



Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Illustration

Prepared for:

Valued Client

Presented by:

Valued Agent
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North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Illustration

Valued Client
Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
Riders: Waiver of Surrender Charge Option
Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

EXPLANATION OF POLICY ILLUSTRATION

Plan Description

Rapid Builder IUL3 is a universal life product with indexed features, issued on form series LS176W, that provides a death benefit upon the death of the insured person and also offers the potential to earn tax-deferred interest based on the performance of one or more stock market indices. It has a no lapse guarantee period of 10 years subject to the payment of a minimum premium. Refer to the "Minimum Premium" section of this illustration for details.

In this policy, you can allocate premiums to an account that offers a fixed interest rate (the "Fixed Account"), and/or an account that offers an interest rate based on the performance of a combination of the following indices and one of the Index Crediting Methods (Index Selection):

Indices:

1. The Standard & Poor's 500® Composite Stock Price Index (S&P 500®)
2. The Uncapped Standard & Poor's 500® Composite Stock Price Index (Uncapped S&P 500®)
3. The Standard & Poor's MidCap 400® Composite Stock Price Index (S&P MidCap 400®)
4. The Dow Jones Industrial Average(tm) Composite Stock Price Index (DJIA®)
5. The NASDAQ-100® Stock Price Index (NASDAQ-100®)
6. The EURO STOXX 50® (EURO STOXX 50®)
7. Multi-Index Group
8. The Russell 2000® Composite Stock Price Index (Russell 2000®)

Index Crediting Methods:

1. Daily Averaging (available with S&P 500®, DJIA®, S&P MidCap 400®, Russell 2000®)
2. Monthly Point-to-Point (available with S&P 500®)
3. Annual Point to Point (available with S&P 500®, Uncapped S&P 500®, DJIA®, NASDAQ-100®, S&P MidCap 400®, Russell 2000® and EURO STOXX 50®)
4. Multi-Index Annual Point-to-Point (Multi-Index Group)

If you choose to allocate premiums to an Index Selection(s), it is important that you understand that:

- the interest credited to the policy's Account Value will depend on the performance of the Index(es) you select and will never be less than zero;
- the premiums are not invested in any stocks, bonds or equity investments;
- the Index performance does not include dividends;
- the allocation does not represent an investment by you in any Index or stock market.

Date: 11/12/2015
State: NH

This is an illustration and not a contract, and is not complete without all pages.

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EXPLANATION OF POLICY ILLUSTRATION (CONT.)

Rapid Builder IUL3 allows you to choose, at policy issue, one of two tests that will determine the policy's qualifying status as a life insurance contract. One is the Guideline Premium Test, and the other is the Cash Value Accumulation Test. For this illustration, you have chosen the Cash Value Accumulation Test, and it is explained in the "Cash Value Accumulation Test" section of this narrative. The test chosen at policy issue will be used for the duration of your life insurance policy. It cannot be changed after issue.

Important Facts About This Illustration

This illustration shows you how your universal life insurance policy works based on the information shown in the "Prepared for:" section at the top of the page, your chosen premium allocations that are described separately in this narrative explanation, and any loans, withdrawals and other policy changes assumed in this illustration. It is only an example. Your policy will not work exactly as it is shown in this document because the actual values in your policy will vary based on:

- the amount of the premium payments you make;
- when you make the premium payments;
- the actual cost of insurance;
- actual policy expenses;
- loans, withdrawals and other policy changes not shown in this illustration;
- the actual rate at which interest is credited to your policy.

We guarantee that we will credit interest on the unloaned portion of (a) the policy's Fixed Account Value at an annual rate of at least 3.0%, and (b) the policy's Index Account Value at a rate not less than 0%. The actual rate at which interest is credited to the Fixed Account Value may vary from time to time and will be determined at our sole discretion, subject to the guaranteed interest rate of 3.0%. We have considered various factors in setting the current interest rate for the Fixed Account, including yields obtained on our investments. Those factors may vary from time to time, and there is no assurance that any interest will be credited to the Fixed Account Value in the future at a rate in excess of the policy's guaranteed interest rate for the Fixed Account. The actual rate at which interest is credited to the Index Account Value can vary depending on the performance of the index(es) you select, but will not be less than 0%. More information on the Fixed Account Value and Index Account Value can be found under the caption "Account Value".

This policy offers two Policy Loan Options. You may choose either a Variable Interest Policy Loan or a Standard Policy Loan at the time you request a loan, subject to availability. Note that if your policy has an outstanding loan at the time of your request for a new loan, the new loan must be the same Policy Loan Option as your outstanding loan. If this illustration assumes that a policy loan is made, then the rates at which interest will be credited on loaned amounts are shown in the section appearing later in this narrative that describes the loan option you selected.

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EXPLANATION OF POLICY ILLUSTRATION (CONT.)

Please be aware that any changes to your Policy, including but not limited to planned premium amount, premium mode, premium duration or death benefit amount, do not happen automatically and must be requested by the Owner (regardless of whether those changes are reflected in this illustration). Please contact your agent or North American Company for information regarding changes to your policy.

This illustration is not a contract. If there are any differences between this document and your insurance policy, your policy will take precedence.

This illustration is based on a reasonable interpretation of current income tax laws, and we do not guarantee the tax treatment of any policy. We recommend that you consult a tax advisor about your personal circumstances.

Guaranteed Elements of the Policy

In this illustration, we show you how your policy would work if we charged you the maximum amount for your cost of insurance and policy expenses (such as administrative expenses), and credited the minimum guaranteed interest rate for the Fixed Account of 3.00% in all years. These guaranteed elements are reflected in the "Guaranteed" columns of the Tabular Detail pages.

Non-Guaranteed Elements of the Policy

We also show you how your policy would work if the cost of insurance and policy expenses were the same as today's rates (which are lower than the maximum amount we could charge you in some or all years), and the interest rates for the Fixed Account and/or Index Selections to which you chose to allocate your premium payments remain the same in all years. The interest rate(s) used is based on your premium allocation selection(s).

To illustrate how interest rates can affect the performance of the policy, this illustration provides two different non-guaranteed scenarios: Non-Guaranteed Alternate and Non-Guaranteed. The Non-Guaranteed scenario shows the values based on the non-guaranteed costs, expenses, and interest rates for the premium allocations you selected. The Non-Guaranteed Alternate scenario uses interest rates that are lower than the Non-Guaranteed rates, subject to the guaranteed minimum crediting rates of 0% for money in the Index Selections and 3.00% for money in the Fixed Account. The Non-Guaranteed Alternate and Non-Guaranteed interest rates are shown on the Tabular Details pages. The premium payments, distributions, and non-guaranteed mortality and expense assumptions are the same between the two scenarios. Policy changes are also the same, except when a death benefit option change from an increasing option to a level option is illustrated. In that case, the resulting amount of the increase to the specified amount is different in each scenario. We do not guarantee these values, and they are shown in the "Non-Guaranteed" columns of the Tabular Detail pages.

The rates, costs and expenses assumed in computing the non-guaranteed values are subject to change by North American. This illustration assumes that the currently illustrated elements for both Non-Guaranteed Alternate and Non-Guaranteed scenarios will continue unchanged for all years shown. This is not likely to occur, and actual results may be more or less favorable.

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EXPLANATION OF POLICY ILLUSTRATION (CONT.)

- Interest Bonus on the Fixed Account*** After the 15th policy anniversary, we will credit a conditionally guaranteed interest bonus of 0.75% to your policy's Fixed Account value each year if we declare a current interest rate that is higher than the guaranteed interest rate. The Interest Bonus percentage is subject to change; however, once a policy is issued, the percentage will not change.
- Interest Bonus on the Index Account*** After the 15th policy anniversary, we will add a guaranteed interest bonus of 0.75% to the interest rate used to calculate the Index Credit. This bonus is reflected in the values shown on the Tabular Detail pages of this illustration.
- Minimum Premium*** The minimum premium payment that will guarantee that this policy will stay in force for the no lapse guarantee period of 10 years is \$3,291.00 annually. This premium assumes that there are no policy changes during the no lapse guarantee period. Policy changes such as increasing or decreasing the death benefit, changing the death benefit option or adding or removing a rider will change the minimum premium that is required to maintain this guarantee.
- Premium Outlay*** The premium amount that appears in any given year on the Tabular Detail pages is the sum of the payments you plan to make each year. Based on the payment frequency you selected for this illustration, the Annual premium for the first year is \$0.00. This illustration assumes that all scheduled premium payments are received on the first day of each payment frequency period.
- The following additional funds are included in the first year premium outlay, and are assumed to be received as indicated:
- Non-1035 Exchange Amount: \$150,000.00 in policy month 1

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EXPLANATION OF POLICY ILLUSTRATION (CONT.)

Cash Value Accumulation Test

You have chosen to use the Cash Value Accumulation Test to determine the qualifying status of your policy as a life insurance contract. If at any time the Account or Surrender Value is greater than the amount required under the Cash Value Accumulation Test of Section 7702 of the Internal Revenue Code, the policy's death benefit may be automatically increased to qualify your policy as life insurance.

For this illustration, the Annual premium that must be paid to guarantee coverage for the duration of your policy is \$6,327.12. The calculation of this premium is based on the following assumptions:

- all premiums are allocated to the Fixed Account;
- guaranteed interest rate, guaranteed mortality charges and guaranteed expenses;
- premiums are paid in all years to age 100, regardless of the premium payment pattern shown in the Tabular Detail pages, to generate at least \$1.00 of Surrender Value at age 120;
- pour-ins and 1035 exchange amounts, if any, are not included;
- policy changes, withdrawals, and loans are not included. Any of these transactions combined with the calculated premium may cause the policy to lapse prior to age 120 on a guaranteed basis.
- riders and ratings, if illustrated, are included.

Modified Endowment Contract

Based on the premium payments and exchange information used in this illustration, this policy is a Modified Endowment Contract as it violates federal limits in year 1. See the attached Disclosure Statement for more information. MEC premiums are computed according to the Internal Revenue Code.

According to the Internal Revenue Code, a life insurance policy is considered a Modified Endowment Contract ("MEC") if the accumulated premiums paid at any time during the first 7 policy years, or during any 7-year testing period following a material change, exceed the sum of the MEC premium for the same period. The MEC premium for the first 7-year testing period is \$9,666.20. If a life insurance policy is a MEC, a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest may be taxable. Also, if you are exchanging a modified endowment contract for a new life insurance policy, the new policy will automatically be a modified endowment contract regardless of the amount of premiums paid.

Proposal Values

Policy values and death benefits shown are end-of-year values.

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EXPLANATION OF POLICY ILLUSTRATION (CONT.)

Life Insurance Benefit

The initial death benefit is: \$100,000.

The level death benefit illustrated is the amount that we will pay to the named beneficiary when the insured person dies while this policy is in force. The death benefit is the greater of the initial death benefit or the account value multiplied by the corridor percentage shown in the Schedule of Policy Benefits. The actual amount payable may be lower if you reduce your death benefit, take a policy loan or make a withdrawal. It may be higher if you increase your death benefit.

If you would like to see an illustration for a death benefit amount other than what is shown here, please discuss it with your North American representative.

Underwriting Class

The underwriting class used in this illustration is Standard Non-Tobacco. Actual premiums for the proposed insurance coverage will ultimately depend on the outcome of the underwriting process and may vary from this illustration. If so, you will receive a revised illustration with your insurance contract.

Account Value

This policy's Account Value is the sum of the Fixed Account Value and the Index Account Value:

- Fixed Account Value – is equal to the total premiums and/or transfers that you allocate to the Fixed Account, minus policy charges and expenses, minus the cost of any additional insurance or benefits, minus any withdrawals. The Fixed Account Value is credited with the company's currently declared, non-guaranteed interest rate. That rate, along with any assumed rate you chose to use for the calculation of the non-guaranteed Fixed Account Value in this illustration, is defined in the Numeric Summary.
- Index Account Value – is the total value of all individual Index Segments for all Index Selections. It is equal to the total premiums and/or transfers allocated to the Index Selections, minus policy charges and expenses, minus the cost of any additional insurance or benefits, minus any withdrawals, plus any Index Credits. The Index Credit is based on the performance of the Index(es) you select. For this illustration, the Index Account Value is credited with the non-guaranteed rate(s) for Index Selections as defined in the Numeric Summary.

Refer to the "Illustrated Rate for Index Selections" section of this policy explanation for more information about determining the illustrated rate for Index Selections.

Because this is a flexible premium policy, you have the option to stop or reduce premium payments for a period of time. Even if this illustration shows premium payments for just one year or several years only, North American will continue to deduct the cost of insurance and policy expenses from your policy's Account Value each month. Depending on actual results, you may need to continue or resume premium outlays. If at any time the Surrender Value is not sufficient to cover the monthly charges and expenses, and absent an applicable no lapse guarantee, you would have to make sufficient premium payments to cover the charges and expenses in order to continue coverage.

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EXPLANATION OF POLICY ILLUSTRATION (CONT.)

Minimum Account Value

This policy has a Minimum Account Value that is calculated monthly using a 3.00% guaranteed average annual interest rate and assumes that all premiums are allocated to the Fixed Account. If the Account Value is being calculated due to any termination of the policy, including lapse, death, surrender or maturity, the amount in your policy's Account Value will be at least as large as the Minimum Account Value.

At the end of policy year eight and every eight years thereafter on the policy anniversary, the Account Value will be compared to the Minimum Account Value. If the Minimum Account Value is larger than the Account Value at those times, the Account Value will be increased to equal the Minimum Account Value. If the Minimum Account Value is not larger than the Account Value, neither one will be adjusted.

In this illustration, the value displayed for any year in the non-guaranteed "Account Value" column on the Tabular Detail pages is the greater of the Account Value or the Minimum Account Value, based on the premium allocations and interest rates you chose to illustrate. If the Minimum Account Value is used in any year, it will be identified as such on the Tabular Detail, and the non-guaranteed Surrender Value and Death Benefit amounts for that same year are based on the Minimum Account Value. In that event, it is important to note that the Surrender Value shown reflects the amount that is available due to termination of the policy, including lapse, death, surrender or maturity. It is not the amount that would be available for loans or withdrawals.

Surrender Value

The Surrender Value is the amount you receive if you cancel your policy. Your Surrender Value is equal to:

- your account value;
- minus any outstanding policy loans and loan interest;
- minus surrender charges.

The surrender charge reduces to zero at the end of 14 years.

Waiver of Surrender Charge

The Policy contains a Waiver of Surrender Charge Benefit. However, if the Policy is surrendered and subsequently transferred, directly or indirectly, to another insurance company to achieve an exchange under Section 1035 of the Internal Revenue Code, we reserve the right to deduct the Surrender Charges as described in the Policy. The Waiver of Surrender Charge monthly rate per \$1,000 of Specified Amount is \$0.0500.

Processing Changes at Age 100

The maturity date for your policy is the policy anniversary nearest your age 120. If your policy's Account Value, less policy debt, is positive at age 100, death benefit coverage will continue to age 120 unless the accrued value of any outstanding loan causes the policy to lapse prior to age 120. Certain changes will occur for the years beyond age 100:

- No mortality or expense charges will be deducted, and no further premium payments will be accepted.
- The Fixed Account Value will continue to be credited with the current Fixed Account interest rate.

Date: 11/12/2015
State: NH

This is an illustration and not a contract, and is not complete without all pages.

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EXPLANATION OF POLICY ILLUSTRATION (CONT.)

- The Index Account Value will continue to earn Index Credit.
- Loan repayments will be accepted, and loan interest will continue to accrue.
- Rider charges, if any, will continue to be assessed.
- If the Level Death Benefit Option is in effect at age 100, the death benefit amount at age 100 will continue to age 120.
- No changes to the death benefit option will be allowed.
- No increases or decreases in the death benefit amount will be allowed.

Accelerated Death Benefit Endorsement Allows for the policy owner to accelerate a portion of the policy's death benefit if the insured is diagnosed with a qualifying illness. The policy owner specifies the amount to accelerate up to the maximum allowed. There is no premium or charge for this endorsement; however, there is an administrative fee when an accelerated death benefit payment is made for either the Terminal Illness or Chronic Illness benefit. Since this benefit is paid prior to death, the benefit payment to the policy owner will be discounted from the amount accelerated. An election to accelerate benefits will reduce the remaining death benefit and account values in the policy. If the policy has a loan balance, a portion of the payment will be used to reduce the policy debt. This endorsement provides accelerated death benefits for Terminal Illness, Chronic Illness and Critical Illness; however, the policy owner can only elect to accelerate benefits under one of these conditions at any given time. The maximum death benefit we will accelerate on the policy is \$1,000,000.

The maximum amount available for election is dependent on the actual Death Benefit at the time of election. As shown in the Policy Illustration, the actual Death Benefit can vary based on many factors, such as interest credited and the use of guaranteed or current charges. Policy Values such as the Net Cash Surrender Value and Policy Debt can have an impact on your payment at the time of election. Any payment amounts illustrated for accelerated benefits are not guaranteed and can only be determined at the time of the actual acceleration of the Death Benefit.

Terminal Illness: The insured qualifies as terminally ill if a physician has certified that the insured's life expectancy is 24 months or less. The minimum Terminal Illness benefit election is 10% of the Death Benefit on the Election Date or \$100,000, if smaller. The maximum Terminal Illness benefit is 75% of the Death Benefit on the Election Date or \$750,000, if smaller.

The **accelerated death benefit** payment amount that is received from the Terminal Illness benefit is based on the following factors.

1. The benefit discount rate that the Company is required to use at the time of election. A higher discount rate results in a lower payment.
2. The insured's life expectancy used by the Company. The longer the Company assumes the insured lives with a Terminal Illness, the lower the payment.

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EXPLANATION OF POLICY ILLUSTRATION (CONT.)

Chronic Illness: The insured qualifies as chronically ill if a physician has certified that the insured is permanently unable to perform, for at least 90 consecutive days, without substantial assistance from another person, at least two Activities of Daily Living or suffers from severe cognitive impairment. (Activities of Daily Living include bathing, continence, dressing, eating, toileting, and transferring). The minimum Chronic Illness benefit per year is 5% of the Death Benefit on the initial Election Date or \$50,000 if smaller. The maximum Chronic Illness benefit per year is 24% of the Death Benefit on the initial Election Date or \$240,000, if smaller.

The **accelerated death benefit** payment amount that is received from the Chronic Illness benefit is based on the following factors.

1. The insured's age at election. In general, the younger the insured's age at the time of election, the lower the payment.
2. The benefit discount rate that the Company is required to use at the time of election. A higher discount rate results in a lower payment.
3. The insured's life expectancy used by the Company. The longer the Company assumes the insured lives with a Chronic Illness, the lower the payment.

Critical Illness: The insured qualifies as critically ill if a physician has certified that the insured has had one of the following specified medical conditions within the last 12 months: cancer, heart attack, kidney failure, major organ transplant, or stroke. The minimum Critical Illness benefit election is \$2,500 at the time of election. The maximum Critical Illness benefit at the time of election is the smaller of 25% of the policy's death benefit at the time of election or \$50,000.

The **accelerated death benefit** payment amount for the Critical Illness benefit is determined by using 40% of the Accelerated Death Benefit at the time of election - regardless of age, gender, underwriting class, or severity of the illness. This percentage will not change for the life of the policy.

Overloan Protection Benefit

This benefit guarantees the policy will not lapse due to loans you have taken from the policy. The policy will remain in effect until the insured's death with no further premium payments, provided the following conditions are met:

1. The Protected Death Benefit, described below, is not in effect; and
2. The policy has been in force for at least 15 policy years; and
3. The insured's policy age is at least age 65; and
4. You have made withdrawals of all of your premiums; and
5. Policy debt does not exceed the Overloan Election Amount.

The Overloan Election Amount is defined as follows:

1. 89% of the Account Value for policy ages that are greater than or equal to age 65 but less than or equal to age 74;
2. 93% of the Account Value for policy ages that are greater than or equal to age 75.

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EXPLANATION OF POLICY ILLUSTRATION (CONT.)

When the Overloan Protection Benefit is exercised, the Specified Amount of insurance may be reduced, and the entire Account Value will be allocated to the Fixed Account. Other requirements may also apply. See the policy form for benefit availability conditions and other details.

In some circumstances, electing the Overloan Protection Benefit may cause the policy to become a modified endowment contract. You may wish to contact a tax advisor when making policy changes, taking loans or withdrawals in order to avoid situations that may result in the policy becoming a modified endowment contract.

Protected Death Benefit (PDB)

This benefit allows the policy owner to use cash value growth to guarantee a portion of the policy's death benefit in the future while still having access to the PDB Distributable Account. The PDB Distributable Account is the cash value that is available for withdrawal or loan while maintaining the PDB. Provided the policy owner does not take a distribution that exceeds the PDB Distributable Account, the policy is guaranteed to remain in force even if the Net Cash Surrender Value is insufficient to pay the monthly deductions. The maximum PDB amount will be determined by your Net Cash Surrender Value at the time you elect the PDB, but it can never exceed your Specified Amount of Insurance at the time you exercise the option. The minimum PDB amount is \$25,000. The PDB cannot be elected if the Overloan Protection Benefit, described above, is in effect.

You may exercise the PDB Option by sending us written notice on or after the following conditions are met.

1. The policy has been in force for at least 15 policy years; and
2. The insured's policy age is equal to or greater than age 65; and
3. The ratio of your policy debt to your account value is less than 87% for policy ages 65 through 74 or less than 91% for policy ages 75 and older.

The portion of the cash value that is required to maintain this option must be allocated to the Fixed Account. The remaining cash value may be allocated to any of the Index Accounts or to the Fixed Account. Other requirements may also apply. See the policy form for benefit availability conditions and other details.

In some circumstances, electing the Protected Death Benefit may cause the policy to become a modified endowment contract. You may wish to contact a tax advisor when making policy changes, taking loans or withdrawals in order to avoid situations that may result in the policy becoming a modified endowment contract.

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MODIFIED ENDOWMENT CONTRACT DISCLOSURE STATEMENT

Modified endowment contracts are life insurance policies under which the gross premiums paid at any time during the first seven years, or during any 7-year testing period following a material change, exceed the sum of the annual net level premiums under the statutory 7 pay test. Also, if you are exchanging a modified endowment contract for a new life insurance policy, the new policy will automatically be a modified endowment contract regardless of the amount of premiums paid. Your plan of insurance, as proposed, would fail that statutory test. You should be aware that:

- 1) Any cash distributions, withdrawals or loans made at any time during the life of the policy (other than death) will be includable in your taxable income to the extent that they reflect surrender values in excess of premiums paid.
- 2) Such distributions will also be subject to a 10% penalty tax (on amounts includable as income) unless you have attained age 59 1/2, become disabled, or you annuitize the entire cash value. (If the policy owner is a corporation, such proceeds are subject to the 10% penalty tax at any time.)

The information given above is NOT intended as legal or tax advice. For such advice, the taxpayer should consult his/her attorney or tax advisor.

I acknowledge that I have read this disclosure statement and understand that the proposed plan of insurance would be a Modified Endowment and be subject to special tax treatment as outlined above.

Proposed Insured (or Applicant, if different)

Date

Agent

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Index Definitions

The following are definitions of various terms that are used throughout this illustration in connection with the available Indices.

Index

A published numerical value used to measure the performance of a group of stocks and/or bonds. The available Indices for this policy are: S&P 500®, Uncapped S&P 500®, S&P MidCap 400®, DJIA®, NASDAQ-100®, EURO STOXX 50®, Multi-Index Group, and Russell 2000®.

Index Period

The period of time during which an Index Credit is calculated. An Index Period begins on the date an Index Segment is created. This policy uses a 12 consecutive month period. At the end of an Index Period, a new Index Period will begin, and any values in the Index Segment will remain in the same Index Segment.

Index Cap Rate

The maximum interest rate that is used in the calculation of the Index Credit. The Index Cap Rate will be declared for each Index Segment in advance of each Index Period. It will never be less than the Minimum Index Cap Rate shown in the policy.

Index Floor Rate

The minimum interest rate that is used in the calculation of the Index Credit. The Index Floor Rate is declared for each Index Segment in advance of each Index Period, and is guaranteed to never be less than 0%.

Index Crediting Method

The method used to calculate the Index change. This policy offers four Index Crediting Methods as described below. For each method, the change in the Index value, if any, is subject to the Index Participation Rate, Index Cap Rate and Index Floor Rate.

- **Daily Averaging**

When this method is chosen, the Index change is determined by calculating the difference between the Index value on the first day of the Index Period and the average Index value throughout the Index Period. The Index Credits, if any, are credited and locked in at the end of the Index Period.

- **Annual Point-to-Point**

When this method is chosen, the Index change is determined by comparing the Index value at the beginning of the Index Period and the Index value at the end of the Index Period. The amount credited to the policy will depend on the change in the Index value at the end of the Index Period (all intermediate values are ignored). The Index Credits, if any, are credited and locked in at the end of the Index Period.

North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Illustration

Valued Client
Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
Riders: Waiver of Surrender Charge Option
Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

• **Monthly Point-to-Point**

When this method is chosen, the Index change is determined by looking at the Index value on each Monthly Index Date throughout the Index Period. At each Monthly Index Date, the Monthly Index Return is calculated and is limited by the current Monthly Index Cap Rate. The Monthly Point-to-Point crediting method does not use a monthly floor rate, but there is still an annual floor rate of 0%. The amount credited to the policy will depend on the sum of the 12 Monthly Index Returns during the Index Period. The Index Credits, if any, are credited and locked in at the end of the Index Period.

• **Multi-Index Annual Point-to-Point**

When this method is chosen, the index credit is determined by calculating a Multi-Index change between the first day of the Index Period and the last day of the Index Period. The Multi-Index change uses the following three indices: S&P 500®, EURO STOXX 50® and Russell 2000®. The annual point-to-point Index growth from each of the three individual indices derives the Multi-Index change. 50% of the best performing index growth plus 30% of the second best performing Index growth plus 20% of the third best performing Index growth equals the Multi-Index change. The Multi-Index change is subject to the Index Cap Rate and any earnings are credited and locked in at the end of the 12 month Index Period. The rate credited will never be less than zero percent.

Index Selection

The combination of an Index and an Index Crediting Method.

Index Segment

An account that earns an Index Credit based on an Index Selection. An Index Segment is created on each date when a premium payment (net of the premium load) or a transfer is allocated to an Index Selection. An Index Segment will end when its value reaches zero. The policy may contain multiple Index Segments at one time. For example, if the payment mode is monthly, the policy could have a minimum of 12 Index Segments.

Index Credit

The actual amount credited to an Index Segment. The Index Credit is calculated and added to an Index Segment at the end of an Index Period. No Index Credit will be given if an Index Segment ends before the end of the Index Period.

Index Participation Rate

The portion of the Index change that is in the calculation of the Index Credit. The Index Participation Rate will be declared for each Index Segment in advance of each Index Period, but it will never be less than the Minimum Index Participation Rate shown in your policy.

Monthly Index Date

The Monthly Index Date is the same day of the month as the date on which the Index Segment was created.

Monthly Index Return

The Monthly Index Return is based on the percentage increase or decrease in the Index. See the policy for more details.

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Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

Illustrated Rate for Index Selections

The chart on the following page shows historical returns for the various Index Selections that are available, based on the current Index Cap Rate, Index Floor Rate and Index Participation Rate for each Index Selection as shown in the "Index Selections and Initial Premium Allocation" section of this illustration. The Maximum Illustrated Rate is the average return (using current cap rates) of a rolling 25 year period over a 65 year time span or, if less, the longest time span available. This rate can be no higher than the maximum rate for the S&P500 Annual Pt to Pt prescribed by the NAIC. These calculations assume that premium is paid on each business day of the year. The Rate of Return can vary significantly for individual business days. If you allocate premium payments to more than one Index Selection, the Maximum Illustrated Rate that is used will be a weighted average of each of the Maximum Illustrated Rates for the indices you chose, taking into account the percentage of premium you allocated to each Index. Those percentage allocations are shown in the "Index Selections and Initial Premium Allocation" section of this illustration. The Maximum Illustrated Rate is not an expected rate for any given year. **It is an average based on past performance and is not intended to predict future performance.**

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Valued Client
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Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$0.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

When premium payments are allocated to one or more Index Selections, the amount credited to your policy will depend on the actual change in the selected Index. The actual credited rate for any given year will almost certainly be different from the illustrated rate, as it is not possible to know in advance what the actual credited rate will be.

Index Selection	Index	Index Crediting Method	-----Average Rates of Return-----						Maximum Illustrated Rate
			5 Year	10 Year	20 Year	25 Year	30 Year	40 Year	
1	S&P 500®	Annual Point-to-Point	10.20%	7.90%	8.10%	7.90%	8.20%	7.70%	7.05%
2	S&P 500®	Monthly Point-to-Point	10.60%	7.80%	8.40%	7.80%	8.30%	7.30%	6.74%
3	S&P 500®	Daily Averaging	8.30%	5.60%	6.50%	6.10%	6.50%	6.20%	5.78%
4	DJIA®	Annual Point-to-Point	9.60%	7.00%	7.10%	7.10%	7.40%	6.80%	6.13%
5	DJIA®	Daily Averaging	7.30%	5.00%	6.00%	5.80%	6.40%	6.00%	5.57%
6	NASDAQ-100®	Annual Point-to-Point	9.00%	6.80%	6.70%	6.80%	NA	NA	6.66%
7	S&P MidCap 400®	Annual Point-to-Point	7.90%	6.70%	6.80%	6.90%	7.00%	NA	6.86%
8	S&P MidCap 400®	Daily Averaging	8.30%	6.00%	6.10%	6.00%	6.20%	NA	6.00%
9	Russell 2000®	Annual Point-to-Point	7.40%	6.20%	6.00%	6.00%	6.20%	NA	5.97%
10	Russell 2000®	Daily Averaging	8.10%	5.60%	5.60%	5.60%	5.60%	NA	5.64%
11	EURO STOXX 50®	Annual Point-to-Point	6.40%	6.50%	6.80%	6.60%	NA	NA	6.54%
12	Uncapped S&P 500®	Annual Point-to-Point	8.20%	5.80%	6.90%	6.40%	6.80%	6.50%	5.95%
13	Multi-Index Group	Multi-Index Annual Point-to-Point	7.50%	6.50%	6.60%	6.60%	NA	NA	6.52%

The Average Rate of Return uses the current Index Cap Rate, Index Participation Rate and Index Floor Rate and assumes money is deposited on each business day of the year.

Past performance does not predict the future performance of any index.

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Non-1035: \$150,000.00 (Month 1)

Index Selections and Initial Premium Allocation

The chart below shows the current and minimum Index Cap Rate, Index Floor Rate, and Index Participation Rate for each available Index Selection. The current rates are subject to change. It also shows the percentage of your premium outlay that you have chosen to allocate, on this illustration, to each Index Selection and the Fixed Account.

Index Selection	Index	Index Crediting Method	Minimum Index Par Rate	Current Index Par Rate	Minimum Index Cap Rate	Current Index Cap Rate	Minimum Index Floor	Current Index Floor	Initial Premium Allocation
1	S&P 500®	Annual Point-to-Point	100%	100%	4%	12.5%	0%	0%	100%
2	S&P 500®	Monthly Point-to-Point	100%	100%	1.25%	4%	0%	0%	0%
3	S&P 500®	Daily Averaging	40%	97.5%	None	None	0%	0%	0%
4	DJIA®	Annual Point-to-Point	100%	100%	4%	11.5%	0%	0%	0%
5	DJIA®	Daily Averaging	40%	97.5%	None	None	0%	0%	0%
6	NASDAQ-100®	Annual Point-to-Point	100%	100%	3%	9.5%	0%	0%	0%
7	S&P MidCap 400®	Annual Point-to-Point	100%	100%	3%	9.5%	0%	0%	0%
8	S&P MidCap 400®	Daily Averaging	30%	77.5%	None	None	0%	0%	0%
9	Russell 2000®	Annual Point-to-Point	100%	100%	3%	9.5%	0%	0%	0%
10	Russell 2000®	Daily Averaging	30%	77.5%	None	None	0%	0%	0%
11	EURO STOXX 50®	Annual Point-to-Point	100%	100%	3%	11.5%	0%	0%	0%
12	Uncapped S&P 500®	Annual Point-to-Point	10%	52.5%	None	None	0%	0%	0%
13	Multi-Index Group	Multi-Index Annual Point-to-Point	100%	100%	3%	9.5%	0%	0%	0%

Fixed Account Premium Allocation: 0%

This illustration assumes that the premium allocation percentages shown above are used for the life of the policy. However, you may change the percentage allocation of future premium payments at any time while the policy is in force.

THE STANDARD & POOR'S 500® COMPOSITE STOCK PRICE INDEX;
THE STANDARD & POOR'S MIDCAP 400® COMPOSITE STOCK PRICE INDEX; and
THE DOW JONES INDUSTRIAL AVERAGE™ (DJIA®)COMPOSITE STOCK PRICE INDEX
These Indices do not include dividends paid by the underlying companies.

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North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Illustration

Valued Client
Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
Riders: Waiver of Surrender Charge Option
Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

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North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
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Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
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Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

Hypothetical Example

(Assuming 20% allocated to Fixed Account and 80% allocated to Index Selection #1)

- **November 1, 2011 (Policy Anniversary)**

Premium of \$1,250, net of the premium load, is received. \$250 (20%) is allocated to the Fixed Account, and \$1,000 (80%) is allocated to Index Selection #1. Index Segment A is created with a value of \$1,000. Total Account Value is \$1,250.

- **December 1, 2011**

The monthly policy charge for the preceding month is \$20. Since this is less than the Fixed Account Value, it will be taken out of the Fixed Account on December 1. The Fixed Account Value becomes \$230 (\$250 - \$20). The Fixed Account accumulates its balance at a pre-defined credited rate. Assuming the Fixed Account interest rate is established at an annual effective rate of 5.00%, the Fixed Account Value on December 1 would be \$230.94. The Fixed Account would continue to grow with interest and charges would continue to be deducted. (For the remainder of this example, we will not show the details of the Fixed Account calculations). The value of Index Segment A would remain at \$1,000 on December 1. Total Account Value is \$1,230.94.

- **March 1, 2012**

The Fixed Account Value is now \$173.28 (reflecting charges of \$20 per month and credited interest). Premium of \$500 is received. \$100 (20%) is allocated to the Fixed Account, and \$400 (80%) is allocated to Index Selection #1. The Fixed Account Value becomes \$273.28. Index Segment B is created with a value of \$400. The value of Index Segment A would remain at \$1,000 on March 1. Total Account Value is \$1,673.28.

- **November 1, 2012**

An Index Credit is given to Index Segment A. If we assume the Index change is 8%, then the Index Credit is \$80 (\$1,000 * 8%). The value in Index Segment A is now \$1,080. The value in Index Segment B is still \$400. The value in the Fixed Account is now \$119.34 (reflecting charges of \$20 per month and credited interest). Total Account Value is \$1,599.34.

- **March 1, 2013**

An Index Credit is given to Index Segment B. If we assume the Index change is 6%, then the Index Credit is \$24 (\$400 * 6%). The value in Index Segment B is now \$424. The value in Index Segment A is still \$1,080. The value in the Fixed Account is now \$40.46 (reflecting charges of \$20 per month and credited interest). Total Account Value is \$1,544.46.

Any additional premium received would create additional Index Segments that would receive Index Credits at the end of the Index Period

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Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

NUMERIC SUMMARY

		Guaranteed		Non-Guaranteed Midpoints		Non-Guaranteed	
End of Year	End of Year Age	Account Value	Death Benefit	Account Value	Death Benefit	Account Value	Death Benefit
4	70	151,533	249,423	151,840	249,929	170,857	281,230
5	71	151,777	243,906	151,936	244,161	175,898	282,667
10	76	151,509	218,173	151,509	218,173	200,537	288,773
20	86	142,793	173,494	150,250	182,554	283,744	344,749
Lapse Year		NA		NA		NA	

The guaranteed values are based on the minimum guaranteed interest rate of 3.00% for the Fixed Account and the highest possible cost of insurance rates and policy charges. Actual credited interest rates may be higher; actual cost of insurance rates may be lower.

The midpoint values are based on an interest rate which is midway between the guaranteed and non-guaranteed rates used in this illustration, and an average of non-guaranteed and guaranteed charges.

The non-guaranteed values are based on the non-guaranteed cost of insurance rates and policy charges and the following interest rates for the Index Selections:

5.00% all years

We will add a guaranteed bonus interest of 0.75% in years 16 and beyond to calculate the Index credit.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.

Applicant/Policyowner _____ Date _____

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Agent _____ Date _____

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Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

This illustration is based on the following initial premium allocations:

S&P 500®	Annual Point-to-Point	100%	S&P MidCap 400®	Daily Averaging	0%
S&P 500®	Monthly Point-to-Point	0%	Russell 2000®	Annual Point-to-Point	0%
S&P 500®	Daily Averaging	0%	Russell 2000®	Daily Averaging	0%
DJIA®	Annual Point-to-Point	0%	EURO STOXX 50®	Annual Point-to-Point	0%
DJIA®	Daily Averaging	0%	Uncapped S&P 500®	Annual Point-to-Point	0%
NASDAQ-100®	Annual Point-to-Point	0%	Multi-Index Group	Multi-Index Annual Point-to-Point	0%
S&P MidCap 400®	Annual Point-to-Point	0%	Fixed Account		0%

TABULAR DETAIL

		Guaranteed			Non-Guaranteed Alternate			Non-Guaranteed			
		3.00% Interest Rate			3.00% Interest Rate for Index Selections			5.00% Interest Rate for Index Selections			
End of Year	End of Yr Age	Premium Outlay	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit
1	67	150000.00	150465	150465	266473	152582	152582	270223	155582	155582	275536
2	68	0.00	150879	150879	260567	154532	154532	266877	160713	160713	277551
3	69	0.00	151228	151228	254971	156269	156269	263470	165786	165786	279515
4	70	0.00	151533	151533	249423	157856	157856	259832	170857	170857	281230
5	71	0.00	151777	151777	243906	159272	159272	255950	175898	175898	282667
6	72	0.00	151923	151923	238671	160226	160226	251715	180613	180613	283743
7	73	0.00	151960	151960	233259	161089	161089	247272	185368	185368	284540
8	74	0.00	151900	151900	228154	161916	161916	243197	190223	190223	285715
9	75	0.00	151753	151753	223077	162787	162787	239297	195275	195275	287054
10	76	0.00	151509	151509	218173	163710	163710	235743	200537	200537	288773

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Riders: Waiver of Surrender Charge Option
Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$0.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

TABULAR DETAIL (CONT.)

		Guaranteed 3.00% Interest Rate				Non-Guaranteed Alternate 3.00% Interest Rate for Index Selections			Non-Guaranteed 5.00% Interest Rate for Index Selections		
End of Year	End of Yr Age	Premium Outlay	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit
11	77	0.00	151170	151170	213300	165776	165776	233910	207146	207146	292283
12	78	0.00	150718	150718	208443	167797	167797	232063	213888	213888	295807
13	79	0.00	150137	150137	203736	169763	169763	230368	220751	220751	299559
14	80	0.00	149416	149416	199171	171625	171625	228777	227672	227672	303487
15	81	0.00	148616	148616	194687	173481	173481	227260	234758	234758	307533
16	82	0.00	147690	147690	190225	176600	176600	227461	243749	243749	313949
17	83	0.00	146646	146646	185947	179807	179807	227995	253110	253110	320943
18	84	0.00	145489	145489	181715	183140	183140	228742	262915	262915	328381
19	85	0.00	144199	144199	177654	186542	186542	229820	273109	273109	336471
20	86	0.00	142793	142793	173494	190038	190038	230896	283744	283744	344749
21	87	0.00	141254	141254	169505	193549	193549	232259	294721	294721	353665
22	88	0.00	139590	139590	165554	197133	197133	233800	306134	306134	363075
23	89	0.00	137810	137810	161651	200684	200684	235403	317838	317838	372824
24	90	0.00	135929	135929	157813	204311	204311	237205	330008	330008	383140
25	91	0.00	133974	133974	154071	207940	207940	239131	342543	342543	393925
26	92	0.00	132005	132005	150353	211556	211556	240962	355427	355427	404832
27	93	0.00	130022	130022	146795	215097	215097	242845	368567	368567	416112
28	94	0.00	128055	128055	143293	218568	218568	244578	381970	381970	427424
29	95	0.00	126136	126136	139884	221978	221978	246174	395658	395658	438784
30	96	0.00	124314	124314	136621	225409	225409	247725	409779	409779	450347

North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Illustration

Valued Client
Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
Riders: Waiver of Surrender Charge Option
Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

TABULAR DETAIL (CONT.)

		Guaranteed				Non-Guaranteed Alternate			Non-Guaranteed		
		3.00% Interest Rate				3.00% Interest Rate for Index Selections			5.00% Interest Rate for Index Selections		
End of Year	End of Yr Age	Premium Outlay	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit
31	97	0.00	122689	122689	133485	228928	228928	249074	424470	424470	461823
32	98	0.00	121385	121385	130489	232718	232718	250172	440087	440087	473093
33	99	0.00	120074	120074	128479	236297	236297	252837	455762	455762	487665
34	100	0.00	118669	118669	126620	239620	239620	255675	471398	471398	502981
35	101	0.00	122229	122229	129930	248606	248606	264268	498503	498503	529909
36	102	0.00	125896	125896	133450	257929	257929	273404	527167	527167	558797
37	103	0.00	129673	129673	137064	267601	267601	282854	557479	557479	589255
38	104	0.00	133563	133563	140776	277636	277636	292628	589534	589534	621369
39	105	0.00	137570	137570	144586	288047	288047	302738	623432	623432	655227
40	106	0.00	141697	141697	148499	298849	298849	313194	659279	659279	690925
41	107	0.00	145948	145948	152516	310056	310056	324008	697188	697188	728561
42	108	0.00	150327	150327	156791	321683	321683	335515	737276	737276	768979
43	109	0.00	154837	154837	161030	333746	333746	347096	779670	779670	810856
44	110	0.00	159482	159482	165542	346261	346261	359419	824501	824501	855832
45	111	0.00	164266	164266	170016	359246	359246	371820	871910	871910	902426
46	112	0.00	169194	169194	174778	372718	372718	385018	922044	922044	952472
47	113	0.00	174270	174270	180021	386695	386695	399456	975062	975062	1007239
48	114	0.00	179499	179499	185422	401196	401196	414435	1031128	1031128	1065155
49	115	0.00	184884	184884	190800	416241	416241	429561	1090418	1090418	1125311
50	116	0.00	190430	190430	196524	431850	431850	445669	1153117	1153117	1190017

North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Illustration

Valued Client
 Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
 Riders: Waiver of Surrender Charge Option
 Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
 Initial Annual Premium: \$.00
 1035: \$0.00 (Month 1)
 Non-1035: \$150,000.00 (Month 1)

TABULAR DETAIL (CONT.)

			Guaranteed			Non-Guaranteed Alternate			Non-Guaranteed		
			3.00% Interest Rate			3.00% Interest Rate for Index Selections			5.00% Interest Rate for Index Selections		
End of Year	End of Yr Age	Premium Outlay	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit	Account Value	Surrender Value	Death Benefit
51	117	0.00	196143	196143	202420	448044	448044	462382	1219421	1219421	1258442
52	118	0.00	202028	202028	208290	464846	464846	479256	1289538	1289538	1329513
53	119	0.00	208088	208088	213915	482278	482278	495781	1363686	1363686	1401869
54	120	0.00	214331	214331	218618	500363	500363	510370	1442098	1442098	1470940

Non-Guaranteed Alternate interest rates for Index Selections: 3.00% all years
 Non-Guaranteed interest rates for Index Selections: 5.00% all years



Commission Option Selection

For Agent Use Only

Prepared For: Valued Client .

Submit this form with application.

This selection cannot be changed after issue.

If no election is made option A will be the default.

For additional information refer to the supplemental commission report in the illustration software.

Commission Option A B (NA) C (NA) D (NA)

Agent signature _____ Date _____

North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Supplemental Illustration

Valued Client
Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
Riders: Waiver of Surrender Charge Option
Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

Internal Rate of Return
Based on Non-Guaranteed Values

End of Year	Age	Annualized Premium Outlay	Net Cash Surrender Value	Surrender Value IRR	Death Benefit	Death Benefit IRR
1	67	150,000.00	155,582	3.72%	275,536	83.69%
2	68	0.00	160,713	3.51%	277,551	36.03%
3	69	0.00	165,786	3.39%	279,515	23.06%
4	70	0.00	170,857	3.31%	281,230	17.02%
5	71	0.00	175,898	3.24%	282,667	13.51%
6	72	0.00	180,613	3.14%	283,743	11.21%
7	73	0.00	185,368	3.07%	284,540	9.58%
8	74	0.00	190,223	3.01%	285,715	8.39%
9	75	0.00	195,275	2.98%	287,054	7.48%
10	76	0.00	200,537	2.95%	288,773	6.77%
11	77	0.00	207,146	2.98%	292,283	6.25%
12	78	0.00	213,888	3.00%	295,807	5.82%
13	79	0.00	220,751	3.02%	299,559	5.47%
14	80	0.00	227,672	3.03%	303,487	5.16%
15	81	0.00	234,758	3.03%	307,533	4.90%
16	82	0.00	243,749	3.08%	313,949	4.73%
17	83	0.00	253,110	3.13%	320,943	4.58%
18	84	0.00	262,915	3.17%	328,381	4.45%
19	85	0.00	273,109	3.21%	336,471	4.34%
20	86	0.00	283,744	3.24%	344,749	4.25%
21	87	0.00	294,721	3.27%	353,665	4.17%
22	88	0.00	306,134	3.30%	363,075	4.10%
23	89	0.00	317,838	3.32%	372,824	4.04%
24	90	0.00	330,008	3.34%	383,140	3.99%
25	91	0.00	342,543	3.36%	393,925	3.94%
26	92	0.00	355,427	3.37%	404,832	3.89%
27	93	0.00	368,567	3.39%	416,112	3.85%
28	94	0.00	381,970	3.40%	427,424	3.81%
29	95	0.00	395,658	3.40%	438,784	3.77%
30	96	0.00	409,779	3.41%	450,347	3.73%

Date: 11/12/2015
State: NH

This is an illustration and not a contract, and is not complete without all pages.

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Version 21.3.210305 w

North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Supplemental Illustration

Valued Client
Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
Riders: Waiver of Surrender Charge Option
Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

Internal Rate of Return
Based on Non-Guaranteed Values

End of Year	Age	Annualized Premium Outlay	Net Cash Surrender Value	Surrender Value IRR	Death Benefit	Death Benefit IRR
31	97	0.00	424,470	3.41%	461,823	3.70%
32	98	0.00	440,087	3.42%	473,093	3.66%
33	99	0.00	455,762	3.43%	487,665	3.64%
34	100	0.00	471,398	3.43%	502,981	3.62%
35	101	0.00	498,503	3.49%	529,909	3.67%
36	102	0.00	527,167	3.55%	558,797	3.72%
37	103	0.00	557,479	3.61%	589,255	3.77%
38	104	0.00	589,534	3.67%	621,369	3.81%
39	105	0.00	623,432	3.72%	655,227	3.85%
40	106	0.00	659,279	3.77%	690,925	3.89%
41	107	0.00	697,188	3.82%	728,561	3.93%
42	108	0.00	737,276	3.87%	768,979	3.97%
43	109	0.00	779,670	3.91%	810,856	4.00%
44	110	0.00	824,501	3.95%	855,832	4.04%
45	111	0.00	871,910	3.99%	902,426	4.07%
46	112	0.00	922,044	4.03%	952,472	4.10%
47	113	0.00	975,062	4.06%	1,007,239	4.14%
48	114	0.00	1,031,128	4.10%	1,065,155	4.17%
49	115	0.00	1,090,418	4.13%	1,125,311	4.20%
50	116	0.00	1,153,117	4.16%	1,190,017	4.23%
51	117	0.00	1,219,421	4.20%	1,258,442	4.26%
52	118	0.00	1,289,538	4.23%	1,329,513	4.29%
53	119	0.00	1,363,686	4.25%	1,401,869	4.31%
54	120	0.00	1,442,098	4.28%	1,470,940	4.32%

The surrender value IRR is the annual interest rate that each year's cumulative premiums would have to earn in order to accumulate to the surrender value shown at the end of the applicable year. The Death Benefit IRR is the annual interest rate that each year's cumulative premiums would have to earn in order to accumulate to the death benefit shown at the end of the applicable year.

North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Supplemental Illustration

Valued Client
Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
Riders: Waiver of Surrender Charge Option
Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

Internal Rate of Return
Based on Non-Guaranteed Values

This supplemental illustration is not a policy contract and must be accompanied by the basic illustration. Refer to the basic illustration for guaranteed elements and other important information. The illustrated values are not guaranteed. This illustration assumes that the currently non-guaranteed elements used will not change for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown. Non-guaranteed elements are not guaranteed. This supplemental illustration includes the same premium outlay and non-guaranteed elements used in the basic illustration.

North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Supplemental Illustration

Valued Client
 Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
 Riders: Waiver of Surrender Charge Option
 Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
 Initial Annual Premium: \$.00
 1035: \$0.00 (Month 1)
 Non-1035: \$150,000.00 (Month 1)

LIFE INSURANCE FOR YOUR CHANGING NEEDS

Life Insurance can provide valuable benefits to your beneficiaries in the event of your untimely death. But are you confident that your life insurance needs will be exactly the same in the future as they are today? Will death benefit protection be your primary concern if you are no longer able to care for yourself? With North American, your policy provides additional benefits that, at **no additional premium**, are designed to provide you with the flexibility to help meet your changing needs.

The following values are based on the values of the Basic Life Insurance Illustration and are provided to demonstrate the benefits that may be available to you. As you consider these approaches, please be aware that utilizing any of these benefits would reduce the values projected in the Basic Life Insurance Illustration from the point of election going forward.

Death Benefit The policy provides financial protection for your beneficiary in the event of your death. The generally tax-free Death Benefit can be used for many financial needs such as final expenses, debt repayment and estate taxes.

<u>Age</u>	<u>Guaranteed Death Benefit</u>	<u>Non-Guaranteed Death Benefit</u>
72	\$238,671	\$283,743
74	\$228,154	\$285,715
81	\$194,687	\$307,533
82	\$190,225	\$313,949

Cash Value Accumulation The premiums you pay into the policy accumulate in the Account Value. The Account Value grows tax-deferred; thus, you do not pay annual taxes on the growth. The accumulation in the Account Value may be accessed through tax-free Loans¹ and Withdrawals¹ to be used for any purpose you desire.

<u>Age</u>	<u>Guaranteed Account Value</u>	<u>Non-Guaranteed Account Value</u>
72	\$151,923	\$180,613
74	\$151,900	\$190,223
81	\$148,616	\$234,758
82	\$147,690	\$243,749

Protected Flexibility The following benefits are included automatically on your Policy at no additional charge. They protect the flexibility of the policy so that you have the ability to change the primary objective of the policy in the future in the event that your needs change.

North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Supplemental Illustration

Valued Client
 Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
 Riders: Waiver of Surrender Charge Option
 Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
 Initial Annual Premium: \$.00
 1035: \$0.00 (Month 1)
 Non-1035: \$150,000.00 (Month 1)

Protected Death Benefit (PDB) – This provision allows you to utilize cash value growth to guarantee (protect) a portion of the Death Benefit while retaining access to the remainder of the cash value. It enables you to choose the best fit for your needs at the time of election. Three possible scenarios include: a) **Value** – which seeks a cost-effective blend of Protected Death Benefit and cash value access; b) **Income** – which seeks to maximize access to cash value accumulation; and c) **Protection** – which seeks to maximize the Protected Death Benefit. In lieu of one of these, you may indicate the amount of death benefit you wish to protect, within allowable limits.

Projected Benefits at Age 81 Based on Non-Guaranteed Net Cash Surrender Value & Non-Guaranteed Death Benefit

Protected Death Benefit Distributable Fund

Value	\$100,000	\$152,204
Income	\$25,000	\$207,220
Protection	\$100,000	\$152,204

Overloan Protection – This benefit, if elected, guarantees that your policy will not lapse due to a large outstanding loan. This guarantee helps prevent the tax consequences that would result if the policy were to lapse.

You can take advantage of either the Protected Death Benefit (PDB) or the Overloan Protection. However, only one of the two can be in effect at any given time. If the Overloan Protection benefit is elected, Accelerated Death Benefits cannot be elected.

**Accelerated Death
 Benefit Endorsement**

This endorsement offers the policy owner the flexibility to accelerate a portion of the Death Benefit should the insured develop a qualifying illness. Since benefits are paid prior to death, the actual payment you receive will be discounted as indicated below. Final Death Benefit proceeds the beneficiaries receive will be reduced by the death benefit amount accelerated. The endorsement is automatically included on your policy at no additional premium. However, there is an administrative fee when an accelerated death benefit payment is made for either the terminal illness or chronic illness benefit.

North American Company for Life and Health Insurance

Rapid Builder IUL3 - Cash Value Accumulation Test

A Universal Life Insurance Policy Supplemental Illustration

Valued Client
Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
Riders: Waiver of Surrender Charge Option
Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

Terminal Illness - If the insured is certified as being terminally ill (life expectancy of 24 months or less), this benefit will allow the policy owner to accelerate a portion of the Death Benefit (DB) as a lump sum. Since this benefit is paid prior to death, the single payment received will be discounted, and is lower than the DB amount accelerated. The example below shows the impact of the accelerated benefit discount rate and the insured's life expectancy.

The **Current Terminal Illness Assumptions** columns use the current accelerated benefit discount rate of 4.00%. The payment amount also uses an estimate determined by North American for the insured's life expectancy with a terminal illness. The actual rates will be determined at the time the benefit is elected. Changes to the interest rate and life expectancy will result in a payment that is higher or lower than shown below.

The values in the example assume the maximum Death Benefit that can be accelerated and are based on the Non-Guaranteed Net Cash Surrender Value and Death Benefit shown in the basic illustration. The Single Payment amount could be increased to adjust for Net Cash Surrender Value, or decreased to adjust for policy debt repayments. The single payment shown below takes into account any such adjustment assumed in the basic illustration.

Projected Benefits Based on Non-Guaranteed Net Cash Surrender Value & Non-Guaranteed Death Benefit

Current Terminal Illness Assumptions

<u>At Age</u>	<u>DB Accelerated</u>	<u>Single Payment</u>
74	\$214,286	\$201,842

Chronic Illness - If the insured is certified as being chronically ill (unable to perform at least two activities of daily living², or suffering from severe cognitive impairment³), this benefit will allow the policy owner to accelerate a portion of the Death Benefit (DB) as a lump sum. Since this benefit is paid prior to death, the single payment received will be discounted, and is lower than the DB amount accelerated. The example below shows the impact of the accelerated benefit discount rate and the insured's life expectancy.

The **Current Chronic Illness Assumptions** columns use the current accelerated benefit discount rate of 4.00%. The payment amount also uses an estimate determined by North American for the insured's life expectancy with a chronic illness. The actual rates will be determined at the time the benefit is elected. Changes to the interest rate and life expectancy will result in a payment that is higher or lower than shown below.

The values in the example assume the maximum Death Benefit that can be accelerated and are based on the Non-Guaranteed Net Cash Surrender Value and Death Benefit shown in the basic illustration. The Initial Election Annual Payment amount could be increased to adjust for Net Cash Surrender Value, or decreased to adjust for policy debt repayments. The initial election payments shown below take into account any such adjustments assumed in the basic illustration.

North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Supplemental Illustration

Valued Client
 Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
 Riders: Waiver of Surrender Charge Option
 Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
 Initial Annual Premium: \$.00
 1035: \$0.00 (Month 1)
 Non-1035: \$150,000.00 (Month 1)

Projected Benefits Based on Non-Guaranteed Net Cash Surrender Value & Non-Guaranteed Death Benefit

Current Chronic Illness Assumptions

<u>At Age</u>	<u>DB Accelerated</u>	<u>Initial Election Annual Payment</u>
74	\$68,572	\$62,234
82	\$75,348	\$72,752

Critical Illness - If the insured is certified as having incurred a specified medical condition (one of the five events as defined in the endorsement - heart attack, cancer, stroke, kidney failure, or a major organ transplant), this benefit will allow the policy owner to accelerate a portion of the Death Benefit (DB). Since this benefit is paid prior to death, the single payment received will be discounted, and is lower than the DB amount accelerated.

The Critical Illness benefit calculation uses 40% of the Death Benefit accelerated regardless of the age, gender, underwriting class or severity of the illness. This percentage will not change for the life of the policy.

The values in the example assume the maximum Death Benefit that can be accelerated and are based on the Non-Guaranteed Net Cash Surrender Value and Death Benefit shown in the basic illustration. The Single Payment amount could be increased to adjust for Net Cash Surrender Value, or decreased to adjust for policy debt repayments. The single payment shown below takes into account any such adjustments assumed in the basic illustration.

Projected Benefits Based on Non-Guaranteed Net Cash Surrender Value & Non-Guaranteed Death Benefit

<u>At Age</u>	<u>DB Accelerated</u>	<u>Single Payment</u>
72	\$50,000	\$31,826

Each of the example accelerated death benefit amounts shown assumes that none of the other benefits described above has been elected or received. See the specific conditions and limitations described in each of the forms.

The projected values and payments shown in this supplemental illustration are based on the assumptions used in the accompanying life insurance policy illustration. This supplemental illustration assumes that the non-guaranteed elements will not change for the years shown. This is not likely to occur, and actual results may be more or less favorable than those shown. Non-guaranteed elements are not guaranteed.

This supplemental illustration is not valid unless it is attached to, accompanied by or preceded by the basic life insurance policy illustration.

North American Company for Life and Health Insurance
Rapid Builder IUL3 - Cash Value Accumulation Test
A Universal Life Insurance Policy Supplemental Illustration

Valued Client
Male, Age 66 (Based on Last Birthday), Standard Non-Tobacco
Riders: Waiver of Surrender Charge Option
Rating: None

Death Benefit: \$100,000 Initial DB Option: Level
Initial Annual Premium: \$.00
1035: \$0.00 (Month 1)
Non-1035: \$150,000.00 (Month 1)

¹Policy loans from life insurance policies generally are not subject to income tax, provided the contract is not a Modified Endowment Contract (MEC), as defined by Section 7702A of the Internal Revenue Code. A policy loan or withdrawal from a life insurance policy that is a MEC is taxable upon receipt to the extent cash value of the contract exceeds premium paid. Distributions from MECs are subject to federal income tax to the extent of the gain in the policy and taxable distributions are subject to a 10% additional tax prior to age 59½, with certain exceptions. Policy loans and withdrawals will reduce cash value and death benefit. Policy loans are subject to interest charges. Consult with and rely on your tax advisor or attorney on your specific situation. Income and growth on accumulated cash values is generally taxable only upon withdrawal. Adverse tax consequences may result if withdrawals exceed premiums paid into the policy. Withdrawals or surrenders made during a Surrender Charge period will be subject to surrender charges and may reduce the ultimate death benefit and cash value. Surrender charges vary by product, issue age, sex, underwriting class and policy year.

²Activities of daily living: bathing, continence, dressing, eating, toileting or transferring.

³Severe cognitive impairment: requires substantial supervision by another person to protect oneself from threats to health and safety.

Index 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.

Life Insurance Illustration

Name: Valued Client

Male Age : 66-NT Date: 11/12/2015

Initial Death
Benefit
\$275,536

Initial
Payment
\$150,000

Non-Guaranteed
Interest Rate
5%

Tax Bracket
35%

Year	Age	Net Annual Outlay	Cumulative Net Outlay	Annual Cash Value Incr / Decr	Net Surrender Value	Net Death Benefit
1	67	150,000	150,000	155,582	155,582	275,536
2	68	0	150,000	5,131	160,713	277,551
3	69	0	150,000	5,073	165,786	279,515
4	70	0	150,000	5,071	170,857	281,230
5	71	0	150,000	5,041	175,898	282,667
T@	71	150,000	150,000	175,898	175,898	282,667
6	72	0	150,000	4,715	180,613	283,743
7	73	0	150,000	4,755	185,368	284,540
8	74	0	150,000	4,855	190,223	285,715
9	75	0	150,000	5,051	195,275	287,054
10	76	0	150,000	5,262	200,537	288,773
T@	76	150,000	150,000	200,537	200,537	288,773
11	77	0	150,000	6,609	207,146	292,283
12	78	0	150,000	6,742	213,888	295,807
13	79	0	150,000	6,863	220,751	299,559
14	80	0	150,000	6,922	227,672	303,487
15	81	0	150,000	7,086	234,758	307,533
T@	81	150,000	150,000	234,758	234,758	307,533
16	82	0	150,000	8,991	243,749	313,949
17	83	0	150,000	9,360	253,110	320,943
18	84	0	150,000	9,806	262,915	328,381
19	85	0	150,000	10,194	273,109	336,471
20	86	0	150,000	10,635	283,744	344,749
T@	86	150,000	150,000	283,744	283,744	344,749
21	87	0	150,000	10,977	294,721	353,665
22	88	0	150,000	11,414	306,134	363,075
23	89	0	150,000	11,703	317,838	372,824
24	90	0	150,000	12,170	330,008	383,140
25	91	0	150,000	12,535	342,543	393,925
T@	91	150,000	150,000	342,543	342,543	393,925

V2.51.00 C2.14.02. This is a supplemental illustration. It must be accompanied by a Rapid Builder IUL proposal from North American Company for Life and Health Insurance which contains guaranteed elements and other important information. Any non-guaranteed elements illustrated are subject to change and can be either higher or lower.

Presented by: Valued Agent

Life Insurance Illustration

Name: Valued Client

Male Age : 66-NT Date: 11/12/2015

Initial Death
Benefit
\$275,536

Initial
Payment
\$150,000

Non-Guaranteed
Interest Rate
5%

Tax Bracket
35%

Year	Age	<i>Net Annual Outlay</i>	<i>Cumulative Net Outlay</i>	<i>Annual Cash Value Incr / Decr</i>	<i>Net Surrender Value</i>	<i>Net Death Benefit</i>
26	92	0	150,000	12,884	355,427	404,832
27	93	0	150,000	13,139	368,567	416,112
28	94	0	150,000	13,403	381,970	427,424
29	95	0	150,000	13,688	395,658	438,784
30	96	0	150,000	14,121	409,779	450,347
T@	96	150,000	150,000	409,779	409,779	450,347
31	97	0	150,000	14,691	424,470	461,823
32	98	0	150,000	15,617	440,087	473,093
33	99	0	150,000	15,675	455,762	487,665
34	100	0	150,000	15,636	471,398	502,981
T@	100	150,000	150,000	471,398	471,398	502,981

V2.51.00 C2.14.02. This is a supplemental illustration. It must be accompanied by a Rapid Builder IUL proposal from North American Company for Life and Health Insurance which contains guaranteed elements and other important information. Any non-guaranteed elements illustrated are subject to change and can be either higher or lower.

Presented by: Valued Agent

Name: Valued Client M/66

Company/ Product: North American Company For Life and Health/ Rapid Builder IUL3

Product Warning(s)

- The Commission Option Selection page is included in this illustration. If you do not want to include that page in an email or PDF, please go to the Output Options tab and select yes to suppress the report.
Tab: Output Options
Question: [Suppress Commission Option Selection](#)
Answer: N
- This scenario will become a Modified Endowment Contract.

Client Input Summary

Company: North American Company for Life and Health Insurance
Product: Rapid Builder IUL3

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2.51.00, 6.14.02

Insured

Insured Name	Valued Client
Sex	Male
Date of Birth	
Age	66
Class	Standard Non-Tobacco
Table Rating	None
Table Shaving	No
Temporary Flat Extra	01 to 15 - 0
Permanent Flat Extra	0
State of Issue	New Hampshire

Solve For

Solve For	Face Amount
Face Solve Option	Solve for CV
Modal Premium	01 to 34 - 0
Solve Value	Endow
Solve Year/Age	@100

Disbursements

Disbursements	No
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Policy Options

Illustrative Rate for Fixed Account	Current
Assumed Interest Rate	
Allocation	
S&P 500 Annual Point-to-Point	100
S&P 500 Monthly Point-to-Point	0
S&P 500 Daily Averaging	0
DJIA Annual Point-to-Point	0
DJIA Daily Averaging	0
NASDAQ-100 Annual Point-to-Point	0
S&P MidCap 400 Annual Point-to-Point	0
S&P MidCap 400 Daily Averaging	0
Russell 2000 Annual Point-to-Point	0
Russell 2000 Daily Averaging	0
EURO STOXX 50 Annual Point-to-Point	0
Uncapped S&P 500 Annual Point-to-Point	0
Multi-Index Group Annual Point-to-Point	0
Fixed Account	0

Client Input Summary

Company: North American Company for Life and Health Insurance
Product: Rapid Builder IUL3

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2.51.00, 6.14.02

Policy Options - Cont'd

Total Allocation %	100%
Blended Index Illustrative Rate	Assumed
Assumed Index Illustrative Rate	01 to 34 - 5.00%
Alternate Rate	3.00
Illus Rate	
S&P 500 Annual Point-to-Point	7.05%
S&P 500 Monthly Point-to-Point	6.74%
S&P 500 Daily Averaging	5.78%
DJIA Annual Point-to-Point	6.13%
DJIA Daily Averaging	5.57%
NASDAQ-100 Annual Point-to-Point	6.66%
S&P MidCap 400 Annual Point-to-Point	6.86%
S&P MidCap 400 Daily Averaging	6.00%
Russell 2000 Annual Point-to-Point	5.97%
Russell 2000 Daily Averaging	5.64%
EURO STOXX 50 Annual Point-to-Point	6.54%
Uncapped S&P 500 Annual Point-to-Point	5.95%
Multi-Index Group Annual Point-to-Point	6.52%
Illus Rate	4.00%
Premium Mode	Annual
Prevent MEC	Yes
Life Insurance Test	Cash Value Accum
Death Benefit Option	01 to 34 - Level
Non-1035 Exchange	150000
Non-1035 Month	1
1035 Exchange Amount	0
1035 Month	
Reduce Premium	
1035 Exchange Basis	
1035 Policy a MEC	

Policy Riders

Waiver of Monthly Deductions	No
Accidental Death Benefit	
ADB Amount	
Guar. Insurability Amount	
Child Term Rider	No
Children's Insurance Amount	

Client Input Summary

Company: North American Company for Life and Health Insurance
Product: Rapid Builder IUL3

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Policy Riders - Cont'd

Children's Insurance Years	
Waiver of Surrender Charge Option	Yes
At Age:	
Terminal/Chronic Illness	74
Critical Illness	72
At Age:	
Terminal/Chronic Illness	82
At Age:	
Terminal/Chronic Illness	0
At Age:	
Terminal/Chronic Illness	0
Protected Death Benefit	70

Output Options

Agent Only	No
Print Cumulative Totals	No
Print All Years to Year/Age	@100
Print Underwriting Requirements	No
Print Internal Rate of Return Report	Yes
Print Changing Need Report	Yes
Suppress Commission Option Selection	No

Agent Info

Agent Name	Valued Agent
Agent Company	
Broker/Dealer Name	
Agent Address1	17110 Marcy St
Agent Address2	
Agent City	Omaha
Agent State	Nebraska
Agent Zip Code	68130
Agent Phone	402-697-9998
Agent Fax	
Agent Email	
Agent License #	456221
Bank Sale	No
Comments	

Client Input Summary

Company: North American Company for Life and Health Insurance
Product: Rapid Builder IUL3

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Ledger

Title Line

Tax Bracket

01 to 120 - 35