

Loan Split Dollar Cases Now Accepted

483NB

Date: March 28, 2024

North American is excited to announce that we will now accept cases using a Loan Regime Split Dollar design. Executive AdvantageSM, North American's loan regime split dollar sales concept, can help business owners recruit, retain and reward select employees.

Required Forms

The following forms are required when submitting this type of case.

Form name	Form Number
Collateral Assignment Form	L-2037 (02-24)
Certificate of Business Signing Authority	O-2927 (03-23)

SimpleSubmit[®] Submission

When submitting this type of case via SimpleSubmit, please select the following options to ensure your case is routed to the appropriate New Business and Underwriting team.

What is the purpose of coverage? (select all that apply)

 Personal

 Income Replacement

 Estate Preservation

 Business

 Other

Please type in "Loan Split Dollar" in the box below

If business policy, what is the purpose of coverage?

For additional information on Executive Advantage, [please visit the North American Marketing Hub.](#)

Under a split dollar agreement, classified as a welfare benefit plan, the employee must belong to a select group of management, which includes quantitative and qualitative elements. To meet the quantitative standard, plans should be limited to the top 15% of the workforce. To meet the qualitative test, a significant disparity should exist between the average compensation of the top-hat group and the average compensation of all other employees.

To ensure the death benefit proceeds of any employer-owned policy retains its tax-favored treatment, it is essential to comply with the notice and consent requirements of IRC Section 101(j). Under a loan split dollar agreement, the employee enters into an agreement with the employer. Midland National[®] Life Insurance Company is not a party to this agreement and Midland National's only obligation is to administer the policy it issues. (consistent with the policy's terms and conditions).

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