

Introducing Builder Plus IUL[®] 3

352NB

Date: May 20, 2021

Effective: May 24, 2021

North American is pleased to announce a new Indexed Universal Life (IUL) insurance product available **May 24, 2021**. Builder Plus IUL 3 is designed for death benefit protection and strong long-term cash value accumulation potential.

Builder Plus IUL 3 highlights:

- Strong death benefit protection
- Includes new 7702 and 7702A calculations for Guideline Premium Test (GPT), Cash Value Accumulation Test (CVAT), and what qualifies as a Modified Endowment Contract
- *New fixed interest participating policy loans available in year one*
- Strong long-term cash value accumulation potential through *multiple interest bonus opportunities*:
 - A base bonus on fixed and index accounts¹ in years 11+
 - A higher current bonus beginning in year one for allocations to Fidelity Multifactor Yield IndexSM 5% ER
 - A separate bonus for funds borrowed as a result of fixed interest participating policy loans
- Accelerated Death Benefit Endorsements for critical, chronic, and terminal illness²
- WriteAway[®] accelerated underwriting available for eligible cases

Updated index selections and rates

Eight index options are available on Builder Plus IUL 3.

Index	Crediting Method	Par Rate	Cap Rate	Spread Rate	Max Illustrated Rate*
Fidelity Multifactor Yield Index SM 5% ER	PtP	125%	-	-	6.24%
S&P 500 [®]	PtP	100%	9.50%	-	5.95%
S&P 500 [®]	Mthly PtP	100%	3.15%	-	5.39%
S&P 500 [®]	PtP w/ Spread	100%	-	8.50%	6.12%
High Par S&P 500 [®]	PtP	140%	8.20%	-	5.50%
S&P MidCap 400 [®]	PtP	100%	8.25%	-	5.83%
Russell 2000 [®]	PtP	100%	8.25%	-	5.28%
Uncapped S&P 500 [®]	PtP	48.50%	-	-	5.67%

PtP = Annual Point to Point, PtP w/Spread = Point to Point with Spread, Mthly PtP = Monthly Point to Point

*Maximum illustrated rate reflects the requirements of AG49-A.

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7702 and 7702A updates

Updated calculations for GPT and CVAT allow for potentially larger premium amounts for the same death benefit (or lower death benefit for same premium). For more information on this, please refer to our [Frequently Asked Questions](#).

Interest bonuses

Builder Plus IUL 3 offers several bonus opportunities, depending on how long your client's policy has been in force, to help increase cash value.

Starting in policy year one until the end of policy year 10:

- A 1.65% Current, 0.50% Guaranteed bonus on non-loaned funds allocated to the Fidelity Multifactor Yield IndexSM 5% ER

Starting in years 11+:

- The bonus on non-loaned funds allocated to the Fidelity Multifactor Yield IndexSM increases to 2.65% Current, 0.50% Guaranteed.
- A 1.00% Current bonus, 0.50% Guaranteed bonus is available on the index account and fixed account value (not applied to loaned funds or funds allocated to the Fidelity index)

In all years:

- A 2.0% Current, 0.50% Guaranteed bonus on loaned money using a Fixed Interest Participating Policy Loan. This bonus helps your policy continue to accrue cash value, even when funds are being loaned. Please note, loaned money using the Fixed Interest Participating Policy Loan will not receive any other bonuses. No other loan types receive an interest bonus.

Loan types

Along with the new Fixed Interest Participating Policy Loans³, Builder Plus IUL 3 also provides other loan options:

- Standard Loans and Variable Interest Participating Policy Loans⁴, both available in policy year one
- Net-Zero Cost Loans⁵ available in policy year six with standard loans

Fixed Interest Participating Loans will generally illustrate the strongest distributions.

	Standard	Variable Participating	Fixed Participating
Charge rate	Declared	Based on Moody*	Declared
Crediting rate	Declared	Based on index	Based on index
Bonus eligible	No	No	Yes
Illustrated performance**	Lowest	Medium	Strongest

*Moody's Corporate Bond Yield Average -Monthly Average Corporates, as published by Moody's Investor's Services, Inc.

**Illustration based on max illustrated rate

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Account value charge

The Percent of Account Value charge of 0.104%/month (approx. 1.25% annually) will apply on all non-loaned monies. This charge can be more than offset by the benefits it provides. This charge helps to keep cap and par rates as high as possible while also including an interest bonus.

For example, the current 1.65% bonus on funds within the Fidelity Multifactor Yield Index 5% ER more than offsets the 1.25% charge even before the current bonus increases to 2.65% in years 11+. Please refer to the chart on page two for more detail on the interest bonuses available on this product.

Product availability

Applications for the new Builder Plus IUL 3 can be taken immediately. Starting **May 24, 2021**, this product will be available to quote and apply for on North American's web-based illustration platform and on SimpleSubmit[®] e-app.

Builder Plus IUL 3 is approved and available in all states except California, Delaware, and Florida.

Forms

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

Form title	Prior version	New version
Supplement to Application for IUL	ICC16L3189B/L-3189B Rev 8-20	ICC16L3189B/L-3189B Rev 12-20
IUL Disclosure Form	L-3190A/L-3190A-AR Rev 8-20	L-3190B/L-3190B-AR

Note: The prior version of the forms would be used for Builder Plus IUL 2, and the new version of the forms will be required for Builder Plus IUL 3.

Discontinuation of Builder Plus IUL[®] 2

Electronic Applications

As of **June 26, 2021**, Builder Plus IUL 2 will no longer be available in SimpleSubmit. Electronic applications for Builder Plus IUL 2 must be signed by all parties and submitted by **June 25, 2021**.

Paper Applications

- To receive Builder Plus IUL 2, the application must clearly indicate Builder Plus IUL 2, be signed by **June 25, 2021**, AND received by **July 6, 2021**.
- Paper applications received **May 24, 2021**, and after that do not specify which series is wanted, will automatically receive Builder Plus IUL 3.
- All applications received **July 7, 2021**, and after will automatically receive Builder Plus IUL 3, regardless of what is requested on the application.

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Current pending business

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

- If the application is dated **January 14, 2021*** 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 (ICC16L3189B/L-3189B) and IUL Disclosure form (L-3190B/L-3190B-AR) will also be required.
- If the application is dated prior to **January 14, 2021***, a new fully completed application, the new IUL Supplement to Application (ICC16L3189B/L-3189B), and the new IUL Disclosure form (L-3190B/L-3190B-AR) will be required.

*For the states of **Alabama, North Dakota, and South Dakota**, if the existing application is dated prior to March 30, 2021 a new fully completed application will be required to change to Builder Plus IUL 3. All Builder Plus IUL 3 policies in the state of Alabama, North Dakota, and South Dakota must have an anniversary date of March 30, 2021, or later.

Back-Dating Guidelines

All Builder Plus IUL 3 policies must have an anniversary date of **January 14, 2021***, or later.

Exchanges

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

Materials to get started

Please visit the product resource page on the NA Marketing Toolkit next week for marketing materials to help you get started with Builder Plus IUL 3.

For more information on the new product, join us for an upcoming webinar, or contact your Managing General Agent (MGA).

Builder Plus IUL[®] 3 New Product Webinar Times

Thursday, June 3 at 1 p.m. Central

[Register Now](#)

Tuesday, June 8 at 11:00 a.m. Central

[Register Now](#)

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1. Conditionally Guaranteed Interest Bonus on Fixed Account - If we are crediting interest in excess of the guaranteed fixed account interest rate and your client's policy is in effect after the 10th policy anniversary, your client's policy will receive an Interest Bonus. The current Interest Bonus is 1.0% above the then current fixed account interest rate. The Interest Bonus percentages are not guaranteed and subject to change; however, once a policy is issued, the guaranteed percentage will not change. This bonus is not applied to any loaned amount.
2. 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.
3. The net cost of a Fixed Interest Participating Policy Loan could be negative if the credits earned are less than the interest charged. The net cost of the loan could also be larger than under standard policy loans if the amount credited is less than the interest charged. In the extreme example, the amount credited could be zero and the net cost of the loan would equal the maximum interest rate charged less any guaranteed bonus. In brief, fixed interest participating policy loans have more uncertainty than standard policy loans in the interest rate credited.
4. The net cost of a variable interest participating policy loan could be negative if the credits earned are less than the interest charged. The net cost of the loan could also be larger than under standard policy loans if the amount credited is less than the interest charged. In the extreme example, the amount credited could be zero and the net cost of the loan would equal the maximum interest rate charged on variable interest rate policy loans. In brief, Variable Interest Participating Policy Loans have more uncertainty than Standard Policy Loans in both the interest rate charged and the interest rate credited.
5. Net Zero Cost Loans are loans charged and credited at the same interest rate percentage for a net zero cost. The policy year and amount available vary by product. Please refer to the specific product marketing guide for details.

Indexed Universal Life 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.

In some situations loans and withdrawals may be subject to federal taxes. North American does not give tax or legal advice. Clients should be instructed to consult with and rely on their own tax advisor or attorney for advice on their specific situation.

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.

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