



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Additional Riders

Additional riders available for Custom Guarantee are:

- Accidental Death Benefit 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.

Policy Costs

- Policy expense charge is \$6.00 in all policy years until age 100.
- Premium load is 20% in all policy years until age 100.
- Guaranteed and current cost of insurance charges until age 100.
- Guaranteed COIs based on 2001 CSO, ANB, sex distinct, smoker distinct tables.
- Extended No Lapse Guarantee charge is a per \$1,000 of specified amount charge assessed for the earlier of 30 years or age 100 on a current basis and to age 100 on a guaranteed basis.



UNDERWRITING

Issue Ages <i>(age nearest)</i>	Specified Amount: \$25,000 to Maximum*
15 days - 17 years	Standard NT
18-85 years	Super Preferred NT Preferred NT Standard NT Preferred TB
15 years - 85 years	Standard TB

* Maximum specified amount is \$999,999 for issue ages less than 18.

Substandard

Table ratings are available for both medical and non-medical reasons for issue ages 16-85, and are applied under the following guidelines:

- Table ratings are 25% per table for COI rates and minimum premiums.
- Target premiums will increase by the same amount as the minimum premium increases.
- Table ratings are applied to the Standard Non-Tobacco or Standard Tobacco rates.
- Table ratings up to table 16 (400%) are available, depending on issue age.

Flat extras may be applicable for issue ages 16-85, and are applied under the following guidelines.

- Non-medical flat extras are applied to all rate classes except Super Preferred NT, Preferred NT ages 71+, and Preferred TB ages 71+.
- Medical temporary flat extras may be applied to the Standard Non-Tobacco and Standard Tobacco rates.
- Temporary flat extras are non-commissionable.



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

Super Preferred Non-Tobacco Height & Weight Limits						
Height	Male Ages 70 & Under	Male Ages 71 +	Female Ages 70 & Under	Female Ages 71 +	Male/ Female 70 & Under Minimum	Male/ Female 71 + Minimum
4'10"	134	143	124	134	91	100
4'11"	138	148	128	138	94	104
5'0"	143	153	133	143	97	107
5'1"	148	158	137	148	100	111
5'2"	153	164	142	153	104	115
5'3"	158	169	146	158	107	118
5'4"	163	174	151	163	110	122
5'5"	168	180	156	168	114	126
5'6"	173	186	161	173	118	130
5'7"	178	191	166	178	121	134
5'8"	184	197	171	184	125	138
5'9"	189	203	176	189	128	142
5'10"	195	209	181	195	132	146
5'11"	200	215	186	200	136	150
6'0"	206	221	191	206	140	154
6'1"	212	227	197	212	144	158
6'2"	218	233	202	218	148	163
6'3"	224	240	208	224	152	168
6'4"	230	246	213	230	156	172
6'5"	236	253	219	236	160	176

For ages 71 and greater, weight must be stable the past two years.

Preferred Non-Tobacco Height & Weight Limits						
Height	Male Ages 70 & Under	Male Ages 71 +	Female Ages 70 & Under	Female Ages 71 +	Male/ Female 70 & Under Minimum	Male/ Female 71 + Minimum
4'10"	143	153	134	143	91	100
4'11"	148	158	138	148	94	104
5'0"	153	163	143	153	97	107
5'1"	158	169	148	158	100	111
5'2"	164	175	153	164	104	115
5'3"	169	180	158	169	107	118
5'4"	174	186	163	174	110	122
5'5"	180	192	168	180	114	126
5'6"	186	198	173	186	118	130
5'7"	191	204	178	191	121	134
5'8"	197	210	184	197	125	138
5'9"	203	216	189	203	128	142
5'10"	209	222	195	209	132	146
5'11"	215	229	200	215	136	150
6'0"	221	235	206	221	140	154
6'1"	227	242	212	227	144	158
6'2"	233	249	218	233	148	163
6'3"	240	256	224	240	152	168
6'4"	246	263	230	246	156	172
6'5"	253	270	236	253	160	176

For ages 71 and greater, weight must be stable the past two years.

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

	Super Preferred Non-Tobacco	Preferred Non-Tobacco
Aviation	<p>Ages 70 and under: Non-ratable pilots for major airlines only, or with the Aviation Exclusion Rider</p> <p>Ages 71 and over: No participation in the last 12 months or with plans to participate in the future</p>	<p>Ages 70 and under: Non-ratable commercial and private pilots are acceptable.</p> <p>Ages 71 and over: No participation in the last 12 months or with plans to participate in the future</p>
Blood Pressure	<p>Ages 50 and below: Has blood pressure that is 135/85 or better, without treatment from all sources</p> <p>Ages 51-60: Has blood pressure that is 140/85 or better, without treatment from all sources</p> <p>Ages 61-70: Has blood pressure that is 145/85 or better without treatment from all sources</p> <p>Ages 71 and over: Has blood pressure that is 150/85 or better, without treatment from all sources and no pulse pressure greater than 75</p>	<p>Ages 50 and below: Has blood pressure that is 140/85 or better with or without treatment from all sources</p> <p>Ages 51-60: Has blood pressure that is 145/85 or better with or without treatment from all sources</p> <p>Ages 61-70: Has blood pressure that is 145/90 or better with or without treatment from all sources</p> <p>Ages 71 and over: Has blood pressure that is 150/90 or better, with or without treatment from all sources and no pulse pressure greater than 75</p>
Cholesterol	<p>Ages 70 and under: Has a cholesterol count, with or without treatment, of 220 or less, with a total cholesterol/HDL ratio of 4.5 or less</p> <p>Ages 71 and over: Has a cholesterol count, with or without treatment, of 150-250, with a HDL of at least 45</p>	<p>Ages 70 and under: Has a cholesterol count, with or without treatment, of 240 or less, with a total cholesterol/HDL ratio of 5.5 or less</p> <p>Ages 71 and over: Has a cholesterol count, with or without treatment, of 150-260, with a HDL of at least 40</p>
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, 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, 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 (Not applicable for ages 71+)	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



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

	Super Preferred Non-Tobacco	Preferred Non-Tobacco
Foreign Travel	Travel to countries or areas considered hazardous by North American may be excluded (may vary by state)	Travel to countries or areas considered hazardous by North American may be excluded (may vary by state)
Military	Not an active duty military risk	Not an active duty military risk
Personal History	<p>Ages 70 and under: No history of cancer (excluding non-melanoma skin cancers), diabetes, cardiovascular disease, coronary artery disease, or other significant health problems</p> <p>Ages 71 and over: Attending physician statement demonstrating regular health care. Must be a standard risk before credits. No history of chronic or recurring mental illness or depression. No history of cancer (excluding non-melanoma skin cancers), heart disease or stroke</p>	<p>Ages 70 and under: No history of cancer (excluding non-melanoma skin cancers), diabetes, cardiovascular disease, coronary artery disease, or other significant health problems</p> <p>Ages 71 and over: Attending physician statement demonstrating regular health care. Must be a standard risk before credits. No history of chronic or recurring mental illness or depression. No history of cancer (excluding non-melanoma skin cancers), heart disease or stroke</p>
Recreation	No participation in hazardous sports within the past 2 years with no future plans to participate in hazardous sports. Non-technical 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, in the past 5 years. Occasional cigar (up to 12 per year) is acceptable if admitted on the application and urine specimen is negative for nicotine by-products	Has not used tobacco or nicotine, in any form, in the past 3 years. Occasional cigar (up to 12 per year) is acceptable if admitted on the application and urine specimen is negative for nicotine by-products

Additional Requirements for Ages 71 and Over

	Super Preferred Non-Tobacco	Preferred Non-Tobacco
Cognitive Function	No evidence of cognitive impairment	No evidence of cognitive impairment
Falls	No history of falls within the past five years	No history of falls within the past five years
Kidney Function	Has an estimated glomerular filtration rate (eGFR) that is greater than 70	Has an estimated glomerular filtration rate (eGFR) that is greater than 60
Physical/Social-Activity	Physically active including, but not limited to, travel, exercise, and social activities. Independent in all Activities of Daily Living and Instrumental Activities of Daily Living	Physically active including, but not limited to, travel, exercise, and social activities. Independent in all Activities of Daily Living and Instrumental Activities of Daily Living
Serum Albumin	Level greater than 3.9 g/dl	Level greater than 3.8 g/dl

Requirements for Tobacco Underwriting Classifications

Preferred Tobacco

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



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Custom Guarantee is issued on policy form series LS170 and LS163A, 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 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 LR416B or state variations. Product features, riders, endorsements or issue ages may not be available in all jurisdictions. Limitations and restrictions may apply.

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