

In addition to death benefit protection, indexed universal life insurance provides the potential to earn cash value growth through either a Fixed Account, an Index Account that protects your from losses, or a combination of both. With an Index account, interest is credited based on how a financial index performs. The minimum interest rate is 0 (a floor) that protects against loss. There is also a maximum that would limit growth (a cap). The money in the policy is not directly invested in any index or the stock market.

Rules of the Game

If the Index Account were a game of football and the football team an Index Selection in a life insurance policy, here's how the rules would change:

Perpetual first down. | **No negative yards (the floor).** | **Gain up to a maximum of 12 yards per play (the cap).**

Take a look at what happens with these “new rules.”



The Play-by-Play

Pick your favorite quarterback. His team has the ball and is starting out on the 20 yard line.

- Play 1:** Your quarterback throws for a 10-yard gain! The ball is spotted at the 30 yard line.
- Play 2:** Your quarterback is sacked at the 12 yard line for a 18-yard loss. But we've changed the rules so that instead of losing yards, the ball is spotted at the 30 yard line where the play began, and it's still first down **(the floor)**.
- Play 3:** Your quarterback throws for a 8-yard gain. The ball is spotted at the 38 yard line, and it's still first down.
- Play 4:** Your quarterback throws for a 19-yard gain. The 12-yard maximum kicks in **(the cap)**, so your team has to “give back” seven of the yards. The net result is a gain of 12 yards, and the ball is spotted squarely on the 50 yard line.

Game Summary:

Under normal rules, the team would have gained a total of 19 yards (gains of 10, 8, and 19 with a loss of 18 yards) and the ball would have been spotted at the 39 yard line. However, with the “new rules”, the team gained 30 yards and the ball is at the 50, which is an extra 11 yards downfield!

What does this mean for you?

Imagine if the football team was an Index Selection in an indexed universal life insurance policy. The maximum 12 yards represents the cap rate, and the fact you never lose yards represents the floor no downside risk. Each play is a year and the yardage gains are locked in interest crediting!

Talk to your North American financial professional for details on how you can put an Indexed Universal Life Insurance policy to work for you.

Indexed 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 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 Company for Life and Health, One Sammons Plaza Sioux Falls, SD, 57193. Telephone (877) 872-0757.

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