

# NORTH AMERICAN DIRECTOR<sup>SM</sup> TRADITIONAL FIXED ANNUITY



# NORTH AMERICAN DIRECTOR<sup>SM</sup>

Planning for future retirement income can be difficult. You want guarantees on your retirement savings, but no one knows where the equity or bond market may be tomorrow. The North American Director<sup>SM</sup> offers you peace of mind by giving you a five year guaranteed rate of interest on your initial premium, an interest rate bonus, and an interest rate that is guaranteed to never be less than 1%. In addition, the North American Director offers you the flexibility of adding additional premiums with an interest rate that can change annually after the funds have been in the Contract for one Contract Year - which can help you maximize benefits, and achieve your retirement goals.

NORTH AMERICAN DIRECTOR FEATURES	
<ul style="list-style-type: none"> <li>• Available to issue ages 0-85<sup>1</sup></li> <li>• 9-Year Surrender Charge Period</li> <li>• A 5-year guarantee on the initial premium.</li> </ul>	<ul style="list-style-type: none"> <li>• Interest rate bonus on all first year premiums</li> <li>• Tax-deferred growth.</li> <li>• Flexible premiums</li> </ul>

## MAY AVOID PROBATE

By naming a beneficiary, you may minimize the delays, expense and publicity often associated with probate. Your designated beneficiary receives death proceeds in either a lump sum or a series of income payments. Please consult with and rely on your own legal or tax advisor.

## DEATH BENEFIT

North American will pay out, as the Death Benefit, the Accumulation Value to your beneficiary upon the death of the annuitant or an owner. Your beneficiary may choose to receive the payout in either a lump sum or a series of income payments. If joint annuitants are named, the Death Benefit will be paid on the death of the second annuitant. If joint owners are named, the Death Benefit will be paid on the death of the first owner.

## COMPANY FINANCIAL STRENGTH

All North American tax-deferred annuities are backed by the financial strength of the Company's investment portfolio, which emphasizes high-quality bonds that provide safety, liquidity and competitive interest rates. In states where this product is approved, North American maintains reserves equal to those required by state regulation.

## TAX DEFERRAL

Tax-deferred growth allows your money to grow faster because you earn interest on dollars that would otherwise be paid in taxes. Your premium earns interest, the interest compounds within the contract, and the money you would have paid in taxes earns interest. The chart to the right details the potential of a tax-deferred annuity.

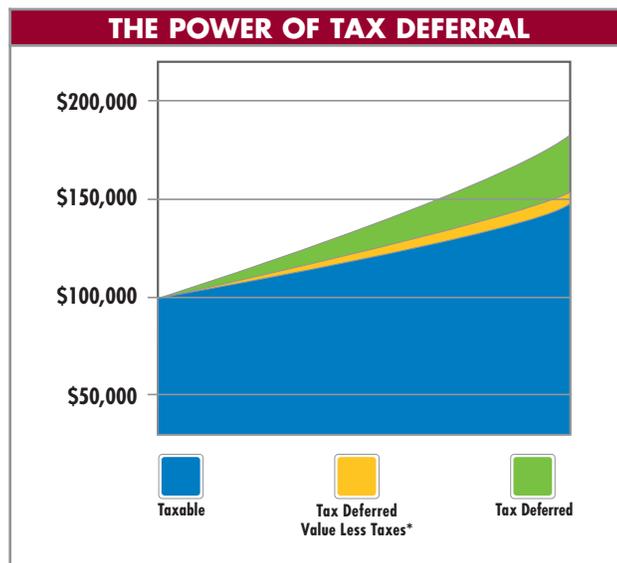


Chart is a hypothetical example of tax-deferral and assumes an initial premium of \$100,000 earning 4.00% compounded annual rate of return for 15 years. Not intended to predict or project performance. \*Tax deferred value less taxes represents the increase in value, due to tax deferral, less taxes at an assumed rate of 33% with no surrender charge or Interest Adjustment applied.

1. Please note that issue ages may vary by state. For Issue Ages 0-17 a Uniform Gift to Minors Act (UGMA) or Uniform Trust to Minors Act (UTMA) custodial account must be established.

# ACCESSING YOUR MONEY

Emergencies do arise, and access to your money is always an important concern. The North American Director offers a variety of liquidity features.

## PENALTY-FREE WITHDRAWALS

The North American Director allows you to take a penalty-free withdrawal (also known as a Penalty-Free Partial Surrender) of up to 10% of your current Accumulation Value once each contract year after the first contract anniversary, without incurring any surrender charges or Interest Adjustment. Any amount withdrawn in excess of 10% will be assessed a surrender charge and possibly an Interest Adjustment. Surrender charges and Interest Adjustments on IRS-Required Minimum Distributions exceeding the 10% penalty-free withdrawal amount will be waived by current Company practice.

## ANNUITY PAYOUT OPTIONS

Should you decide to receive an income from your annuity after the surrender charge period, you will have several income options (also known as Annuity Payout Options) from which to choose. Annuity payout options are a benefit of deferred annuities, but are not a requirement with the North American Director. With the exception of Life Income options, all period certain annuity payout options are available for a minimum of five years and a maximum of 20 years. You may select any of the following options: Life Income Only, Life Income with a Period Certain, Joint and Survivor Life Income, or Income for a Specified Period and Amount

With non-qualified plans, a portion of each income payment represents a return of premium that is not taxable, thus reducing your tax liabilities.

By current Company practice, you may receive an income from the Accumulation Value after the first contract year (without surrender charges and Interest Adjustment) if you choose a Life Income option or if your annuity has been in force for at least five years and payments have been received over at least a five-year period.

## NURSING HOME CONFINEMENT RIDER<sup>3</sup>

After the first contract anniversary, should the annuitant become 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 rider is only available for issue ages 75 and younger and is automatically included with your annuity at no additional charge.

## TERMINAL ILLNESS RIDER<sup>3</sup>

Should you be diagnosed after the first Contract Year with a terminal illness that is expected to result in death within one year, you will be able to take a one-time penalty-free withdrawal of up to 50% of your Accumulation Value. This benefit is only available for issue ages 75 and younger and is automatically included with your annuity at no additional charge.

## UNEMPLOYMENT RIDER<sup>3</sup>

If you become unemployed, and begin receiving unemployment benefits for at least 90 consecutive days, any time after your first contract anniversary, we will increase your penalty-free withdrawal amount by 10% of your Accumulation Value each year while you are unemployed. This rider is only available for issued ages 65 and younger and is automatically included with your annuity at no additional charge.

## INTEREST ADJUSTMENT<sup>2</sup>

Your contract also includes an Interest Adjustment feature which may decrease or increase your Surrender Value depending on the change in interest rates since your annuity purchase. Due to the mechanics of Interest Adjustment, Surrender Values generally decrease as interest rates rise. Likewise, when interest rates have decreased over a period of time, the Surrender Value generally increases. However, the Interest Adjustment is limited to the interest credited to the Accumulation Value.

This adjustment is applied only during the Interest Adjustment period to surrenders exceeding the applicable penalty-free amount. Interest Adjustments on RMDs that exceed the penalty-free amount are waived by current Company practice.

## SURRENDER CHARGES

Surrender charges allow the company to invest your money on a long-term basis and credit higher yields than possible with a similar annuity of shorter term. A surrender charge is assessed on any amount withdrawn, whether as a partial or full withdrawal (also known as surrender), that exceeds the penalty-free amount applicable. However, surrender charges on any portion of an RMD that exceeds the 10% penalty-free amount will be waived by current Company practice. This table details the declining charges over nine years. Additional premiums deposited into existing contracts will maintain the surrender charge schedule set forth by the initial premium. Certain payout options may incur a surrender charge.

CONTRACT YEAR	9-YEAR SURRENDER CHARGE	INTEREST ADJUSTMENT
1	12%	Yes
2	11%	Yes
3	10%	Yes
4	9%	Yes
5	8%	Yes
6	7%	Yes
7	6%	Yes
8	4%	Yes
9	2%	Yes
10	0%	No

Note: Please keep in mind that a surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Consult your Annuity Disclosure Statement for details specific to your state.

## 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. The Surrender Value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the contract is delivered.

2. Interest Adjustment is not available in all states.

3. Availability will vary by state. If joint annuitants are named on the contract, this waiver will apply to the first annuitant that qualifies for benefits.

## PORTRAIT OF FINANCIAL STABILITY

A.M. Best	A+ (Superior) <sup>°</sup>	2nd highest out of 15 categories	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 contract holders.
Standard & Poor's Corporation	A+ (Strong) <sup>§</sup>	5th highest out of 22 categories	Standard & Poor's Corporation is an independent third-party rating firm that rates on the basis of financial strength.

\* A.M. Best rating affirmed on May 24, 2012. For the latest rating, access [www.ambest.com](http://www.ambest.com).

<sup>°</sup> Awarded to North American as part of Sammons Financial Group, which consists of Midland National Life Insurance Company and North American Company for Life and Health Insurance<sup>®</sup>.

§ Standard and Poor's awarded its rating on February 26, 2009 and affirmed on April 23, 2012.

Ratings shown reflect the opinions of the rating agencies and are not implied warranties of the company's ability to meet its financial obligations. Ratings are current as of the date of this brochure.

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. 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.

Premium taxes: Accumulation Value will be reduced for premium taxes as required by the state of residence. The North American Director<sup>SM</sup> annuity is issued on form LC/LS160A (certificate/contract), LR343A, LR344A, LR425A, LR426A, LR427A, LR428A and LR342A (endorsements/riders) or appropriate state variation by North American Company for Life and Health Insurance<sup>®</sup>, West Des Moines, IA. This products, its features and riders may not be available in all states.

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.

### **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 always 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.

[www.nacannuity.com](http://www.nacannuity.com)

NORTH AMERICAN COMPANY  
FOR LIFE AND HEALTH INSURANCE<sup>®</sup>

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<p><b>NOT FDIC INSURED. NO BANK GUARANTEE.</b></p>
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