



## NORTH AMERICAN COMPANY FOR LIFE AND HEALTH INSURANCE

# PRECISION<sup>SM</sup> SERIES

## FIXED INDEX ANNUITIES - HIGHLIGHT SHEET

The Precision<sup>SM</sup> Series is a fixed index annuity offering:

- Participation Rate only product
- No annuitization required to receive applicable bonus.
- Two distinct accounts: Fixed and Index—Up to 15 options from which to choose.
- Safety of premium from market loss in years when the market declines.
- Tax-deferred growth.
- Choice of three different annual reset crediting methods—Daily Average, Monthly Point-to-Point and Annual Point-to-Point.
- Flexible premiums - No rolling surrender charge.

The Precision<sup>SM</sup> Series is a long-term annuity product that offers several different options, allowing your clients the flexibility to choose the option that is best for their situation. Listed below are the 3 surrender charge options and corresponding benefits from which they can choose.

SURRENDER CHARGE PERIOD	7-YEAR	10-YEAR	14-YEAR
PREMIUM BONUS	NO PREMIUM BONUS	5% on all premium payments received during first 7 contract years	10% on all premium payments received during first 7 contract years
ANNUITY PAYMENT BONUS	1% after the eighth contract year	1% after the tenth contract year	2% after the fourteenth contract year
ISSUE AGES (MAY VARY BY STATE)	0-85	0-79	0-75

### MINIMUM PREMIUM

\$10,000 non-qualified & \$2,000 qualified (\$50/month TSA Salary Reduction).

### ACCOUNTS

**Index Account:** offers potential stock-market related growth associated with the:

- Dow Jones Industrial Average<sup>SM</sup>
- Dow Jones Euro STOXX 50<sup>®\*</sup>
- NASDAQ-100<sup>®</sup>
- Russell 2000<sup>®</sup> Index
- Standard & Poor's 500 Index<sup>®</sup>
- Standard & Poor's MidCap 400 Index<sup>®</sup>
- Lehman Brothers U.S. Aggregate Index\*
- Hindsight Index Strategy<sup>3,\*</sup>

**Fixed Account:** Premium allocated to this account will earn the current Fixed Account interest rate. This rate will be guaranteed for the entire contract year and the rate will renew annually thereafter, but will never fall below the minimum guaranteed fixed interest rate. See the Interest Rate Sheet (6745Z) for both the current and minimum interest rates.

### PARTICIPATION RATE

Once a gain has been calculated using either the Annual Point-to-Point or Daily Average Crediting Method, a Participation Rate is applied. The Participation Rate is a percentage that is multiplied by the gain at the end of the Index Period to determine the Index Credit to your client's contract. The Participation Rate is applied before the annual Index Cap Rate. The Participation Rate is guaranteed for the first year, but can change each subsequent year. The Participation Rate is set in advance each contract year, never to be less than 20% (10% for the Hindsight Index Strategy).

**INDEX CAP RATE** The Precision<sup>SM</sup> Series applies an Index Cap Rate, or upper limit, to the Index Account's Annual Point-to-Point and Monthly Point-to-Point Crediting Methods. This rate may change each year and is declared on each contract anniversary. The Participation Rate is based on current economic conditions and is guaranteed for the next contract year. At no time will this rate ever fall below the guaranteed 4% minimum annual Index Cap Rate for the Annual Point-to-Point Crediting Method (3% for the Hindsight Index Strategy and Lehman Brothers U.S. Aggregate Index) and 1% minimum monthly Index Cap Rate for the Monthly Point-to-Point Crediting Method. Keep in mind that the annual Index Cap Rate for the Annual Point-to-Point Crediting Method is applied after the Participation Rate.

**TRANSFER OPTIONS** Each year, your clients may elect to transfer their values between the Fixed Account and Index Account options. They may also elect to transfer between crediting methods within the Index Account on an annual basis. By current Company practice, your clients have 30 days following each contract anniversary to reallocate. Transfers are not allowed until your first contract anniversary. Based on current tax laws, these transfers between options will not be taxable or subject to surrender penalties.

**PENALTY-FREE WITHDRAWALS** Up to 10% of Accumulation Value may be withdrawn once each contract year after your client's first anniversary. *Withdrawals, surrenders and loans from this annuity prior to age 59½ may be subject to IRS penalties.*

**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, where the contract is delivered in the state.

**SUBSEQUENT PREMIUMS** All subsequent premiums are deposited into the Fixed Account and will earn the then-current Fixed Account interest rate until the contract anniversary date. On each contract anniversary, North American will allocate any premiums received since the prior contract anniversary among the Fixed Account and Index Account Crediting Methods according to your clients' most recent instructions.

**ANNUITY PAYOUT  
OPTIONS**

Should your client decide to receive an income from their annuity after the surrender charge period, they will have several annuity payout options from which to choose. Annuity payout options are a benefit of deferred annuities, but annuitization is not a requirement with the Precision<sup>SM</sup> Series.

With the exception of the Life Income options, annuity payout options are for a minimum of five years and a maximum of 20 years. The following options are available: *Income for a Specified Period, Life Income, Income of a Specified Amount, Joint and Survivor Life Income or Life Income with a Period Certain.*

**NURSING HOME  
CONFINEMENT  
RIDER**

As an added benefit, we will increase the penalty-free partial surrender amount by 10% of the contract's Accumulation Value each year while the annuitant is confined to a qualified nursing home facility. This benefit begins after the first contract anniversary and the annuitant must be confined for a period of at least 90 consecutive days. This enhanced feature is automatically included with your annuity at no additional cost and is available for issue ages 75 and younger.

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