

North American | *Smart Builder Indexed Universal Life*

# Leverage. Legacy. Liquidity

## Are your client's needs tough to crack? Underperforming assets, low interest rates, and chronic illness concerns?

Leverage an underperforming asset into a larger death benefit *and* help grow very strong early cash values. Your client maintains access to the cash value just in case, plus can get coverage for critical, chronic, and terminal illness for zero additional premium.<sup>1</sup>

## How does **Smart Builder IUL** work?

- **ZERO** Premium Load
- **ZERO** Surrender Charge
- **ZERO** Percent Floor
- **ZERO** Extra Premium for Critical, Chronic, Terminal Coverage

### Leverage

existing funds into a larger...

### Legacy

for the ones you love, all the while maintaining...

### Liquidity

for those just-in-case needs.

# \$200,000

Single Premium Hypothetical Example

## Smart Builder

Female, Age 65,  
Preferred Class  
Modified Endowment  
Contract<sup>2</sup>

### Guaranteed Maximum Charges

Minimum Account Value at  
2.5% w/Waiver of Surrender  
Charge Option Rider<sup>3</sup>

### Initial Death Benefit

## \$425,200

Surrender Value  
 Year 1 • \$200,431  
 Year 5 • \$199,769  
 Year 10 • \$190,439

## \$103,666<sup>1</sup>

Age 80 Max Annual  
Chronic Illness  
Acceleration

vs.

### Non-guaranteed Current Charges

Index credits at  
5.14% w/Waiver of Surrender  
Charge Option Rider<sup>3</sup>

### Initial Death Benefit

## \$425,200

Surrender Value  
 Year 1 • \$207,272  
 Year 5 • \$235,067  
 Year 10 • \$272,000

## \$103,666<sup>1</sup>

Age 80 Max Annual  
Chronic Illness  
Acceleration

This is a **Modified Endowment Contract**.<sup>2</sup> End of year values are shown. Death benefit is the minimum amount to comply with CVAT. The information presented is hypothetical and not intended to project or predict investment results.

Source: North American illustration software 11/30/2020. Chronic Illness acceleration amount is before discount is applied.

# Protect your client's assets!

Don't drain the 401(k)! Would your clients need to liquidate assets to help pay for the high cost of a qualifying critical, chronic, or terminal illness?

Smart Builder includes the Accelerated Death Benefit Endorsement for Critical, Chronic, and Terminal illness (CCT) for zero additional premium. CCT helps mitigate the financial risk of a qualifying medical condition that could derail their financial strategy.

CCT is different than you might expect. It's **not** a reimbursement benefit. Your client can access a portion of the policy's death benefit for a qualifying illness — **and they can use it for any need.**<sup>4</sup>

## It's all about who you know...



- Desires to leave a legacy
- Ages 55-75
- Have \$50,000 or more in low-interest bearing accounts
- Desire their assets to be relatively liquid
- Concerned about future needs like the cost of chronic illness

...and what you can do for them.

**At this year's annual review – don't only talk about the previous year's results. Bring a new idea to the table.**

## Talk to your MGA about **Smart Builder IUL** today!

1. Subject to eligibility requirements. An administration fee is required at time of election of an accelerated death benefit. The death benefit amount will be reduced by the accelerated death benefit amount. Since benefits are paid prior to death, a discount will be applied to the death benefit amount accelerated. As a result, the actual amount received will be less than the amount of death benefit amount accelerated.

2. For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a Modified Endowment Contract (MEC), a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premiums).

3. This optional rider must be applied for at time of application. It is available for an additional charge per \$1,000 per month, depending on issue age and underwriting class and must be applied for at time of issue. Surrender charges will be waived upon a full surrender or partial surrender. Surrender charges will not be waived if the policy is surrendered under a 1035 Exchange (except in Florida). A decrease charge will be assessed if a reduction in the policy face amount is requested during the Waiver of Surrender Charge Period. However, if a partial withdrawal results in a reduction of the face amount, the withdrawal charge is waived.

4. UNLIKE CONVENTIONAL LIFE INSURANCE PROCEEDS, AMOUNTS PAYABLE AS ACCELERATED DEATH BENEFITS COULD BE TAXABLE UNDER SOME CIRCUMSTANCES. WE RECOMMEND THAT YOUR CLIENT CONSULT WITH THEIR PERSONAL TAX ADVISOR PRIOR TO ELECTING AN ACCELERATED DEATH BENEFIT UNDER THE ENDORSEMENT TO ASSESS THE TAX TREATMENT IN THEIR INDIVIDUAL CIRCUMSTANCES.

5. This is the real reason most Americans file for bankruptcy. CNBC. Feb 2019. <https://www.cnbc.com/2019/02/11/this-is-the-real-reason-most-americans-file-for-bankruptcy.html>

6. Source: Center for Disease Control. Retrieved June 13, 2019, from <https://www.cdc.gov/chronicdisease/about/costs/index.htm>

**THE ACCELERATED DEATH BENEFIT ENDORSEMENT FOR CRITICAL ILLNESS IS NOT HEALTH INSURANCE NOR IS IT INTENDED TO REPLACE HEALTH INSURANCE.**

**THE ACCELERATED DEATH BENEFIT FOR CHRONIC ILLNESS IS NOT LONG TERM CARE INSURANCE NOR IS IT INTENDED TO REPLACE LONG TERM CARE INSURANCE.**

**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 purposes only, not for conversions.**

Smart Builder IUL is issued on policy form series LS187 or state variation, including all applicable endorsements and riders, by North American Company for Life and Health Insurance, Administrative Office, One Sammons Plaza, Sioux Falls, SD 57193. Product, features, endorsements, riders or issue ages may not be available in all jurisdictions. Limitations or restrictions may apply. Sammons Financial® is the marketing name for Sammons® Financial Group, Inc.'s member companies, including North American Company for Life and Health Insurance®. Annuities and life insurance are issued by, and product guarantees are solely the responsibility of, North American Company for Life and Health Insurance®.

2/3

Two-thirds of people who file bankruptcy say medical bills are a major reason for their financial distress.<sup>5</sup>

90%

Individuals with chronic and mental health conditions make up 90% of health care expenses each year.<sup>6</sup>

24%

Maximum chronic illness acceleration of 24% of death benefit on the initial election date up to \$480,000 per election.