

Fidelity index now available in AL, CA, FL, DE, ND, and SD

Date: April 15, 2021

Effective: April 24, 2021

The new proprietary Fidelity Multifactor Yield IndexSM 5% ER will be available in Alabama, California, Florida, Delaware, North Dakota and South Dakota for all currently marketed North American indexed universal life insurance (IUL) products starting April 24, 2021.

Once available, the new Fidelity index will also serve as the default index when running IUL illustrations through North American's web-based illustrations. Defaulting to this index helps to quickly identify the accumulation potential in our IUL products.

How the index works:

Six factor indices were chosen by Fidelity with the goal of enhancing returns, managing risk, and targeting specific outcomes. A fixed income overlay is applied with a combination of 10-year treasuries and cash to account for potential changes in interest rates. The allocation between equity allocations and fixed allocations are adjusted daily with a goal to meet a 5% volatility target.

Highlights:

- A privately held company founded in 1946, Fidelity Investments has diverse investment capabilities across a multi asset class platform.
- The index utilizes an Annual Point-to-Point crediting methodology and will have a non-guaranteed Enhanced Participation Rate of 135% on current IUL products.
- In addition to strong illustrated rates, allocations to this index will also receive a reduced account value charge on a current basis, allowing for even greater performance potential.

Updated Forms

With the implementation of the Fidelity index, the following forms have been updated and are currently available on FormsFactory[®].

Form Name	Prior Version	New Version
Supplement to Application for Indexed UL	ICC16L3189B Rev 4-19 and L-3189B Rev 4-19	ICC16L3189B Rev 8-20 and L-3189B Rev 8-20
Indexed Universal Life Disclosure	L-3190A Rev 4-19-L	L-3190A Rev 8-20-L
Indexed Life Request Form	O-2800 Rev 8-16	O-2800 Rev 12-20

The prior versions of the forms will no longer be accepted as of May 24, 2021; the new version will also be required if the new Fidelity index is elected.

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Field Bulletin

Availability and effective dates

The new Fidelity index is now available in all states.

On all currently marketed IUL products, funds can be allocated to the new Fidelity index beginning April 26, 2021. Policies that are eligible to elect the new Fidelity index will include an endorsement outlining the details of the index. This endorsement will be included in all IUL policies issued April 26, 2021, and after.

Currently marketed IUL products include:

- Builder Plus IUL[®] 2
- Protection Builder IUL[®]
- Smart BuilderSM IUL

An inforce mailing project will take place in the near future where an endorsement and an updated Schedule of Policy Benefits page will be sent to policyholders of currently marketed IUL products already in force and written in a state where the new Fidelity index is now available. This mailing will alert the client of the availability of the new Fidelity index and include an endorsement and updated Schedule of Policy Benefits pages to be placed with their original policy.

Electing New Fidelity Index

Please note the following guidelines regarding electing the new Fidelity index:

For inforce business

To elect the new Fidelity index on inforce cases, the normal process for making changes to indices will need to be followed. The Indexed Life Request form (O-2800 Rev 12-20) has been revised to include this new index.

For business not yet placed in force

To elect the new Fidelity index on cases in New Business or Policy Change that are not yet placed in force, a new allocation form (form ICC16L3189B) and disclosure form (L-3190A) are required to be fully completed and submitted. When adding the Fidelity index to a case that was issued prior to April 26, 2021, the case will be reissued.

Policy Date Guidelines

There are no restrictions with the policy date when the new Fidelity index is selected.

Illustrations and SimpleSubmit[®]

Beginning April 24, 2021, SimpleSubmit and web-based illustrations will be updated with the new forms and the ability to elect and illustrate the new Fidelity index.

For resources on this index, please visit go.fidelity.com/FIDMFY.

For additional questions, please contact your managing general agency (MGA).

Field Bulletin

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.

The Fidelity Multifactor Yield IndexSM 5% ER (the “Index”) is a multi-asset index, offering exposure to companies with attractive valuations, high quality profiles, positive momentum signals, lower volatility and higher dividend yield than the broader market, as well as U.S. treasuries, which may reduce volatility over time. Fidelity and its related marks are service marks of FMR LLC. Fidelity Product Services LLC (“FPS”) has licensed this index for use for certain purposes to North American Company for Life and Health Insurance[®] (the “Company”) on behalf of the Product. The Index is the exclusive property of FPS and is made and compiled without regard to the needs, including, but not limited to, the suitability needs, of the Company, the Product, or owners of the Product. The Product is not sold, sponsored, endorsed or promoted by FPS or any other party involved in, or related to, making or compiling the Index. The Company exercises sole discretion in determining whether and how the Product will be linked to the value of the Index. FPS does not provide investment advice to owners of the Product, nor to any other person or entity with respect to the Index and in no event shall any Product contract owner be deemed to be a client of FPS.

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