NAC Control. X℠

a fixed index annuity

Annuity disclosure statement

Thank you for your interest in the NAC Control. X℠ annuity, a single premium fixed index annuity contract issued by North American Company for Life and Health Insurance® (the "Annuity Contract"). This summary will help you understand the benefits and features of the Annuity Contract and determine if it will help you in meeting your financial goals. It is important for you to read and understand this summary before you decide to purchase the Annuity Contract. Once you have read this summary, sign the signature pages to confirm that you understand the Annuity Contract and submit this document with your application for the Annuity Contract. *Refer to the Annuity Contract for complete details.*

This annuity disclosure statement must be signed by both the applicant and the sales representative from whom the Annuity Contract is being purchased. The signed home office copy needs to be returned with the application to North American Company for Life and Health Insurance, Annuity Division.

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The NAC Control. X℠ is issued on form NA1015A/ICC21-NA1015A (contract), AE634A/ICC21-AE634A, AE636A/ICC21-AE636A, AE637A/ICC21-AE637A, AE672A/ICC23-AE672A, AE673A/ICC23-AE673A, AE638A/ICC21-AE638A, AE639A/ICC21-AE639A (riders/endorsements) or appropriate state variation by North American Company for Life and Health Insurance®, West Des Moines, IA. This product, its features and riders may not be available in all states.

For purposes of the Total Control rider, "Income" refers to the contractual guarantee provided by election of Lifetime Payment Amounts (LPAs). It is not the same as and does not refer to interest credited to the Annuity Contract.

In this annuity disclosure document references to “we, our, or us” means North American Company for Life and Health Insurance and references to “you” or “your” refers to the Annuity Contract applicant and any ultimate purchaser and owner of the Annuity Contract. The term “contract year” refers to each one-year period of time beginning with the date the Annuity Contract is issued and the term “contract anniversary” refers to the date each new contract year begins as measured from the date the Annuity Contract is issued.

What is the NAC Control. X℠ Annuity Contract?

The Annuity Contract we offer is marketed using the name NAC Control. X℠ and is an individual single premium deferred fixed index annuity. In general, annuities are long-term contracts issued by an insurance company. In exchange for a premium payment, the insurance company agrees to make payments in the future for a specified number of years or based on the life expectancy of an a natural person referred to as an annuitant. Annuity contracts may also offer various optional benefits and features that may be non-guaranteed or guaranteed. The Annuity Contract described in this annuity disclosure document provides an accumulation value which includes the premium you pay and any interest we credit to a fixed account and index accounts we may make available. The fixed account earns a fixed rate of interest we credit each year. In contrast, index accounts earn interest credits based in part on how an underlying index performs over specified periods of time. Interest credits under the Annuity Contract are guaranteed to never be less than zero.

The Annuity Contract also offers an optional Total Control rider, which includes a Withdrawal Benefit (WB) rider and an ADL Benefit rider. The WB rider provides you with a way to receive Lifetime Payment Amounts (LPAs) guaranteed for life even if your accumulation value is reduced to zero by taking an amount equal to or less than the LPA each year. The ADL Benefit rider allows you the potential to enhance your existing LPAs. The Total Control rider is an optional feature that may be elected at the time you apply for your Annuity Contract. The Total Control rider does include an additional annual charge.

The NAC Control. X℠ is not registered as a security with the Securities and Exchange Commission and does not directly participate in stock or equity investments. Index returns used in determining interest credits to index accounts do not include dividends. Past index performance is not indicative or a guarantee of future performance.

In general, current tax law allows annuities to grow tax-deferred. This tax-deferred feature is not necessary for tax-qualified retirement accounts. If you are purchasing the Annuity Contract as a tax-qualified retirement account, you should consider whether other features of the annuity will help meet your needs. Annuities may be subject to income taxes during the income or withdrawal phase. Certain withdrawals may also result in penalties.

Before purchasing the Annuity Contract, you should obtain competent advice from a trusted qualified tax professional or legal advisor regarding the tax treatment of the Annuity Contract. We, or any sales representatives acting on our behalf in the sale of the Annuity Contract, should not be viewed as providing competent legal, tax, or securities advice.

Once you purchase the Annuity Contract, you may cancel it within 30 days of your receipt to receive a refund of your full premium, less any withdrawals you may have taken. This cancellation provision is commonly referred to as a “free look” or “right to examine” period. **We urge you to read your Annuity Contract carefully before the right to examine period ends.**

This annuity disclosure statement is not intended to be a complete explanation of all benefits, terms and conditions, and limitations of the Annuity Contract. ***The Annuity Contract is the document that governs your relationship with us. Please refer to your Annuity Contract for complete details on the terms and conditions of the benefits and features offered.***

How is the value of the Annuity Contract determined?

Accumulation value

The initial accumulation value of your Annuity Contract is equal to the premium you paid. The accumulation value equals the combined value of amounts you have allocated to the fixed account and the index accounts.

The accumulation value of your Annuity Contract will increase when interest is credited to the fixed account or any of the available index accounts. Since we guarantee interest will never be less than zero, the accumulation value will not decrease due to index performance. However, the accumulation value will be reduced by the amount of any optional rider charges assessed and any withdrawals taken from your Annuity Contract, including applicable surrender charges and application of the market value adjustment. A surrender charge reduces the accumulation value in addition to the withdrawal being taken. A market value adjustment may result in an increase or decrease to the accumulation value. Refer to the section below on “What charges apply when Annuity Contract funds are withdrawn?” for more information.

The calculation of other benefits and values are described in detail later in this annuity disclosure document.

Can funds be added to the Annuity Contract?

No, the NAC Control. X℠ is a single premium contract and this means no additional premiums are allowed after the Annuity Contract is issued.

How does the Annuity Contract earn interest?

You can allocate your premium between the fixed account and the available index accounts. These accounts credit interest in different ways.

Fixed account interest
Premium allocated to the fixed account receives a fixed account interest rate. The initial fixed account interest rate is guaranteed for the first contract year. The rate for future contract years will be declared each year in our sole discretion and will be provided to you on the annual statement we provide to you. We will never declare a fixed account interest rate that is lower than the minimum guaranteed fixed account interest rate, shown in the "How might rates change in the future?" section below.

Index accounts
Premium allocated to an index account is not guaranteed to receive interest in any given contract year. Instead, interest is calculated using the performance of external indexes corresponding to the crediting method of the index account. You select the index account and any corresponding indexes available with that index account. Interest credits are determined by measuring the index's performance over the specified period of time and then applying the crediting method of the index account. This calculation determines what, if any, interest will be added to the index account.

What are the available crediting methods and how do they work?

Each index account has a crediting method used to calculate how much interest is added to your Annuity Contract. These calculations will include one or more limits to the amount of interest you receive. These limits include the following:

- **Cap rates** are upper limits on how much index gain you can receive. For example, if the cap rate is 4% and the index gain is 10%, your interest credit would be "capped" at 4%.
- **Participation rates** limit your interest credit to a set percentage of any index gain – the amount of index gain in which you "participate". For example, if the participation rate is 30% and the index gain is 10%, your interest credit would be 3%.
- **Margins** are subtracted from any index gain before you receive an interest credit. For example, if the index margin is 2% and the index gain is 10%, your interest credit would be 8%.

The examples listed above all assume one-year term point-to-point crediting method.

Each external index used with an index account incurs expenses associated with operating the index. These expenses are not deducted from the accumulation value but how the index provider allocates these expenses may reduce the external index performance or affect the various rates and margins described above that limit interest credits.

The following crediting methods are available on the index accounts of your Annuity Contract. Please refer to your Annuity Contract to find the available indices. We may discontinue an index account and its corresponding crediting method or indexes at any time during the life of your Annuity Contract. If this happens, you may choose to allocate your funds to the other available index accounts. If you do not make a new allocation, the funds previously allocated to a discontinued index account will be transferred to the fixed account.

Each of these crediting methods may be available with one or more indices.

Term Point-to-Point with Cap (Annual Point-to-Point Cap and Two-year Point-to-Point Cap)	This method looks at the percentage change in an external index value for the length of the term. Any positive change is subject to the cap rate before being added to your accumulation value. When the change is zero or negative, you do not receive an interest credit.
Term Point-to-Point with Participation Rate (Annual Point-to-Point Participation Rate and Two-year Point-to-Point Participation Rate)	This method looks at the percentage change in an external index value for the length of the term. Any positive change is multiplied by the participation rate before being added to your accumulation value. When the change is zero or negative, you do not receive an interest credit.
Term Point-to-Point with Margin and Participation Rate (Two-year Point-to-Point with Margin and Participation Rate)	This method looks at the percentage change in an external index value for the length of the term. A margin is subtracted from any positive change, then a participation rate is applied to determine the interest credit. When the change is zero or negative after the margin is applied, you do not receive an interest credit. As the index gain must exceed the margin before you receive any interest credit, this method may result in no interest credit even if the index gain is positive. The margin is listed on an annual basis and thus will be multiplied by the number of years in the term when applied.

For more information about crediting methods, including example calculations, please refer to the How it works: Fixed index annuity crediting methods and index options consumer brochure.

How might rates change in the future?

Initial rates are declared when we issue your Annuity Contract and can be obtained from your sales representative. We may change the rates at the end of any crediting method term for the index account or guaranteed period for the fixed account. We will provide future rates on your annual statement. The rates will not fall below the minimums or go above the maximums as outlined below for each index account in your Annuity Contract.

Minimum guaranteed fixed rate	0.10%
Minimum annual cap rate	0.25%
Minimum two-year cap rate	0.50%
Minimum annual participation rate	5.00%
Minimum two-year participation rate	10.00%
Maximum annual index margin	15.00%

Is there an example of index crediting?

The following hypothetical examples are provided as a general explanation of how to calculate the interest credit for a Term Point-to-Point with Cap crediting method described below in different scenarios.

These examples assume:

- an initial index account value of $100,000
- a beginning index value of 1,000 for the S&P 500® Index
- no withdrawals
- Scenarios A, B, and C assume an index cap rate of 4%
- Scenario D assumes an index cap rate of 0.25% which is the guaranteed minimum index cap rate of the annuity Contract.

The interest credit is calculated as follows:

	Scenario A: **Above average change** (1200 ending index value)	Scenario B: **Average change** (1035 ending index value)	Scenario C: **Negative change** (900 ending index value)	Scenario D: **Minimum guaranteed cap rate** (1035 ending index value)
Step 1: Calculate change in index	1200 - 1000 = 200	1035 - 1000 = 35	900 - 1000 = -100	1035 - 1000 = 35
Step 2: Divide change by beginning index value to determine index return	200 / 1000 = 20%	35 / 1000 = 3.5%	-100 / 1000 = -10%	35 / 1000 = 3.5%
Step 3: Determine interest credit percentage	4% (cap applies)	3.5%	0% (interest credit will never be less than zero)	0.25% (cap applies)
Step 4: Multiply interest credit percentage by beginning index account value to determine index credit	4% x $100,000 = $4,000	3.5% x $100,000 = $3,500	0% x $100,000 = $0	0.25% x $100,000 = $250
Step 5: Add index credit to beginning index account value to determine ending index account value	$100,000 + $4,000 = $104,000	$100,000 + $3,500 = $103,500	$100,000 + $0 = $100,000	$100,000 + $250 = $100,250

For more information about crediting methods, including example calculations, please refer to the How it works: Fixed index annuity crediting methods and index options consumer brochure.

Can the allocation of the Annuity Contract be changed?

Yes. Each year on the contract anniversary of your Annuity Contract, you may elect to transfer your values between your fixed account and the available index account options. Transfers from terms greater than one year are only available at the end of the term. Based on current tax laws, transfers among the available index options and the fixed will not be taxable or subject to surrender penalties, surrender charges or market value adjustment.

Your Contract may contain required minimums for transfer.

Are funds in the Annuity Contract accessible?

Yes. Your Annuity Contract provides several ways to access funds. Depending on what option you select, surrender charges will reduce the accumulation value in addition to the amount you withdraw. Also, a market value adjustment may either reduce or increase your remaining accumulation value in your Annuity Contract. Penalty-free withdrawals are withdrawals that do not have surrender charges or a market value adjustment. Certain withdrawals before age 59 1/2 may be subject to an additional 10% penalty under the tax code.

Penalty-free withdrawals
After the first contract anniversary, you may take a penalty-free withdrawal (referred to in your Annuity Contract as a "Penalty-Free Partial Surrender") each contract year of up to 10% of your accumulation value as of the beginning of that contract year.

Required minimum distributions
If you purchase the Annuity Contract with "tax-qualified" money, tax code and IRS regulations may require you to take "required minimum distributions" (RMDs) from your Annuity Contract each year after you reach the applicable age as determined under the tax code and IRS regulations.

Regardless of the tax type of your Annuity Contract, upon your death your beneficiaries may be subject to RMDs as determined under the tax code and IRS regulations.

Annuity payout options (annuitization)
You may choose to have the value of your Annuity Contract paid to you under an available payout option in the form of an annuity. If your Contract is still active on its maturity date, you are required to elect a payout option or take the accumulation value, subject to any premium taxes, of your Annuity Contract as a lump sum. Once you elect a payout option, it cannot be changed and all other rights and benefits of your Annuity Contract, including death benefits, terminate without any additional value.

In all states except Florida, you may select a payout option at any time. If selected during the surrender charge period, your payout will be based on the surrender value instead of the accumulation value. Available payout options include life income, life income with period certain, joint and survivor life income, income for a specified period, and income for a specified amount.

For Annuity Contracts issued in Florida, you may select a payout option based on the accumulation value at any time after the first contract year. Available payout options include life income, life income with a 10-year or 20-year period certain, joint and survivor life income, and joint and survivor with a 10-year or 20-year period certain.

We may also choose to offer additional payment plans in our sole discretion.

Full surrender – Surrender value
If you decide to surrender or terminate your Annuity Contract, the surrender value is the amount that is available to you as a lump sum. The surrender value is equal to the accumulation value, subject to market value adjustment, less applicable surrender charges and state premium taxes.

The surrender value will never be less than the minimum requirements set forth by state law, at the time of issue, in the state where the Annuity Contract is delivered or issued for delivery. The minimum surrender value will never be less than 87.5% of all premiums less any surrenders (after MVA or reduction for surrender charges) accumulated at a rate not less than the rate required or otherwise directed by your Annuity Contract.

What charges apply when Annuity Contract funds are withdrawn?

Surrender charges

During the surrender charge period, a surrender charge applies to any amount withdrawn out of the Annuity Contract above the available penalty-free withdrawal amount. **Surrender charges decrease the amount available to you and may result in a loss of premium.** Among other things, surrender charges help defray expenses associated with issuing your Annuity Contract and allow us to invest long-term and in turn, generally offer more favorable interest crediting rates and limits. The surrender charges for each contract year are based on the state where your Annuity Contract is issued and are shown in the table below.

	Approved states other than those specifically listed in the next columns	AK, CT, DE, HI, ID, LA, MA, MD, MN, MO, MT, NH, NJ, NV, OH, OK, PA, SC, TX, UT, VA, WA, WY	CA*
Year 1	10.0%	9.0%	8.00%
Year 2	10.0%	8.5%	7.45%
Year 3	9.0%	7.5%	6.50%
Year 4	9.0%	6.5%	5.50%
Year 5	8.0%	5.5%	4.55%
Year 6	8.0%	4.5%	3.55%
Year 7	7.0%	3.5%	2.50%
Year 8	6.0%	3.0%	1.50%
Year 9	4.0%	2.0%	0.50%
Year 10	2.0%	1.0%	0.44%*

**The surrender charge percentage in the 10th contract year will decrease 0.04% monthly until the surrender charge equals 0.00%. The decrease will occur on the same day in each month as the date of the Contract anniversary; if the date does not exist for a given month, the date for that month will be the last calendar day of the month.*

Market value adjustment (MVA)

The market value adjustment (MVA) is an adjustment applied during the surrender charge period that helps protect us from losses that may occur upon early withdrawals and surrenders. This protection allows us to offer more favorable interest crediting rates and limits. The MVA only applies to withdrawals above the available penalty-free withdrawal amount. The MVA depends on changes in the market value adjustment of an external index rate (Barclay's US Credit Index) since the issue date. The MVA generally decreases the surrender amount when rates rise and increases the surrender amount when rates fall by more than the adjustment. With certain rate movements, it may not be possible to receive a positive MVA. An MVA will not reduce the amount surrendered below the minimum guaranteed surrender value.

The MVA is calculated by multiplying the portion of the withdrawal that exceeds the available penalty-free withdrawal amount before reduction for any surrender charge by the formula described below:

Market value adjustment = $(i_0 - i_t - ADJ) \times (T)$

- i_0 = The index value of the market value adjustment external index on the issue date of the Contract.
- i_t = The index value of the market value adjustment external index at the time of the surrender, full or partial.
- **ADJ** = 0.50% (in all states other than those specifically noted with ADJ = 0.00%)
- **ADJ** = 0.00% (AK, CT, DE, FL, HI, ID, IN, LA, MA, MD, MN, MO, MS, MT, NH, NJ, NV, OH, OK, PA, SC, TX, UT, VA, WA, WY)
- **T** = Time in years as follows: number of days from the date of the surrender to the end of the current contract year divided by 365, plus whole number of years remaining in the market value adjustment period

The MVA for each surrender in excess of the penalty-free withdrawal amount is limited as follows:

When the MVA is positive, the MVA will be no greater than the minimum of (A) and (B) below.

When the MVA is negative, the MVA will be no less than -1 multiplied by the minimum of (A) and (B).

Where A is equal to the surrender charge applicable at the time of full or partial surrender.

Where B is equal to:

In all states except **California**:

the total amount of interest credited to the accumulation value since the issue date; minus

the sum of all market value issue date; plus

the sum of all market value adjustments less than zero applied since the issue date.

In **California**:

0.50% times the accumulation value at the time of the withdrawal.

A hypothetical example for an Annuity Contract at contract year 5

A $100,000 single premium Annuity Contract grows to an accumulation value of $115,927 in five years. Upon full surrender at the end of the fifth contract year, a market value adjustment would be applied. This hypothetical example assumes that the index rate of the MVA external index on the issue date was 3%, a 10% penalty-free withdrawal of account value of $11,593 is available, no withdrawals have been taken since the Annuity Contract was issued, and an 8% surrender charge would apply.

Index value of MVA external index on the date of full surrender	2.00%	4.00%
Market value adjustment formula	(3.00% - 2.00% - 0.50%) x 5 = 2.50%	(3.00% - 4.00% - 0.50%) x 5 = -7.50%
Accumulation value	$115,927	
Penalty-free withdrawal amount (10%)	$11,593	
Surrender charge (8%)	$8,347	
Interest credited	$15,927	
Market value adjustment	($115,927 - $11,593) x 2.50% = $2,608[1] **MVA = $2,608**	($115,927 - $11,593) x -7.50% = -$7,825[1] **MVA = -$7,825**
Surrender value[2]	$110,189	$99,756

1. *Limited to, positive or negative, surrender charge of $8,347 or interest credited of $15,927. Limits differ for CA.*
2. *The amount of the market value adjustment will not exceed the limit as defined in your Annuity Contract; your market value adjustment may differ from the values reflected in this hypothetical example. A surrender during the surrender charge period could result in a loss of premium. Surrender charge structure may vary by state. Withdrawals taken prior to age 59 1/2 may be subject to penalties under the tax code.*

What is the Total Control rider?

Total Control rider – Withdrawal Benefit and ADL Benefit riders

Your Annuity Contract includes the option to elect a Withdrawal Benefit rider and ADL Benefit rider which we market collectively as the Total Control rider.

In exchange for a charge we assess each year, you may receive one or more guaranteed Lifetime Payment Amount income streams (LPA income streams) each contract year via the Withdrawal Benefit rider as well as the ability via the ADL Benefit rider to enhance existing LPA income streams for up to 5 years if certain eligibility requirements are met. An LPA income stream will last for the life of the applicable covered person(s) even if your Annuity Contract accumulation value is reduced to zero. The covered person(s) must meet a minimum age requirement to elect to receive an LPA income stream. The amount of each LPA income stream is determined by the age of the applicable covered person(s) and the amount of deferred income base activated at the time the LPA income stream is elected. Withdrawals in excess of the LPA income streams that are activated will impact the Total Control rider values in different ways. Refer to the sections below on “How do withdrawals affect the total income base?” and “How are LPA income streams determined?” for more information. LPA income streams are not assessed a surrender charge or subject to a market value adjustment.

The Total Control rider allows you to build a deferred income base over time which can then be used for LPA income streams. Up to ten separate LPA income streams can be activated. Each LPA income stream is determined using the age of the covered person(s) at the time of election and the amount of the current deferred income base value you activate to create the LPA income stream. LPA income streams continue to be paid even if your Annuity Contract’s accumulation value and the rider’s total income base is reduced to zero, as long as you do not take withdrawals in excess of the elected LPA income streams. You must notify us to begin an LPA income stream.

You may elect LPA income streams under the rider instead of a payout option under the Annuity Contract. If you elect a payout option under the base Annuity Contract, understand you cannot stop or modify the amount or frequency of those annuity payments. If an annuitization under a payout option occurs, all rights and benefits of the Total Control rider, including amounts available to start LPA income streams, terminate without any additional value.

What is the Total Control rider charge?

We assess an annual charge which is a percentage of the total income base for the benefits provided under the Total Control rider. This charge helps compensate us for the cost of the benefits and guarantees provided by the Total Control rider. The rider charge is displayed on the signature page of this disclosure document.

The charge assessed is calculated by multiplying the charge by the current total income base on each contract anniversary. The amount of the charge determined at that time is then deducted from your Annuity Contract's accumulation value. The charge will continue to be assessed until either your Annuity Contract or Total Control rider terminates. Refer to the section below on "When is the Total Control rider terminated?" for more information.

It is important to keep in mind that charges are deducted from the accumulation value which means it is still taken in years when LPA income streams have been activated and even when the Annuity Contract does not earn any interest or index credits. While fixed index annuities guarantee no loss of premium due to market downturns, deductions from your accumulation value for optional rider charges may in certain scenarios over time exceed any interest and index credits to your accumulation value, which in turn would result in loss of premium.

What is the total income base?

The total income base is the combined value of the deferred income base and the active income base. The total income base, which includes the deferred income base and active income base, has no accumulation value, surrender value, or death benefit value.

What is the deferred income base?

The deferred income base is the part of the total income base that may be used to activate new LPA income streams. Your initial deferred income base is listed on the WB rider specifications included with your Annuity Contract. The deferred income base may increase by deferred income base roll-up amounts. The deferred income base is reduced by income base transfers to the active income base on each activation date. If the full deferred income base is not being activated, the activation percentage will be adjusted at each activation date so that the remaining deferred income base immediately thereafter is at least equal to the minimum deferred income base. The deferred income base may be reduced by withdrawals as outlined in the "How do withdrawals affect the total income base" section. Your deferred income base is not reduced by the Total Control rider charges.

How can the deferred income base value increase?

After the premium is paid and your Annuity Contract is issued, the deferred income base may increase during the deferred income base roll-up period. This period ends on the 20th contract anniversary of your Annuity Contract or when the deferred income base of your Total Control rider is reduced to zero, whichever happens first. On each contract anniversary while the deferred income base roll-up period is in effect, it will increase by the deferred income base roll-up amount.

The deferred income base roll-up amount on a contract anniversary is equal to the amount of the deferred income base on that contract anniversary multiplied by the guaranteed roll-up Rate plus the participation roll-up rate multiplied by the current deferred growth ratio multiplied by the total dollars of interest credited for that contract year. The deferred growth ratio is equal to the deferred income base divided by the total income base on each contract anniversary prior to any increase from interest crediting and the deduction of the Total Control rider charge. The deferred income base roll-up is only added to your Total Control rider's deferred income base. It does not change or modify the accumulation value, death benefit, surrender value, or any other value in your Annuity Contract. It is only used to determine the amount available to activate as an LPA income stream under the Total Control rider.

What is the active income base?

Your initial active income base is equal to zero and remains equal to zero until the first activation date. The active income base will only increase when you elect to activate an LPA income stream. When you elect an LPA income stream the portion of your deferred income base you activate (the income base transfer) is moved to your active income base. On each activation date, the income base transfer is equal to the deferred income base multiplied by the percentage (activation percentage) of the deferred income base you wish to turn into an LPA income stream. The active income base is reduced by withdrawals as outlined in the "How do withdrawals affect the total income base?" section. Your active income base is not reduced by Total Control rider charges. The active income base does not change or modify the accumulation value, death benefit, surrender value, or any other value in your Annuity Contract.

How do withdrawals affect the total income base?

Every time a withdrawal is taken the total income base is reduced by the same percentage that the accumulation value was reduced by that withdrawal. Before any LPA income streams have been activated, all withdrawals will reduce the deferred income base which in turn reduces the amount available in the future to elect LPA income streams. After the first activation date while the active income base is greater than zero, each year any withdrawals up to the amount of the LPA income streams activated will reduce the active income base. Each year any withdrawals in excess of the active LPA income streams will reduce the deferred income base. If the active income base is reduced to zero, the Total Control rider is in the deferred income base reduction phase. If the Deferred Income Base is or becomes reduced to zero, withdrawals in excess of the LPAs will reduce the Active Income Base by the same percentage that the accumulation value was reduced by the excess withdrawal.

What is the deferred income base reduction phase?

The deferred income base reduction phase is when the active income base has been exhausted and the deferred income base is greater than zero. During the deferred income base reduction phase, all withdrawals will reduce the deferred income base, which will reduce the amount of LPA income streams available at future activation dates. A new activation of any new LPA income streams will result in a new transfer to the active income base, which would result in the deferred income base reduction phase ending until the active income base is exhausted again.

How do you activate a new LPA income stream?

An activation date is the date you begin a new LPA income stream. LPA income streams are only available after the first contract anniversary and if the covered person(s) have reached the minimum LPA age. For each activation, you must elect the following.

- **LPA Option:** Whether to have a level or increasing LPA income stream.
- **Covered Person Option:** Whether to have the LPA income stream apply to the life of a single covered person or the lives of joint covered persons. If you elect to have your LPA income stream cover the lives of joint covered persons, the joint covered persons must be spouses at the time of election.
- **Activation Percentage:** The percentage of the deferred income base you wish to convert to begin the new LPA income stream.

Remember, you may activate up to 10 different LPA income streams, with the final activation being for the remaining deferred income base. You make these elections for each LPA income stream you activate and the elections may not be changed on or after the applicable LPA income stream's activation date. The only exception is in the case of spousal continuations. Refer to your Annuity Contract for details.

How are LPA income streams determined?

LPA income streams are determined by multiplying the deferred income base, activation percentage, and applicable Lifetime Payment Percentage as of the applicable activation date. Every LPA income stream, except for the last available LPA income stream on the final activation date, must be at least equal to the Minimum LPA on its activation date. The Lifetime Payment Percentage depends on the attained age of the covered person(s), joint vs. single covered person(s), and the LPA option elected.

LPA income streams are an annual amount guaranteed to be available each contract year during the life of the covered person(s) while the Total Control rider is in effect, provided total partial withdrawals during any contract year do not exceed the LPA income streams activated. If excess withdrawals are taken and the deferred income base is or becomes reduced to zero, LPA income streams will be reduced by the same percentage that the accumulation value was reduced by the excess withdrawal.

Are LPA income streams taxable?

We will report the amount of LPA income streams received each year as withdrawals from your Annuity Contract. Additionally, any LPA income streams taken before you are age 59 1/2 may be subject to additional penalty taxes under the tax code. Each individual may have unique circumstances regarding taxes and their implications, which is why we urge you to consult your own tax advisor before electing to activate any LPA income streams and regarding the tax treatment of LPA income streams.

What is the additional ADL Benefit rider?

The ADL Benefit rider provides you the potential to enhance your existing LPA income streams provided under the Total Control rider. There is no additional charge for the ADL Benefit rider and you automatically receive this rider with the WB rider when you purchase the Total Control rider. The ADL Benefit rider provides an LPA ADL Benefit feature that enhances any existing LPA income streams. This benefit becomes available if the covered person is unable to perform two of six activities of daily living (ADLs) for a period of more than 90 consecutive days and a physician (Licensed Health Care Practitioner in CA) expects the condition of the covered person to be permanent. The six ADLs are defined below.

1) Bathing: washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
2) Continence: the ability to maintain control of bowel and bladder function; or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag).
3) Dressing: putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.
4) Eating: feeding oneself by getting food into the body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
5) Toileting: getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
6) Transferring: moving into or out of a bed, chair, or wheelchair.

The enhancement is only available on existing LPA income streams applying to the covered person meeting the eligibility requirements. The LPA ADL Benefit is not available on any covered person that was not able to perform all six of the ADLs on the issue date.

The LPA ADL Benefit can be elected for a maximum of five contract years. The LPA ADL Benefit is not available if the accumulation value reaches zero, even if LPA income streams have already been activated. This LPA ADL Benefit does not have to be used for consecutive contract years The LPA ADL Benefit is not available until after the second contract anniversary and requires you to wait at least three months after the first LPA income stream activation date before receiving benefits.

There are several qualification requirements which must be met to be eligible for benefits under the ADL Benefit rider. Carefully review your ADL Benefit rider and Annuity Contract for details. ***The ADL Benefit Rider is not Long Term Care Insurance and does not provide Long Term Care benefits.***

What happens when you die?

The Annuity Contract death benefit is payable when any individual owner dies or when all annuitants have died, whichever is earlier, before the maturity date. If the owner dies and his or her spouse is the sole beneficiary, the spouse may elect to continue the Annuity Contract as its owner. If the surviving spouse would have met the Total Control rider issue age requirement, the spouse may also be eligible to elect to continue the Total Control rider.

The death benefit equals the accumulation value plus potential interest credits for the partial contract year as of the date of death. The death benefit will never be lower than the Annuity Contract's minimum surrender value. A death benefit is not available if you have already elected an annuity payout option. The death benefit may be reduced for premium taxes at death as required by the state of residence.

What happens to the Total Control rider when you die?

The Total Control rider will terminate upon payment of a death benefit under the Annuity Contract. However, the Total Control rider is continued with the Annuity Contract under the spousal continuance conditions below if the surviving spouse meets the Total Control rider issue age requirements.

Spousal Continuance:

If the surviving spouse did not meet the Total Control rider issue age requirement, then the Total Control rider will terminate with no further benefit or value.

If the death of a covered person occurs before the first activation date and the surviving spouse continues the Annuity Contract, the Total Control rider may continue and the surviving spouse becomes the new covered person.

If the first death occurs after the first activation date and the surviving spouse continues the Annuity Contract, the Total Control rider may continue:

- If there is any deferred income base, the surviving spouse becomes the new covered person for future LPA income streams based on the deferred income base.
- Any LPA income streams based on the surviving spouse as a single covered person or one of the joint covered persons will continue. *(continued on next page)*

What happens to the Total Control rider when you die? *(continued from previous page)*

If the Total Control rider is continued under spousal continuance, then the following will occur.

- Any LPA income streams based on the deceased single covered person will terminate.
- Any LPA income streams based on joint covered persons in which both covered persons are deceased will terminate.
- The active income base will decrease for any LPA income streams terminated based on the death of the covered person.

If all LPA income streams and deferred income base are not eligible for spousal continuance, the Total Control rider will terminate. Spousal continuance may only be elected once and is no longer available once the accumulation value reaches zero.

When does the Total Control rider terminate?

The Total Control rider will terminate upon the occurrence of any of the following with respect to the Total Control rider or the Annuity Contract.

- When we receive a request from you to terminate the Total Control rider after the first contract year.
- The death benefit under the Annuity Contract becomes payable.
- When the maturity date of the Annuity Contact is reached.
- On the date annuity payments of a payout option under the Annuity Contract begin.
- When the accumulation value, the Total Income Base, and LPA income streams all equal zero.
- When a loan is made on the Annuity Contract.
- When the Annuity Contract terminates.
- When there is a change of ownership under the Annuity Contract, unless it is done under the covered persons provisions of the Total Control rider.
- When all of the covered persons have died after the accumulation value reaches zero and the benefits under the Total Control rider are being paid.
- A divorce, to the extent the provisions of the divorce decree violate the covered persons provisions of the Total Control rider.

If your needs change, you can elect to terminate the Total Control rider after the first contract year. Termination of the Total Control rider does not terminate the Annuity Contract. If you want to terminate the Annuity Contract you will need to submit a separate surrender request. If you terminate the Total Control rider you will forfeit any LPA income streams in effect as well as any future access to elect any new LPA income streams. Once terminated the Total Control rider cannot be reinstated. Any Total Control rider charges incurred before its termination are not reimbursable.

What additional benefits does the Annuity Contract provide?

Nursing home confinement waiver rider (Not available in all states)

After the end of the first contract year if a covered individual is confined to a qualified nursing care center (skilled nursing facility or residential care facility for the elderly in CA) as defined in the rider, you may withdraw up to 100% of your accumulation value without a surrender charge or MVA. If you withdraw 100% of your accumulation value, your Annuity Contract will terminate with no further benefits or value. The waiver rider is automatically included with your Annuity Contract at no additional charge. Potential interest credits for any partial crediting term are not available with this benefit and are only available as part of the Annuity Contract death benefit. Refer to the waiver rider for additional details, including benefit terms and conditions and limitations.

How is my sales representative compensated?

We pay a sales commission in connection with the sale of each Annuity Contract. This commission is one of many costs which we consider and factors into the design of the Annuity Contract and its performance, including setting the guaranteed rates and the manner in which non-guaranteed benefits may be offered. The total amount of your premium is credited to your Annuity Contract, and no deductions from your premium or from your accumulation value will be made due to the payment of this sales commission.

We may enter into written sales agreements with other financial institutions (“selling firms”) for the sale of the Annuity Contract. The selling firms and their representatives are independent of us. The selling firms are responsible for evaluating product proposals, making recommendations independently, and for exercising independent judgment about these proposals. We pay selling firms all or a portion of the commissions received for their sales of the Annuity Contract.

Applicant statement and signature

By signing below, I certify that:

Owner(s) initials REQUIRED in box above

- I have read this annuity disclosure document in its entirety and have been provided a brochure that explains the annuity's benefits, features, and limitations.
- The features of this Annuity Contract have been explained to me by my Agent/Representative.
- The **NAC Control. X** is a long-term Contract and a surrender charge up to 10% as well as a market value adjustment will apply during the 10-year surrender charge period to any surrender or partial withdrawal that exceeds the Penalty-Free Partial Surrender amount.
- I understand a surrender during the surrender charge period may result in loss of premium.
- I understand that interest does not begin to accrue until the date the Annuity Contract becomes effective, not the date premium is submitted or received by the company.
- I understand my Agent/Representative will receive a commission for the sale of this Annuity Contract.
- I understand I should consult my tax advisor about possible tax implications related to the purchase of this Annuity Contract and its features.
- I understand that any values shown, other than the guaranteed minimum and maximum values, are not guarantees, promises, or warranties.
- I have reviewed the features and understand the intent of this Annuity Contract and agree that it meets my needs. I have assessed my financial situation, including cash for living and other related expenses, and this Annuity Contract is suitable for my financial needs.
- I am aware that an Annuity buyer's guide is available on the North American Company for Life and Health Insurance website.

Optional Total Control Rider Election *(Owner(s) initials required):* This rider can only be elected at issue.

☐ **Decline**	**Owner(s) initials REQUIRED in box if Declined**	• I understand that I am declining the optional Total Control rider. • I understand that the Total Control rider can only be elected at issue, and will not be able to be added to my Annuity Contract at a future date.
☐ **Elect**	**Owner(s) initials REQUIRED in box if Elected**	• I understand that I am purchasing this Annuity Contract which is issued with the Total Control rider that provides LPA income streams and a LPA ADL Benefit. • I understand and that there is an additional charge of **1.25%** of the total income base on each contract anniversary that reduces the accumulation value. • I understand the following: The total income base (combined value of the deferred income base and active income base) is used only in determining LPA income streams, and the annual Total Control rider charge amount, and is not the same as the accumulation value and is not available as a lump sum nor a death benefit.

If Total Control rider is elected, owner(s) Initials below are required based on ability to perform Activities of Daily Living (ADL) as noted. (Select only ONE)

☐ Initial to **agree** that each covered person(s) is (are) able to perform all six ADLs as of the day this form and the application were signed.

☐ Initial to **disagree** that each covered person(s) is (are) able to perform all six ADLs. Agree that at least one covered person(s) is **unable** to perform all six ADLs as of the day this form and the application was signed, and verify the following: By electing this option, I understand and acknowledge that any covered person(s) unable to perform all six ADLs as of the date of this form and application was signed is (are) **ineligible** for the LPA ADL Benefit and I am purchasing the Total Control rider and its other features.

Applicant authorization and signature

Owner's name (print)	Joint Owner's name (print)

Owner's signature

▶

Date signed (mm/dd/yyyy)

Joint Owner's signature

▶

Date signed (mm/dd/yyyy)

Agent/Representative acknowledgment and signature

By signing below, I certify that the product brochure and North American Company for Life and Health Insurance disclosure materials have been presented to the applicant. A copy of this signed disclosure was provided to the applicant after an examination of the interests of the applicant and an assessment of the stated goals of the applicant. I have provided or directed the applicant to the Annuity buyer's guide on the North American Company for Life and Health Insurance website. I certify that I believe this Annuity Contract to be appropriate for the applicant based on his or her individual needs. I have discussed this Annuity Contract with the applicant and have not made any statements which contradict the materials provided to the applicant. I have not made any promises or given any assurances about the future value of any non-guaranteed elements.

Agent/Representative's signature

▶

Date signed (mm/dd/yyyy)

242937

Not FDIC/NCUA Insured	Not A Deposit Of A Bank	Not Bank Guaranteed
May Lose Value	Not Insured By Any Federal Government Agency	

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Please see **pages 12 and 14** for acknowledgement and signatures.

Agent instructions: **Page 12 and 14 must both be signed**.

Return page 14 to the home office with the Applicant's original signature.

Retain a permanent copy in your file. Leave pages 1-12 with signatures with the Applicant.

Applicant statement and signature

By signing below, I certify that:

Owner(s) initials REQUIRED in box above

- I have read this annuity disclosure document in its entirety and have been provided a brochure that explains the annuity's benefits, features, and limitations.
- The features of this Annuity Contract have been explained to me by my Agent/Representative.
- The **NAC Control. X** is a long-term Contract and a surrender charge up to 10% as well as a market value adjustment will apply during the 10-year surrender charge period to any surrender or partial withdrawal that exceeds the Penalty-Free Partial Surrender amount.
- I understand a surrender during the surrender charge period may result in loss of premium.
- I understand that interest does not begin to accrue until the date the Annuity Contract becomes effective, not the date premium is submitted or received by the company.
- I understand my Agent/Representative will receive a commission for the sale of this Annuity Contract.
- I understand I should consult my tax advisor about possible tax implications related to the purchase of this Annuity Contract and its features.
- I understand that any values shown, other than the guaranteed minimum and maximum values, are not guarantees, promises, or warranties.
- I have reviewed the features and understand the intent of this Annuity Contract and agree that it meets my needs. I have assessed my financial situation, including cash for living and other related expenses, and this Annuity Contract is suitable for my financial needs.
- I am aware that an Annuity buyer's guide is available on the North American Company for Life and Health Insurance website.

Optional Total Control Rider Election *(Owner(s) initials required):* This rider can only be elected at issue.

☐ **Decline**	**Owner(s) initials REQUIRED in box if Declined**	• I understand that I am declining the optional Total Control rider. • I understand that the Total Control rider can only be elected at issue, and will not be able to be added to my Annuity Contract at a future date.
☐ **Elect**	**Owner(s) initials REQUIRED in box if Elected**	• I understand that I am purchasing this Annuity Contract which is issued with the Total Control rider that provides LPA income streams and a LPA ADL Benefit. • I understand and that there is an additional charge of **1.25%** of the total income base on each contract anniversary that reduces the accumulation value. • I understand the following: The total income base (combined value of the deferred income base and active income base) is used only in determining LPA income streams, and the annual Total Control rider charge amount, and is not the same as the accumulation value and is not available as a lump sum nor a death benefit.

If Total Control rider is elected, owner(s) Initials below are required based on ability to perform Activities of Daily Living (ADL) as noted. (Select only ONE)

☐ Initial to **agree** that each covered person(s) is (are) able to perform all six ADLs as of the day this form and the application were signed.

☐ Initial to **disagree** that each covered person(s) is (are) able to perform all six ADLs. Agree that at least one covered person(s) is **unable** to perform all six ADLs as of the day this form and the application was signed, and verify the following: By electing this option, I understand and acknowledge that any covered person(s) unable to perform all six ADLs as of the date of this form and application was signed is (are) **ineligible** for the LPA ADL Benefit and I am purchasing the Total Control rider and its other features.

Applicant authorization and signature

Owner's name (print)	Joint Owner's name (print)

Owner's signature ▶

Date signed (mm/dd/yyyy)

Joint Owner's signature ▶

Date signed (mm/dd/yyyy)

Agent/Representative acknowledgment and signature

By signing below, I certify that the product brochure and North American Company for Life and Health Insurance disclosure materials have been presented to the applicant. A copy of this signed disclosure was provided to the applicant after an examination of the interests of the applicant and an assessment of the stated goals of the applicant. I have provided or directed the applicant to the Annuity buyer's guide on the North American Company for Life and Health Insurance website. I certify that I believe this Annuity Contract to be appropriate for the applicant based on his or her individual needs. I have discussed this Annuity Contract with the applicant and have not made any statements which contradict the materials provided to the applicant. I have not made any promises or given any assurances about the future value of any non-guaranteed elements.

Agent/Representative's signature ▶

Date signed (mm/dd/yyyy)

242937

Not FDIC/NCUA Insured	Not A Deposit Of A Bank	Not Bank Guaranteed
May Lose Value	Not Insured By Any Federal Government Agency	

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Index disclosure supplement:

Barclays Transitions 12 VC Index™ (BXIITR12)

Barclays Transitions 6 VC Index™ (BXIITR6E)

(Please see your annuity disclosure for details.)

Thank you for considering a fixed index annuity from North American Company for Life and Health Insurance®. Upon issue, this is an annuity Contract between you and North American. It is an insurance Contract filed with the state insurance department. Therefore, this Contract is governed by state insurance laws and your state insurance department.

A North American fixed index annuity Contract offers you flexibility to choose how to allocate your premiums to determine the manner in which your Contract can earn interest. You may earn interest credits by linking to an external index and by selecting from our various interest crediting methods or by allocating your premium to the fixed account. North American annuity products offer you, the customer, flexibility and choice in determining how you wish to have your Contract premiums allocated. If you elect to place your premium in an index account, your interest credit will never be less than zero. If you elect to place your premium in the fixed account, a declared rate of interest will be credited each year.

A North American fixed index annuity contains a minimum guaranteed interest rate, backed by the financial strength of North American. The fixed account minimum guaranteed interest rate is set at issue and guaranteed for the entire term of the Contract.

If you elect to link your premiums and credited interest to an external index, your premiums are never invested directly in the external index. The investment performance of the external index that your premiums are linked to does not pass through to you as a security investment does. If it is a stock-based index you do not receive dividends. By linking to an external index you merely select the manner used to measure your credited interest. You ultimately decide how to allocate your premiums and decide how interest credits to your Contract will be calculated. It is critical you understand how the components of your fixed index annuity work. There are two main aspects that factor in to determining the interest credits, the index account (crediting method) option and the index itself.

We reserve the right to add, remove or revise availability of any index, or to substitute a different published benchmark should the company, in its discretion, determine that the use of an index is no longer commercially reasonable. Use of or reference to an index does not constitute a purchase of or direct investment in the index, or in the underlying components of the index. All references to the values of an index are used with the permission of the index provider and have been provided for informational purposes only. The index provider accepts no liability or responsibility for the accuracy of the prices or the underlying components to which the prices may be referenced.

Additional options

We feel it is important to offer you several options to which you can allocate your premium. We also offer transfer options that give you the opportunity to re-allocate your accumulation value to the various fixed and index account options at the end of crediting terms. Contact your sales representative or North American for additional information.

Please call 1-877-858-1364 for additional details on any of these indices.

Barclays Transitions 12 VC Index™

The Barclays Transitions 12 VC Index™ (the "Index") starts its allocation with exposure to broad US equities and then uses trend signals to determine the allocation amongst fixed income, commodities and cash for diversification. The goal is to follow the equities market and capture as much upside as possible. The Index is rules-based and targets a 12% annual realized volatility by allocating between the multi-asset structure and cash. In calculating the level of the Index, the Index methodology deducts a fee equal to 0.85% per year plus ETF management fees that varies by exposure and rebalancing costs.

The value of the Index is available at the website https://Indices.Barclays/Transitions

Barclays Transitions 6 VC Index™

The Barclays Transitions 6 VC Index™ (the "Index") starts its allocation with exposure to broad US equities and then uses trend signals to determine the allocation amongst fixed income, commodities and cash for diversification. The goal is to follow the equities market and capture as much upside as possible. The Index is rules-based and targets a 6% annual realized volatility by allocating between the multi-asset structure and cash. In calculating the level of the Index, the Index methodology deducts a fee equal to 0.50% per year plus ETF management fees that varies by exposure and rebalancing costs.

The value of the Index is available at the website https://Indices.Barclays/Transitions

Neither Barclays Bank PLC ("BB PLC") nor any of its affiliates (collectively, "Barclays") is the issuer or producer of fixed index annuities and Barclays has no responsibilities, obligations or duties to policyholders in fixed index annuities. The Barclays Transitions 12 VC Index™ and the Barclays Transitions 6 VC Index™ (the "Indexes"), together with any Barclays indices that are components of the Index is licensed for use by North American Company for Life and Health Insurance® ("NACOLAH") *as* the issuer or producer of fixed index annuities (the "Issuer"). Barclays' only relationship with the Issuer in respect of the Index is the licensing of the Index, which is administered, compiled and published by BB PLC in its role as the index sponsor (the "Index Sponsor") without regard to the Issuer or the fixed index annuities or policyholders in the fixed index annuities. Additionally, the Issuer may for itself execute transaction(s) with Barclays in or relating to the Index in connection with fixed index annuities. Policyholders acquire fixed index annuities from the Issuer and policyholders neither acquire any interest in the Index nor enter into any relationship of any kind whatsoever with Barclays upon making a purchase in fixed index annuities. Fixed index annuities are not sponsored, endorsed, sold or promoted by Barclays and Barclays makes no representation regarding the advisability of the fixed index annuities or use of the Index or any data included therein. Barclays shall not be liable in any way to the Issuer, policyholders or to other third parties in respect of the use or accuracy of the Index or any data included therein.