

Important Reminder about Charging Fees for Services

439NB

Date: April 13, 2023

North American Company for Life and Health Insurance[®] (“North American” or “the Company”) would like to remind all producers of our expectations related to charging fees for the routine servicing of the Company’s insurance products. Producers should not market themselves as fee-based unless it is an accurate representation of their compensation model and professional designations or registrations. Additionally, producers should not charge fees for servicing commission-based North American annuity contracts or life policies.

Charging Fees for Services (as described in the Compliance Guide)

During the life insurance and annuity sales process, producers act as a critical link between the Company and the prospective policy owner. In fulfilling that role, you are acting as a conduit of information that provides an important basis for the prospective policy owner’s decision to purchase a life insurance or annuity product, and a high degree of transparency helps the client better understand your role and relationship with the Company.

Marketing

Producers should not imply that their compensation is unrelated to sales or commissions on sales in marketing. In particular, use of certain terms requires formally recognized designations or registrations, which require qualifications, knowledge, and coordination of products and services that go far beyond the training and education required of producers limiting their product offerings to life insurance and annuities. As such, during the offer and sale of a commission-based North American product, you may not use the following or similar titles to imply that you are engaged in an advisory business in which fee-based compensation is unrelated to sales, unless it accurately describes your applicable registrations or earned credentials:

- “Financial Planner”
- “Investment Advisor”
- “Consultant”
- “Financial Counselor”

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Field Bulletin

Charging Fees

In general, producers are not permitted to charge a fee for services that are customarily associated with the solicitation or servicing of a life insurance policy or annuity contract. The Company considers advice and servicing of life insurance or annuity products to a customer to be incidental to a commission-based sale. Additionally, under most current state laws, a producer may not get compensated from both an insurance company and a customer on the sale of a life insurance or annuity contract.

These requirements help you protect your customers and your relationship with our Company. Failure to comply may result in rejection of new business, commission chargebacks, and termination of your appointment with North American or any affiliated companies, and potential referral to an applicable regulatory agency.

We appreciate your partnership and thank you for your business.

You can access our current [Compliance Guide here](#).

If you have questions about this bulletin, please contact the Special Investigations Unit at 800-923-3223 ext. 33967 or SIU@sfgmembers.com.

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