



# NORTH AMERICAN GUARANTEE CHOICE<sup>SM</sup> II

## MULTI-YEAR GUARANTEE ANNUITY



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Are you looking for ways to manage your future retirement income today so that you can enjoy financial freedom later? The North American Guarantee Choice<sup>SM</sup> II is a single premium, multi-year guarantee annuity (MYGA) designed to offer you peace of mind during uncertain times.

With the flexibility to choose interest rate periods with a guaranteed interest rate for each period, you have a great combination for your long-term retirement planning. Because we specialize in annuities, you can count on our expertise in supporting your efforts toward building a comfortable retirement. You can rest assured that the financial strength of North American can provide the lifestyle freedom you desire.

### NORTH AMERICAN GUARANTEE CHOICE II FEATURES

- Available to issue ages 0-90 (Qualified and Non-Qualified)
  - Choice of 3, 4, 5, 6, 7, 8, 9 or 10 year Guarantee interest rate periods/surrender charge periods
  - Tax deferral, income for life and full Accumulation Value at Death
  - Nursing Home Confinement Waiver available at no additional cost
  - Premium banding on interest rates—for initial premium amounts of \$200,000 or more, you will receive a higher interest rate
- Low Band: Less than \$200,000 and High Band: \$200,000 or more



# BENEFITS OF OWNING A DEFERRED ANNUITY

## TAX-DEFERRAL

Tax-deferred growth allows your money to grow faster because you earn interest in 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 details the potential of a tax-deferred annuity.

## 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.

## 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.

## LIFETIME INCOME

North American can provide you with a guaranteed income stream with the purchase of your tax-deferred annuity. You have the ability to choose from several different annuity payout options, including life or a specified period. *See the Annuity Payout Options section for complete details.*

## 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.*

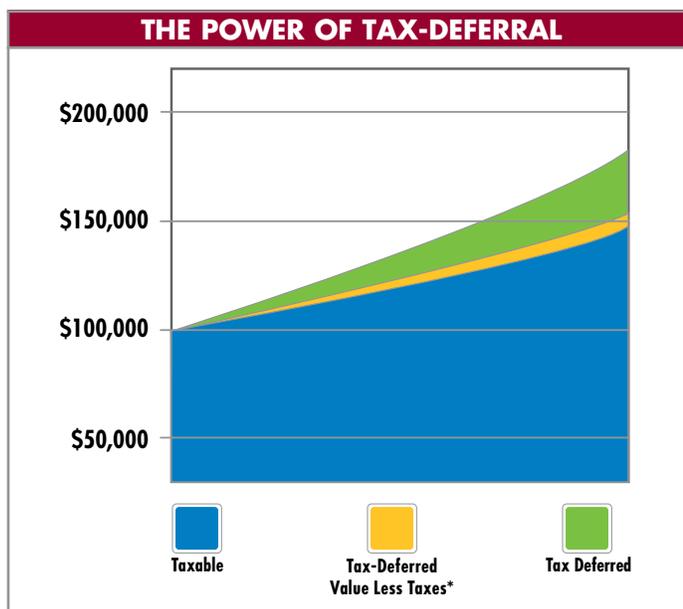


Chart is a hypothetical example of tax-deferral and assumes an initial premium of \$100,000 earning 4.00% compounded annual rate of return for each Guarantee Period on an annuity that renewed for three consecutive 5 year Guarantee Periods totaling 15 years. For other Guarantee Period combinations, surrender charges may apply using this same hypothetical 15 year period. 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.

## ACCESSING YOUR MONEY

Emergencies do arise, and access to your money is always an important concern. The Guarantee Choice II Series offers a variety of liquidity features.

For additional withdrawals prior to the end of the surrender charge period, surrender charges may apply. Withdrawals will be treated as ordinary income and if taken prior to age 59½ may be subject to a 10% IRS penalty. Withdrawals from your Contract will also reduce your Accumulation Value accordingly.

### ANNUITY PAYOUT OPTIONS

Should you decide to receive an income from your annuity after each Guarantee Period, you will have several annuity payout options from which to choose. Annuity payout options are a benefit of deferred annuities, but are not a requirement with the Guarantee Choice II. *Please refer to the chart on the right for annuity payout options available to you.*

With non-qualified plans, a portion of each income payout 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 or Interest Adjustment) if you choose a Life Income option.

### NURSING HOME CONFINEMENT WAIVER<sup>1</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 waiver is only available for issue ages 75 and younger and is automatically included with your annuity at no additional charge.

#### INCOME OPTIONS

With the exception of Life Income options, income options are available for:

- A minimum of 5 years, or
- A maximum of 20 years.

The following options are available:

- Income for a Specified Period
- Income for a Specified Amount
- Life Income with a Period Certain
- Life Income
- Joint and Survivor Life Income

All options are available after each Guarantee Period.

1. If joint annuitants are named on the annuity, waiver will apply to the first annuitant who qualifies for the benefit.

## PENALTY-FREE WITHDRAWALS

The Guarantee Choice II allows you to take a penalty-free withdrawal (also known as a Penalty-Free Partial Surrender) equal to the interest earned each year after the first contract year, without incurring any surrender charges or Interest Adjustments.

By current Company practice, this interest withdrawal can begin as early as 30 days after your annuity is issued if received on a systematic withdrawal program. You can elect to receive payments monthly, quarterly, semi-annually or annually as long as each payment is at least \$50.

Any amount withdrawn in excess of interest earned will be assessed a surrender charge and possibly an Interest Adjustment. Surrender charges and Interest Adjustments on IRS Required Minimum Distributions exceeding the penalty-free withdrawal amount will be waived by current Company practice.

## RENEWAL FEATURE

At the end of each selected Guarantee Period, you may choose to renew your annuity for another Guarantee Period. Depending on your circumstances and financial goals, you will have a 30 day window to select a Guarantee Period from those available, elect a payout option, or withdraw your Accumulation Value. If no election is made, the Company will automatically renew your annuity for an available Guarantee Period as described in your Contract.

Within this 30 day window, no surrender charges or Interest Adjustment will apply. **After the 30 day window, a new Guarantee Period, Guarantee Period Interest Rate, Surrender Charge Period and Interest Adjustment will be applied.**

Renewal rates for subsequent Guarantee Periods may differ from the initial guaranteed interest rate.



# PRODUCT FEATURES

## INTEREST ADJUSTMENT

Due to the mechanics of the Interest Adjustment feature, the Surrender Value of the Contract, as well as any partial surrender amounts, may be higher or lower depending upon the interest rate that applies to your current Guarantee Period compared to the interest rate the Company is offering at that time for renewing or new contracts with the same Guarantee Period.

Any interest adjustment applied to a full or partial surrender is limited so that the total amount of any adjustments (whether positive or negative) during the Guarantee Period will not be more than the amount of interest credited during the Guarantee Period. Additionally, each interest adjustment (whether positive or negative) is limited to no more than the amount of the surrender charge applicable to that full or partial surrender. The Interest Adjustment formula and provisions are described in detail in the Contract.

## 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. Surrender charges are based on your chosen Guarantee Period. A surrender charge is assessed on any amount withdrawn, whether as a partial or full surrender, that exceeds the penalty-free amount applicable. However, surrender charges on any portion of an IRS-Required Minimum Distribution are waived by current Company practice. This table details the declining charges by the option chosen. Certain payout options may incur a surrender charge.

Note: Please keep in mind that a surrender during each Guarantee Period could result in a loss of premium.

SURRENDER CHARGE PERIOD								
Contract Year	10-Year	9-Year	8-Year	7-Year	6-Year	5-Year	4-Year	3-Year
1	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
2	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%
3	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
4	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	
5	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%		
6	4.75%	4.75%	4.75%	4.75%	4.75%			
7	3.80%	3.80%	3.80%	3.80%				
8	2.85%	2.85%	2.85%					
9	1.90%	1.90%						
10	0.95%							

## 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. At no time will the Surrender Value under this Contract be less than the minimum values required by the NAIC Standard Nonforfeiture Law for Individual Deferred Annuities, model #805.

Premium taxes: Accumulation Value will be reduced for premium taxes as required by the state of residence. The North American Guarantee Choice<sup>SM</sup> II is issued on ICC12-NA1002A (individual contract), ICC12-AE539A, ICC12-LR385A, ICC12-LR356A and ICC12-LR357A by North American Company for Life and Health Insurance<sup>®</sup>, West Des Moines, IA.

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 your own qualified advisor. Under current law, annuities grow tax deferred. Annuities may be subject to taxation during the income or withdrawal phase. 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 and lifetime annuity payments are appropriate for your needs.

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 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.



## 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).

° 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®.

§ 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.

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

NORTH AMERICAN COMPANY FOR LIFE  
AND HEALTH INSURANCE®

Annuity Service Center  
4350 Westown Parkway,  
West Des Moines, IA 50266

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May Lose Value	Not Insured By Any Federal Government Agency	