

Introducing Smart Builder[®] IUL 3

479NB

Send date: May 2, 2024**Effective:** May 4, 2024

North American's enduring strength and stability allows us to evaluate new opportunities to help us carry out promises and meet the expectations of our customers and distribution partners. As a result, we will be introducing a new version of our Smart Builder indexed universal life (IUL) insurance product. When your client needs **death benefit protection**, this product also offers the potential for **early cash value** build up. We've updated certain features and capabilities, so it remains a great option for your clients.

Smart Builder[®] IUL 3 highlights:

- No premium load
- Stronger early cash value performance
- Liquidity
 - 0% surrender charge when the WOSC Option Rider is selected*
- Surrender charge period is 10 years
- Accelerated Death Benefit Endorsement (ADBE) for critical, chronic, and terminal illness¹
- 10% of the surrender value is available for a penalty-free withdrawal beginning in policy year two

**WOSC = Waiver of Surrender Charge: Surrender charges will not be waived if the policy is surrendered under an external 1035 exchange (except in FL). A decrease charge will be assessed if a reduction in the specified amount is requested during the waiver of surrender charge period. However, if a partial withdrawal results in a reduction of the specified amount, the withdrawal charge is waived. There is an additional charge for this rider and it must be applied for at the time of application.*

What's changing?

Product and Rider changes

Product changes for greater simplicity

- Reduced per \$1,000 charges
- Levelized percent of account value charge in all years
- Increasing **minimum** issue age to 18

Minimum Account Value

- Interest rate changing from 2.5% to 2%

Index Sweeps

- Moving from daily to monthly sweeps to simplify index credits
- Please refer to our [Index Sweeps FAQ](#) for more information

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Field Bulletin

Index selections and rates

- Cap, participation, spread and illustrated rates **are not changing**.
- For added simplicity and consistency, **we are removing** the following index selections for Smart Builder IUL 3:
 - NASDAQ
 - EuroStoxx
 - Multi-Index

Rider changes

- We've made some slight rider updates to help simplify and modernize our offerings. Please see the riders [field bulletin](#) to learn more.

Systematic Premium Allocation (SPA)

- When utilizing SPA (Systematic Premium Allocation), the Enhanced program will not be available with the Smart Builder IUL 3. This may become available again in the future.

Business process changes & modernization

As we continue to evolve our processes to align with industry standards and deliver a more seamless experience for you and your clients, you may notice some differences and improvements to the business submission processes with the new Smart Builder IUL 3.

Enhanced Pending Business

- All Smart Builder IUL 3 cases will appear on the [Enhanced Pending Business](#)
- Enhancements to Pending Business dashboard include:
 - NEW! Status tracker for a high-level overview of case progress

Submitting business

Product availability

New Smart Builder[®] IUL 3

- Starting **May 4, 2024**, Builder Plus IUL 3 will be available to quote and apply for on Web-based Illustrations (North American's illustration software), and on SimpleSubmit[®] (our electronic application platform).
- New Business and Policy Change will be able to generate policies for the Smart Builder IUL 3 as of **May 6, 2024**.
- **eDelivery for this product coming soon.**

California specific:

- WriteAway, our accelerating underwriting program, is not available at this time for new applications taken for the Smart Builder IUL 3 in CA.
- The updated riders referenced in the Riders field bulletin are not available yet in CA, except for the Waiver of Surrender Charge Option Rider.
 - Prior version of riders cannot be used. Once updated riders are approved, we will establish a date for them to be turned on in CA.
- Based on eligibility requirements, prior versions of the ADBE benefits will be used.

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Smart Builder[®] IUL 2

- The last day to sign and lock an eApplication for the Smart Builder IUL 2 is **June 21, 2024**.
- All applications for Smart Builder IUL 2 must be dated **June 21, 2024**, or prior, and received in New Business/Policy Change **by June 28, 2024**.

Current pending business

Existing applications that are currently being processed in New Business or Policy Change, but have not yet been placed inforce, can be changed to Smart Builder IUL 3. When changing an existing case to Smart Builder IUL 3, note the following guidelines:

- If the application is dated **February 1, 2024**, or after, the change can be made with the existing application and the plan will be amended on delivery. The new IUL Supplement to Application (SA101NAC) and new version of the IUL Disclosure form (L-3190C) will also be required.
- If the application is dated **January 31, 2024**, or prior, a new fully completed application, the new IUL Supplement to Application (SA101NAC), and the new version of the IUL Disclosure form (L-3190C) will be required.

Exchanges

Policies that have already been placed inforce that are outside of the free look period cannot be reissued to receive Smart Builder IUL 3 without full exchange paperwork.

Policy dating guidelines

All Strategic Accelerator IUL 3 policies must have an anniversary date of February 1, 2024, or later.

Forms

The supplemental forms for Smart Builder IUL 3 have been updated as follows:

| Form Title | Prior Version | New Version |
|-----------------------------------|----------------------|-----------------|
| Supplement to Application for IUL | ICC16L3189B Rev 7-23 | ICC22SA101NAC |
| IUL Disclosure Form | L-3190A Rev 8-20 | L-3190C |
| SPA Form | O-2882 Rev 6-23 | O-2882 Rev 2-24 |

Note: See Forms Factory[®] for state variations

Enhanced Systematic Premium Allocation (SPA) is not immediately available.

Manage My Account Access

Following delivery of the policy, clients can register their account online and view summary policy information. Self-service transactions will be limited for a short period while the functionality is built out. Policyowners may submit a written request or call 1-877-872-0757 to receive support in the interim.

Field Bulletin

Commission options

You no longer need to submit 80% of first year's target to be eligible for rolling targets.

This product includes an asset trail Commission Option C that may allow for significantly higher total commissions paid over time. Commission Option C is required if you select the Waiver of Surrender Charge (WOSC) Option Rider.

If you do not select the WOSC Option Rider, you may choose between Commission Options A, B, or C. Commission Option A is the traditional heaped option and Commission Option B includes an asset trail.

Note: For policies with the WOSC Option Rider, if a full surrender or lapse occurs during the first policy year, 100% of the compensation paid will be charged back.

For questions regarding these updates, please contact your MGA upline.

1. Subject to eligibility requirements. The death benefit will be reduced by the amount of the death benefit accelerated. Since benefits are paid prior to death, a discount will be applied to the death benefit accelerated. As a result, the actual amount received will be less than the amount of the death benefit accelerated. An administrative fee applies for an election of the chronic or terminal illness. There is no administrative fee for critical illness.

Agents offering, marketing, or selling accelerated death benefits for chronic illness in California must be able to describe the differences between benefits provided under an accelerated death benefit for chronic illness and benefits provided under long-term care insurance to clients. You must provide clients with the ADBE Consumer Brochure for California that includes this comparison. Comparison is for solicitation purpose only, not for conversions.

Indexed Universal Life Insurance products are not an investment in the "market" or in the applicable index and are subject to all policy fees and charges normally associated with most universal life insurance.

Smart Builder IUL 2 (policy form series LS187) or state variation, including all applicable endorsements and riders, are issued by North American Company for Life and Health Insurance[®], West Des Moines, IA. Products, features, riders, endorsements, or issue ages may not be available in all jurisdictions. Restrictions or limitations may apply.

Smart Builder IUL 3 is issued on the state version policy form P100/ICC22P100, or state variation including all applicable endorsements and riders, are issued by North American Company for Life and Health Insurance[®], West Des Moines, IA. Products, features, endorsements, riders, or issue ages may not be available in all jurisdictions. Limitations or restrictions may apply.

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