

NORTH AMERICAN GUARANTEE®

NORTH AMERICAN COMPANY FOR LIFE AND HEALTH INSURANCE ANNUITY DISCLOSURE STATEMENT

The North American Guarantee® is a single premium, multi-year guarantee annuity that accumulates interest through a guaranteed interest rate that is set for a 3-, 4-, 5-, 6- or 8-year period.

Accumulation Value: The Accumulation Value equals your premium, less withdrawals and applicable surrender charges, earning the guaranteed interest rate. This rate will be guaranteed for the chosen guarantee period. Ask your sales representative for the current interest rate.

Minimum Guaranteed Cash Value (MGCV): The MGCV of this annuity is 100% of premium, less any withdrawals, accumulated at 3% interest per year, less surrender charges.

Long-Term Benefits: Surrender charges allow the Company to invest your money on a long-term basis. A surrender charge will be assessed in the event of a full or partial surrender exceeding the penalty-free withdrawal limit. This allows the Company to credit higher yields as compared to a similar annuity of a shorter term. ***Please keep in mind that a surrender during the surrender period may result in a loss of principal.***

Renewal Feature: At the end of each selected guarantee period, you may choose to renew your annuity for another guaranteed interest period. Depending on your circumstances and financial goals, you can choose a shorter guarantee period with a lower interest rate or select a longer guarantee period and a higher rate. For your convenience, at the end of the guarantee period if no election is made within 30 days, your annuity will automatically renew for the same guarantee period previously chosen. (Within this 30-day window, no surrender charges or Interest Adjustment will apply.) After the 30-day window, a new guarantee period and surrender charge will be enforced.

Interest Adjustment: The North American Guarantee® includes an Interest Adjustment, which allows the Company to credit higher interest rates than on products without an Interest Adjustment. It is applied only during the surrender charge period to full surrenders and to any partial surrender in excess of the penalty-free amount. This adjustment will increase or decrease the surrendered amount based on the change in interest rates during the period since you purchased your North American Guarantee® annuity. See the “Understanding the Interest Adjustment” brochure for full details.

Death Benefit: North American Company will pay out the full Accumulation Value to your beneficiary upon the death of the owner or annuitant. Note: If joint annuitants are named in the annuity, the Death Benefit will be paid at the second death. If joint owners are named in the annuity, the Death Benefit will be paid at the first death.

LIQUIDITY PROVISIONS:

Penalty-Free Withdrawals: After the first year, you may withdraw an amount equal to interest earned in the current annuity year, without any surrender charge or Interest Adjustment. Certain withdrawals prior to age 59½ may be subject to an IRS penalty.

Additional Benefit Riders: The Nursing Home Confinement Rider provides a benefit to annuitants who are confined to a qualified nursing care center. This rider allows the penalty-free withdrawal amount allowed under the base annuity to be increased by 10% of the Accumulation Value. Nursing Home Confinement must be:

- After the first contract anniversary
- For at least 90 days; and
- Medically necessary.

We must receive acceptable proof of confinement. This rider is available to annuitants age 75 or younger on the issue date of the annuity.

These liquidity provisions are suitable for my financial needs, such as cash for living and other related expenses. This contract is suitable for my financial needs.

PAYMENT OF COMMISSIONS: North American will pay compensation to the sales representative(s) for the sale of this annuity. Incentive compensation may also be paid to the sales representative. Commission amounts are not deducted from the submitted premium. One hundred percent (100%) of any premium payment will be applied to this annuity.

Note: Before purchasing an annuity for use in a qualified plan, you should obtain competent tax advice, both as to the treatment and suitability of such an annuity contract. An annuity is not required for tax deferral in qualified plans.

I understand that the North American Guarantee® annuity is a long-term contract with substantial penalties for early surrenders. A surrender charge is assessed (as listed below) on any amount withdrawn, whether as a partial withdrawal or full surrender that is in excess of the penalty-free amount applicable. The surrender charges decline as follows:

Owner(s)
Initial
Above:
REQUIRED

| | | | |
|---------------------|-----------|-----------|-------------|
| 3 Year | 1 | 2 | 3 |
| Surr. Charge | 8% | 8% | 7.5% |

| | | | | |
|---------------------|-----------|-----------|-------------|-------------|
| 4 Year | 1 | 2 | 3 | 4 |
| Surr. Charge | 8% | 8% | 7.5% | 6.5% |

| | | | | | |
|---------------------|-----------|-----------|-------------|-------------|-------------|
| 5 Year | 1 | 2 | 3 | 4 | 5 |
| Surr. Charge | 8% | 8% | 7.5% | 6.5% | 5.5% |

| | | | | | | |
|---------------------|-----------|-----------|-------------|-------------|-------------|-------------|
| 6 Year | 1 | 2 | 3 | 4 | 5 | 6 |
| Surr. Charge | 8% | 8% | 7.5% | 6.5% | 5.5% | 4.5% |

| | | | | | | | | |
|---------------------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| 8 Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Surr. Charge | 8% | 8% | 7.5% | 6.5% | 5.5% | 4.5% | 3.5% | 2.5% |

Surrender charges allow the Company to invest long-term, and in turn, generally credit higher yields.

APPLICANT: I have received a copy of the product brochure and Company disclosure material for this contract. I understand that any values shown, other than the guaranteed minimum values, are not guarantees, promises or warranties.

| | |
|-------------------------------|--------------------------|
| Annuitant's/Owner's Signature | Date Signed (mm/dd/yyyy) |
|-------------------------------|--------------------------|

| |
|-------------------------|
| Joint Owner's Signature |
|-------------------------|

AGENT: I certify that the produce brochure and Company disclosure materials have been presented to the applicant. A copy was provided to the applicant. I have made no statements which differ in any significant manner from this material. I have not made any promises or guarantees about the future value of any non-guaranteed elements.

| | |
|-------------------|--------------------------|
| Agent's Signature | Date Signed (mm/dd/yyyy) |
|-------------------|--------------------------|

Refer to contract for complete details. The use of living trusts with the sale of an annuity product can, in the appropriate circumstances, be a valuable planning device. North American Company strongly encourages you to consult your tax or legal advisor before establishing a living trust or purchasing any financial product in connection with utilizing a living trust. Neither North American Company, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult a qualified advisor.

The North American Guarantee® is issued in Texas by North American Company for Life and Health Insurance, West Des Moines, IA on Form LS117A42 (individual contract). 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 optional riders make the contract appropriate for your needs. Before purchasing this contract, you should obtain competent tax advice both as to the tax treatment of the policy and the suitability of the investment.



NOT FDIC INSURED. NO BANK GUARANTEE.

LIQUIDITY PROVISIONS:

Penalty-Free Withdrawals: After the first year, you may withdraw an amount equal to interest earned in the current annuity year, without any surrender charge or Interest Adjustment. Certain withdrawals prior to age 59^{1/2} may be subject to an IRS penalty.

Additional Benefit Riders: The Nursing Home Confinement Rider provides a benefit to annuitants who are confined to a qualified nursing care center. This rider allows the penalty-free withdrawal amount allowed under the base annuity to be increased by 10% of the Accumulation Value. Nursing Home Confinement must be:

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| | | | | |
|---------------------|-----------|-----------|-------------|-------------|
| 4 Year | 1 | 2 | 3 | 4 |
| Surr. Charge | 8% | 8% | 7.5% | 6.5% |

| | | | | | |
|---------------------|-----------|-----------|-------------|-------------|-------------|
| 5 Year | 1 | 2 | 3 | 4 | 5 |
| Surr. Charge | 8% | 8% | 7.5% | 6.5% | 5.5% |

| | | | | | | |
|---------------------|-----------|-----------|-------------|-------------|-------------|-------------|
| 6 Year | 1 | 2 | 3 | 4 | 5 | 6 |
| Surr. Charge | 8% | 8% | 7.5% | 6.5% | 5.5% | 4.5% |

| | | | | | | | | |
|---------------------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| 8 Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Surr. Charge | 8% | 8% | 7.5% | 6.5% | 5.5% | 4.5% | 3.5% | 2.5% |

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| | |
|--|--------------------------|
| Annuitant's/Owner's Original Signature | Date Signed (mm/dd/yyyy) |
|--|--------------------------|

| |
|----------------------------------|
| Joint Owner's Original Signature |
|----------------------------------|

AGENT: I certify that the produce brochure and Company disclosure materials have been presented to the applicant. A copy was provided to the applicant. I have made no statements which differ in any significant manner from this material. I have not made any promises or guarantees about the future value of any non-guaranteed elements.

| | |
|----------------------------|--------------------------|
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