

Restricted Executive Benefit Arrangements Now Accepted

Date: September 28, 2023

Effective: Immediately

North American now accepts Restricted Executive Benefit Arrangement (REBA) cases for your business owner clients. This arrangement may be suitable for business owners who want to reward key employees, but maintain more control over the policy until an agreed upon expiration date, usually the key employee's planned retirement date.

With a REBA in place, an insured employee is restricted from requesting the following transactions under the policy until the REBA expiration date.

- partial withdrawal, surrender, or any liquidation of any portion of the Policy cash value/accumulation value/surrender value;
- collateral assignment or otherwise restrict any value or benefit under the Policy;
- a Policy loan;
- exchange of ownership; and/or
- exchange the Policy.

The client's attorney must draft a separate, signed REBA agreement before the application is submitted. When submitting a case that involves a REBA, include the newly created REBA form #O-2994 (completed and signed by employer and employee) with the application. The form is currently available on Forms Factory.

This form is not currently available in SimpleSubmit[®] e-App. If submitting the application via SimpleSubmit, please include a detailed cover sheet or instructions noting that the application involves a REBA, and submit the form at your earliest convenience. The REBA form will be required before the case is placed in force.

For additional questions, please reach out to your MGA.

The terms and conditions of the REBA are not part of the policy issued by North American Company for Life and Health Insurance[®] and as such North American is unable to enforce directly any restrictions on the policy that are part of the REBA agreement.

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