

Reminder: Product Changes & Actuarial Guideline 38 (AG 38)

Upcoming Dates and Details to Know

As we approach the end of October, North American wanted to remind you about the upcoming product changes and key dates to keep in mind. The first key dates are **November 1, 2012 and November 15, 2012**. In order to issue the current version of one of the effected products, make sure the application is signed on or before November 1 *and* received on or before November 15.

Below you'll find a recap of the changes taking place as outlined in a bulletin distributed October 11.

Product Changes

A summary of product changes is listed below along with transition dates.

Summary of 2013 Product Changes

Product	2013 Changes
Custom Guarantee® universal life insurance	Increase in guarantee premiums. IMPORTANT NOTE: Custom Guarantee will not be impacted by the transition rules outlined in this bulletin. A revised Custom Guarantee will be available in early 2013 and we'll be communicating launch details at that time.
Custom TermGUL® universal life insurance <i>with Premium Guarantee Rider</i>	Premium Guarantee Rider (PGR) will not be available. Base plan available with no changes.
Guarantee Builder IUL® indexed universal life insurance	Increase in guarantee premiums.
Survivorship GIUL indexed universal life insurance <i>with Survivor Premium Guarantee Rider</i>	Survivor Premium Guarantee Rider (S-PGR) will not be available. Base plan available with no changes.
Please note: These changes do not affect in-force policies.	

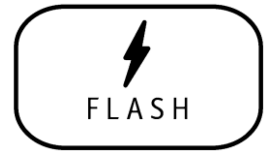
Transition Rules by Date

*Applications signed on or prior to **November 1, 2012** and received on or before **November 15, 2012**:*

- Can receive the current Premium Guarantee Rider (PGR) for Custom TermGUL and Survivor Premium Guarantee Rider (S-PGR) for Survivorship GIUL
- Can receive the currently available guarantee premiums on Guarantee Builder IUL

*Applications signed after **November 1, 2012**:*

- If the policy date (printed on the policy) is on or before **December 28, 2012**:
 - Can receive the current PGR for Custom TermGUL and Survivorship GIUL
 - Can receive the currently available guarantee premiums on Guarantee Builder IUL
- If the policy date (printed on the policy) is **January 1, 2013** or later
 - The PGR is not available on Custom TermGUL and Survivorship GIUL
 - Higher guarantee premiums on Guarantee Builder IUL



Product-Specific Transition Rules

Listed below you'll find details on how to receive the current versions of the products affected by AG 38. If neither of the two options is met, the revised 2013 version of the product will be issued. **Please feel free to keep and post this page for future reference.**

Custom TermGUL

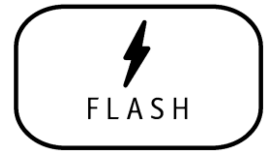
Requirements to include the Premium Guarantee Rider Must satisfy <u>ONE</u> of the following options:	
Option 1	Option 2
Applications signed on or prior to November 1, 2012 and received on or prior to November 15, 2012.	Policy date (printed on the policy) is on or prior to December 28, 2012.
<ul style="list-style-type: none"> · Backdating: Allowed for applications signed after November 1, 2012 · Base plan still available without any changes 	

Survivorship GIUL

Requirements to include the Survivor-PGR Must satisfy <u>ONE</u> of the following options:	
Option 1	Option 2
Applications signed on or prior to November 1, 2012 and received on or prior to November 15, 2012.	Policy date (printed on the policy) is on or prior to December 28, 2012.
<ul style="list-style-type: none"> · Backdating: Allowed for applications signed after November 1, 2012 · Base plan still available without any changes 	

Guarantee Builder IUL

Requirements to include currently available Guarantee Premiums Must satisfy <u>ONE</u> of the following options:	
Option 1	Option 2
Applications signed on or prior to November 1, 2012 and received on or prior to November 15, 2012.	Policy date (printed on the policy) is on or prior to December 28, 2012.
<ul style="list-style-type: none"> · Backdating: Allowed for applications signed after November 1, 2012 · Higher premiums for policies dated in 2013 if the application is signed after November 1, 2012 · No changes in target premium · No changes for the version of Guarantee Builder IUL sold in California 	



Software Update

An updated version of the North American Company Illustration Software (NACIS) will be available on or about November 1 to reflect the two illustration options for Guarantee Builder IUL. This will allow you to run illustrations using the 2012 version of Guarantee Builder IUL with current premiums *or* the 2013 version of the product with increased guarantee premiums.

AG 38 Background

AG 38 requires life insurance carriers to hold more reserves for products that contain a “secondary guarantee,” or death benefit guarantee. These changes were adopted September 12, 2012 and will go into effect for *new* sales dated on or after January 1, 2013. **These changes do not affect in-force policies.**

Upcoming Announcements

Look for reminder announcements and additional information over the coming months as we work through the transition period.

For more information, please contact Sales Development at (800) 800-3656, ext. 10411 or email salssupport@nacolah.com.

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.
Death benefit guarantees are subject to premium payment requirements.
Custom Guarantee is issued on policy form series LS170, Custom TermGUL issued on policy form series LS167, Guarantee Builder IUL is issued on policy form series LS175, Survivorship GIUL is issued on policy form series LS171, Premium Guarantee Rider is issued on form series LR452, Survivor Premium Guarantee Rider is issued on form series LR460; or state variations by North American Company for Life and Health Insurance, Administrative Office, Sioux Falls, SD 57193. Product features, riders, endorsements or issue ages may not be available in all jurisdictions. Limitations and restrictions may apply.