

# Index selections

## Indexed universal life insurance

In addition to death benefit protection, indexed universal life products provide the opportunity for cash value growth through a fixed account and an index account. The index account credits interest based on the upward movement of one or more stock market indexes without investing directly in the market. North American offers six indexes with various crediting methods that create a total of 12 index selections.<sup>1</sup> Depending on the index selection, the amount of interest credited may be adjusted compared to the actual index growth by an index cap or participation rate. For more information about our caps and participation rates, please ask your agent for a copy of the Index Caps & Participation Rates brochure.

## Six indices<sup>2</sup>

### **Fidelity Multifactor Yield Index<sup>SM</sup> 5% ER (Fidelity Index)**

A rules-based index that blends six equity factor indices with U.S. Treasuries, and uses a dynamic allocation approach that seeks to reduce volatility to deliver more consistent returns over time.

### **Standard & Poor's 500 Composite Stock Price Index (S&P 500®)**

Measures the 500 most widely held companies across a number of industries.

### **Standard & Poor's 400 Index (S&P MidCap 400®)**

Measures 400 medium-sized U.S. firms based on their market capitalization, liquidity, and industry representation.

### **NASDAQ-100®**

The NASDAQ-100 is a stock market index made up of 104 equity securities issued by 100 of the largest non-financial companies listed on the NASDAQ.

### **Russell 2000®**

Measures the performance of the smallest 2,000 companies in the Russell 3000 Index of the 3,000 largest U.S. companies in market capitalization.

### **EURO STOXX 50®**

Measures the top 50 blue-chip stocks from the countries participating in the European Monetary Union.

## Crediting methods

### **Annual Point-to-Point**

The Annual Point-to-Point crediting method measures the movement of the index from the beginning to the end of a 12-month index period. This value is then multiplied by the participation rate. The resulting interest crediting rate can never be less than zero and can never be more than the annual cap rate. Annual Point-to-Point is available on all indexes. The S&P 500® also includes an uncapped index selection which has a lower participation rate.

### **High Par Annual Point-to-Point**

Index versions with a higher participation rate are available through the High Participation S&P 500® and the Fidelity Multifactor Yield Index<sup>SM</sup> 5% ER.

### **Annual Point-to-Point with Spread**

The Annual Point-to-Point with Spread crediting method first measures the movement of the index from the beginning to the end of a 12-month index period. This value is then multiplied by the participation rate. The spread rate is then subtracted. The resulting interest crediting rate can never be less than zero. Annual Point-to-Point with spread is available on the S&P 500® only.

<sup>1</sup> Builder Plus IUL® 3 offers a total of nine index selections

<sup>2</sup> Index availability may vary by product.

### **Hypothetical example**

	<b>Capped</b>	<b>Uncapped</b>
Beginning index value	1,000.00	1,000.00
Ending index value	1,200.00	1,200.00
Index growth	20.00%	20.00%
Participation rate	100.00%	50.00%
Cap rate	10.00%	N/A
<b>Index crediting rate</b>	<b>10.00%</b>	<b>10.00%</b>

### **Hypothetical example**

	<b>Capped</b>	<b>Uncapped</b>
Beginning index value	1,000.00	1,000.00
Ending index value	1,200.00	1,200.00
Index growth	20.00%	20.00%
Participation rate	140.00%	140.00%
Cap rate	8.00%	N/A
<b>Index crediting rate</b>	<b>8.00%</b>	<b>28.00%</b>

### **Hypothetical example**

Beginning index value	1,000.00
Ending index value	1,200.00
Index growth	20.00%
Participation rate	100.00%
Spread rate	4.00%
Cap rate	N/A
<b>Index crediting rate</b>	<b>16.00%</b>

## Monthly Point-to-Point

With the Monthly Point-to-Point strategy, we measure the change in the index each month over the 12-month index period. This percentage change can be positive or negative and is subject to a monthly cap rate. As the end of the index period, those values are added together to find the interest crediting rate. The interest crediting rate can never be less than zero. Monthly Point-to-Point is available with the S&P 500® only.

### Hypothetical example

Monthly cap rate	4.00%
Participation rate	100.00%
Interest crediting rate	10.00%

Monthly date	Index value	Index growth	Growth used in crediting rate
January 1	100.00		
February 1	102.00	2.00%	2.00%
March 1	103.00	0.98%	0.98%
April 1	104.29	1.25%	1.25%
May 1	110.00	5.48%	<b>4.00%</b>
June 1	115.00	4.55%	<b>4.00%</b>
July 1	108.57	-5.59%	-5.59%
August 1	115.00	5.92%	<b>4.00%</b>
September 1	105.00	-8.70%	-8.70%
October 1	106.00	0.95%	0.95%
November 1	112.00	5.66%	<b>4.00%</b>
December 1	111.00	-0.89%	-0.89%
January 1	116.00	4.50%	<b>4.00%</b>

**Index crediting rate** **10.00%**  
(Sum of monthly rates)

For actual historical index performance, please visit [NorthAmericanCompany.com](http://NorthAmericanCompany.com).

This information presented is hypothetical and not intended to project or predict investment results. Historical performance of the indices is not intended to predict or project performance.

## Optimal (Multi-Index) Annual Point-to-Point

With the Optimal (Multi-Index) Annual Point-to-Point strategy, we measure the movement of three different indexes from the beginning to the end of the 12-month index period. The three indexes are S&P 500®, Russell 2000® and the EURO STOXX 50®. We take 50% of the best performing index, plus 30% of the second best performing index, plus 20% of the third best performing index. This value is then multiplied by the participation rate. The resulting interest crediting rate can never be less than zero and can never be more than the annual cap rate. This strategy is only available with the three indexes noted above. This strategy is not available with Builder Plus IUL® 3.

### Hypothetical example:

S&P 500® start value	1000
S&P 500® end value	925
<b>Index growth</b>	<b>-7.50%</b>
Russell 2000® start value	1000
Russell 2000® end value	1200
<b>Index growth</b>	<b>20.00%</b>
EURO STOXX 50® start value	2000
EURO STOXX 50® end value	2100
<b>Index growth</b>	<b>5.00%</b>
Best performing index	50% of 20.00%
2nd best performing index	30% of 5.00%
3rd best performing index	20% of -7.50%
<b>Index growth for optimal</b>	<b>10.00%</b>
Participation rate	100.00%
Cap rate	11.00%
<b>Index crediting rate</b>	<b>10.00%</b>

## 12 Index selections

The six indexes along with the various crediting methods combine for a total of 12 possible index selections.

	Index	Crediting method
1	Fidelity Index	Annual Point-to-Point
2	Fidelity Index	High Par Annual Point-to-Point
3	S&P 500®	Annual Point-to-Point
4	S&P 500®	Monthly Point-to-Point
5	S&P 500®	Annual Point-to-Point with Spread
6	High Participation S&P 500®	Annual Point-to-Point
7	NASDAQ-100**	Annual Point-to-Point
8	S&P MidCap 400®	Annual Point-to-Point
9	Russell 2000®	Annual Point-to-Point
10	EURO STOXX 50**	Annual Point-to-Point
11	Optimal Strategy* (Multi-Index)	Optimal (Multi-Index) Annual Point-to-Point
12	Uncapped S&P 500®	Annual Point-to-Point

\*This index selection is not available with Builder Plus IUL 3.

## Which index selection may be right for you?

You can allocate premium into a single index selection or any combination of the available selections based on your personal preferences. You may change your premium allocations at any time, and you can transfer money between the different index selections at the end of the index period.

The periodic table of indexes (shown on the next page) shows that, historically, different indexes have performed better in different years. Therefore, there is not one index that always produces the highest return. If you allocate your premium to more than one index selection, you may benefit if one index performs well while others perform poorly.

### Hypothetical example using multiple index selections

	Index A	Index B	Index C	Index D
Index growth rate	↑ 10%	↑ 6%	↓ 2%	↓ 6%
Index credit*	+ 10%	+ 6%	0%	0%
<b>Average index credit = 4%</b> (Assuming 25% is allocated to each index.)				

\*Index credit assumes a 100% participation rate and that the cap is greater than the index growth.

# Periodic table of index selections

Many factors should be considered when pairing different indexes with different IUL products. No single index consistently outperforms another, and combining indexes and crediting methods may help provide diversification benefits. But to get a sense of how the High Par option on the Fidelity Index may perform compared to other indexes, take a look at the hypothetical chart below. This example assumes each index was paired with North American's Builder Plus IUL 3 over the last 15 years, and ranks the performance of each by the resulting index credit.

Highest	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Fidelity APTP 1.7%	S&P Uncapped w/spread 16.0%	Fidelity High Par 21.6%	Fidelity High Par 18.4%	Fidelity High Par 13.3%	S&P 500 MPTP 22.5%	Fidelity High Par 20.2%	Fidelity APTP 1.7%	Fidelity High Par 12.2%	S&P 500 MPTP 18.5%	Fidelity APTP 1.7%	Fidelity High Par 21.8%	S&P 500 APTP 9.3%	S&P Uncapped w/spread 19.4%	Fidelity APTP 1.7%
	Fidelity High Par 0.0%	S&P Uncapped 11.9%	Fidelity APTP 15.6%	Fidelity APTP 13.6%	S&P 500 MPTP 10.7%	S&P Uncapped w/spread 22.1%	Fidelity APTP 14.8%	Fidelity High Par 0.0%	Fidelity APTP 9.6%	Fidelity High Par 14.8%	Fidelity High Par 0.0%	S&P Uncapped w/spread 21.4%	S&P Uncapped w/spread 8.8%	S&P 500 MPTP 17.7%	Fidelity High Par 0.0%
	S&P High Par 0.0%	S&P 500 APTP 9.3%	S&P 500 APTP 9.3%	S&P High Par 2.2%	Fidelity APTP 10.3%	S&P Uncapped 15.0%	S&P 500 MPTP 9.7%	S&P High Par 0.0%	S&P 500 APTP 9.3%	S&P Uncapped w/spread 12.9%	S&P High Par 0.0%	S&P 500 MPTP 17.0%	S&P Uncapped 8.3%	S&P Uncapped 13.6%	S&P High Par 0.0%
	S&P 500 APTP 0.0%	S&P 400 MC 8.3%	S&P 400 MC 8.3%	S&P 500 APTP 1.5%	S&P 500 APTP 9.3%	S&P 500 APTP 9.3%	S&P 500 APTP 9.3%	S&P 500 APTP 0.0%	S&P 400 MC 8.3%	Fidelity APTP 11.2%	S&P 500 APTP 0.0%	Fidelity APTP 15.8%	S&P 400 MC 8.3%	S&P 500 APTP 9.3%	S&P 500 APTP 0.0%
	S&P Uncapped w/spread 0.0%	Russell 2000 8.3%	Russell 2000 8.3%	S&P Uncapped 0.8%	S&P 400 MC 8.3%	S&P 400 MC 8.3%	S&P 400 MC 8.2%	S&P Uncapped w/spread 0.0%	Russell 2000 8.3%	S&P Uncapped 10.4%	S&P Uncapped w/spread 0.0%	S&P Uncapped 14.7%	Russell 2000 8.3%	S&P 400 MC 8.3%	S&P Uncapped w/spread 0.0%
	S&P 400 MC 0.0%	Fidelity High Par 8.2%	S&P High Par 7.9%	S&P Uncapped w/spread 0.0%	Russell 2000 8.3%	Russell 2000 8.3%	S&P High Par 7.9%	S&P 400 MC 0.0%	S&P High Par 7.9%	S&P 500 APTP 9.3%	S&P 400 MC 0.0%	S&P 500 APTP 9.3%	Fidelity High Par 8.0%	Russell 2000 8.3%	S&P 400 MC 0.0%
	S&P Uncapped 0.0%	S&P High Par 7.9%	S&P Uncapped 6.5%	S&P 400 MC 0.0%	S&P High Par 7.9%	Fidelity High Par 8.2%	S&P Uncapped 5.8%	S&P Uncapped 0.0%	S&P 500 MPTP 6.9%	S&P 400 MC 8.3%	S&P Uncapped 0.0%	S&P 400 MC 8.3%	S&P High Par 7.9%	S&P High Par 7.9%	S&P Uncapped 0.0%
	Russell 2000 0.0%	Fidelity APTP 6.9%	S&P Uncapped w/spread 5.3%	Russell 2000 0.0%	S&P Uncapped 6.8%	S&P High Par 7.9%	S&P Uncapped w/spread 3.9%	Russell 2000 0.0%	S&P Uncapped 5.3%	Russell 2000 8.3%	Russell 2000 0.0%	Russell 2000 8.3%	Fidelity APTP 6.9%	Fidelity High Par 6.2%	Russell 2000 0.0%
Lowest	S&P 500 MPTP 0.0%	S&P 500 MPTP 0.0%	S&P 500 MPTP 0.0%	S&P 500 MPTP 0.0%	S&P Uncapped w/spread 5.9%	Fidelity APTP 7.0%	Russell 2000 3.5%	S&P 500 MPTP 0.0%	S&P Uncapped w/spread 3.0%	S&P High Par 7.9%	S&P 500 MPTP 0.0%	S&P High Par 7.9%	S&P 500 MPTP 0.0%	Fidelity APTP 5.7%	S&P 500 MPTP 0.0%

- Fidelity High Par<sup>1</sup>
- Fidelity APTP
- S&P 400 MC
- S&P 500 MPTP
- S&P 500 APTP
- S&P High Par
- S&P Uncapped
- S&P Uncapped w/spread
- Russell 200

1. Fidelity High Par = High Par option on the Fidelity Index

**APTP** = Annual point-to-Point

**MPTP** = Monthly Point-to-Point

**PTP** = Point-to-Point

**MC** = MidCap

Information compiled by North American, July 3, 2023. Index credits have been determined using current interest bonus, caps, participation, and spread rates as of July 3, 2023, and they have been rounded to the nearest tenth decimal point for demonstration purposes. Chart is based on historical performance of the indexes listed and is not intended to predict or project performance. The inception date for the Fidelity Multifactor Yield Index 5% ER Index is 12/11/19. Returns for this index prior to inception represent hypothetical preinception index performance (PIP), and returns for time frames after this date reflect actual index performance.

## Annual reset

Our indexed universal life Insurance products also have an annual reset feature that allows the index credit to be “locked in” to the index account at the end of each index period. That amount can never be taken away due to negative index performance and participates in future growth, giving you the advantage of compounding interest in subsequent years. This provision also resets your starting index point at the end of each index period, protecting you from market risk as well as allowing you to take advantage of positive index performance from that point forward.

## Caps, participation, and spread rates

The indexes and crediting methods are only two of the factors that determine the interest to be credited at the end of an index period. The index cap, participation, and spread rates are based on current rates and are subject to change. The floor rate is guaranteed to never be less than zero percent. Please ask your agent for a copy of the Index Caps & Participation Rates brochure for a listing of our current caps and participation rates.

Indexed Universal Life insurance products are not investments in the "market" or in the applicable index. They are subject to all policy fees and charges normally associated with most universal life insurance.

Life insurance policies have terms under which the policy may be continued in force or discontinued. Current cost of insurance rates and interest rates are not guaranteed. Therefore, the planned periodic premium may not be sufficient to carry the contract to maturity. The Index Accounts are subject to caps and participation rates. In no case will the interest credited be less than 0 percent. Please refer to the customized illustration provided by your agent for additional detail. The policy's death benefit is paid upon the death of the insured. The policy does not continue to accumulate cash value and excess interest after the insured's death. For costs and complete details, call or write North American, One Sammons Plaza, Sioux Falls, SD 57193.

The Fidelity Multifactor Yield Index 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 is a registered trademark of FMR LLC. Fidelity Product Services LLC ("FPS") has licensed this Index for use for certain purposes to Midland National Life Insurance Company (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.

Neither FPS nor any other party involved in, or related to, making or compiling the Index has any obligation to continue to provide the Index to the Company with respect to the Product. In the event that the Index is no longer available to the Product or Product contract owners, the Company may seek to replace the Index with another suitable index, although there can be no assurance that one will be available.

**Fidelity Product Services LLC disclaims all warranties, express or implied, including all warranties of merchantability or fitness for a particular purpose or use. Fidelity Product Services LLC shall have no responsibility or liability whatsoever with respect to the Product.**

#### **S&P 500® Index**

#### **S&P MidCap 400® Index**

These Indices do not include dividends paid by the underlying companies.

The S&P MidCap 400®, and the S&P 500® ("the Indices") are products of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and have been licensed for use by North American Company for Life and Health Insurance® ("the Company"). S&P®, S&P 500®, US 500, The 500, iBoxx®, iTraxx® and CDX® are trademarks of S&P Global, Inc. or its affiliates ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). It is not possible to invest directly in an index. The Company's Product is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices does not make any representation or warranty, express or implied, to the owners of the Company's Product or any member of the public regarding the advisability of investing in securities generally or in the Company's Product particularly or the ability of the Indices to track general market performance. Past performance of an index is not an indication or guarantee of future results. S&P Dow Jones Indices' only relationship to the Company with respect to the Indices is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The Indices are determined, composed and calculated by S&P Dow Jones Indices without regard to the Company or the Company's Product. S&P Dow Jones Indices has no obligation to take the needs of the Company or the owners of the Company's Product into consideration in determining, composing or calculating the Indices. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of the Company's Product. There is no assurance that investment products based on the Indices will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment adviser, commodity trading advisory, commodity pool operator, broker dealer, fiduciary, "promoter" (as defined in the Investment Company Act of 1940, as amended), "expert" as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security, commodity, crypto currency or other asset within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDICES OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY THE COMPANY, OWNERS OF THE COMPANY'S PRODUCT[S], OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDICES OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. S&P DOW JONES INDICES HAS NOT REVIEWED, PREPARED AND/OR CERTIFIED ANY PORTION OF, NOR DOES S&P DOW JONES INDICES HAVE ANY CONTROL OVER, THE COMPANY'S PRODUCT[S] REGISTRATION STATEMENT, PROSPECTUS OR OTHER OFFERING MATERIALS. THERE ARE NO THIRD-PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND THE COMPANY, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

The Nasdaq-100®, Nasdaq-100® Index and Nasdaq® are trademarks of the Nasdaq Stock Market Inc. (which with its affiliates are the "Corporations") and are licensed for use by North American Company for Life and Health Insurance®. The Product(s) have not been passed on by the Corporations as to their legality or suitability. The North American Company for Life and Health Insurance®. Builder Plus IUL 3 is not issued, endorsed, sold or promoted by the Corporations. THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THE North American Company for Life and Health Insurance® Builder Plus IUL 3.

Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and / or Russell ratings or underlying data and no party may rely on any Russell Indexes and / or Russell ratings and / or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

The EURO STOXX 50® is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland ("STOXX"), Deutsche Borse Group, or their licensors ("Licensors"), which is used under license. The [Product] is neither sponsored nor promoted, distributed or in any other manner supported by STOXX, Deutsche Borse Group and their licensors, research partners or data providers do not give any warranty, and exclude any liability (whether in negligence or otherwise) with respect thereto generally or specifically in relation to any errors, omissions or interruptions in the EURO STOXX 50® or its data.

Builder Plus IUL 3 (policy form series LS191), or state variation, including all applicable endorsements and riders, by North American Company for Life and Health Insurance, West Des Moines, IA. Products, features, riders, endorsements or issue ages may not be available in all jurisdictions. Limitations and 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.



Administrative Office  
One Sammons Plaza  
Sioux Falls, South Dakota  
**NorthAmericanCompany.com**