

Withdrawal Features for Fixed Index Annuities¹

Fixed Index Annuities are long-term financial vehicles generally purchased to satisfy a few important objectives such as asset accumulation, tax-deferred growth, to supplement retirement income and to pass funds to beneficiaries. However, emergencies do arise and access to your money is always a concern. It is important to us at North American that you are aware of the withdrawal features that may be available in your Fixed Index Annuity.

PENALTY-FREE WITHDRAWALS

After the first contract anniversary your annuity contract may permit you to withdraw up to 10% of your accumulation value each year during the surrender charge period without incurring any surrender charges or interest adjustment (also known as Market Value Adjustment). Penalty-free withdrawal amounts may vary by product.

REQUIRED MINIMUM DISTRIBUTION

If you have a qualified IRA or TSA and you are age 70½ or older, by current Company practice² Required Minimum Distributions (RMDs) that exceed the penalty-free amount may be withdrawn without surrender charges or interest adjustment during the surrender charge period.

NOTE: If the RMD exceeds the penalty-free amount and the RMD is taken penalty-free, no additional penalty-free amount will be available during that contract year.

INCOME PAYMENTS (ANNUITIZATION)³

Annuitization results from your election to receive regular income payments from your contract. An election to annuitize your contract is irrevocable. If you elect to annuitize your contract, you will no longer be able to exercise any liquidity provision that may have previously been available. Annuitization is available:

- a. **After the first contract anniversary.** By current Company practice², the Accumulation Value of your contract will be utilized when calculating income payment amounts, provided that the payments are scheduled to continue over your lifetime.
- b. **After the fifth contract anniversary.** By current Company practice², the Accumulation Value of your contract will be utilized when calculating income payment amounts, provided that payments are scheduled to continue over at least a ten-year period for 14-year products (five-year period for 10-year products) or over your lifetime.
- c. **After the surrender charge period.** You can elect to annuitize for any length of time, and the Accumulation Value of your contract will be utilized when calculating income payments. May vary by contract.

RIDERS

Your North American annuity contract may provide additional withdrawal features in the event of Nursing Home Confinement, Terminal Illness, or Unemployment. Riders are not available in all states or for all products. Please review your contract, consult your agent or contact North American for information specific to your annuity contract.

DEATH BENEFIT

Annuities offer the ability to name a beneficiary, which may minimize the expense, delays, and publicity that comes with probate. Upon death of the annuitant or an owner, North American will pay the full Accumulation Value of your annuity contract to your beneficiary.

NOTE: 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.

LUMP SUM OR PARTIAL DISTRIBUTION

You still have access to your accumulation value during the surrender charge period of your annuity contract, but a surrender charge and interest adjustment (if applicable) would be applied to all withdrawals that exceed the penalty-free withdrawal amount. The surrender charge is a percentage of your accumulation value. This percentage declines over the surrender charge period. The surrender charge period and associated surrender charges allow the company to invest your money on a long-term basis, and as a result credit higher yields than possible with a similar annuity of a shorter term.

For more information please call North American toll-free at (866) 322-7069. We are available Monday – Thursday from 7:30 a.m. to 5:00 p.m. and Friday from 7:30 a.m. to 12:30 p.m. (CST).



1. Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. They may not be appropriate for all clients. 2. By current Company practice not applicable in the states of Texas or Utah. 3. Please note that income payment options may vary by state and by product. Please refer to the product specific brochure and your annuity contract for specific details. Neither North American, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult with and rely upon a qualified advisor. Under current law annuities grow tax deferred. 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 riders make the contract appropriate for your needs. Withdrawals taken prior to age 59½ may be subject to IRS penalties. Premium taxes: Accumulation Value will be reduced for premium taxes as required by the state of residence. Interest Adjustment may not be available in all states. Products and riders may not be available in all states, please contact your sales representative for state availability. Please refer to your contract for any other specific information.

North American Company for Life and Health Insurance®, 4350 Westown Parkway, West Des Moines, IA 50266