



# New IUL Products: Builder IUL<sup>®</sup>, Guarantee Builder IUL<sup>®</sup> and Rapid Builder IUL<sup>®</sup>

## New IUL Products Available!

North American is pleased to announce our newly revised Indexed Universal Life Insurance products. The Builder IUL, Guarantee Builder IUL and Rapid Builder IUL products are approved and available in all states EXCEPT CA, DE and MT. (*We will inform you when these become available*).

*Note: Survivorship GIUL will not be changing at this time.*

## What has changed?

### New Index Selections

New index selections will be available for the single life IUL products, and some rarely used selections will be discontinued. Changes include the following:

- New uncapped indexed crediting strategy added- expense managed through a spread rate
- New high participation rate index crediting strategy added
- Daily Averaging will no longer be available as a crediting method.
- Dow Jones Industrial Average<sup>®</sup> will no longer be available as an Index Selection.
- Index selections and crediting methods now include: (new index selections highlighted)

INDEX	CREDITING METHOD
S&P 500 <sup>®</sup>	Annual Point-to-Point
S&P 500 <sup>®</sup>	Annual Point-to-Point with Spread ( <i>New Crediting Method</i> )
High Participation S&P 500 <sup>®</sup> ( <i>New Index</i> )	Annual Point-to-Point
NASDAQ-100 <sup>®</sup>	Annual Point-to-Point
S&P Mid-Cap 400 <sup>®</sup>	Annual Point-to-Point
Russell 2000 <sup>®</sup>	Annual Point-to-Point
EUROSTOXX <sup>®</sup> 50	Annual Point-to-Point
S&P 500 <sup>®</sup>	Monthly Point-to-Point
Uncapped S&P 500 <sup>®</sup>	Annual Point-to-Point
Multi-Index	Annual Point-to-Point

*Learn more about the new Annual Point-to-Point with Spread Method in the updated IUL Marketing Guide 241NM, which will be available after January 30, 2017.*

*For current caps and participation rates for the new index options, please see the updated Caps and Participation Rates guide 311NM which will be available after January 30, 2017.*



### **Index Crediting for first month**

Index crediting for payments received and applied to indexes within the first policy month of the issue date will be modified to a shorter index maturity period (the first index credit will occur on policy anniversary). The first annual statement will now show index credits based on index growth for the first month's premium. We're excited to add this feature to help alleviate policyholder questions about not seeing index credits on their first annual statements. *Note: this does not apply to the Monthly Point to Point Crediting Method.*

### **Fixed Account Rate**

The Fixed Account Guaranteed Interest Rate will be changing from 3% to 1.5%. We will be crediting 3.75% on a *current* basis as of January 30, 2017.

### **Minimum Account Value**

The guaranteed interest rate used for Minimum Account Value calculation will be changed from 3% to 2.5%. The Minimum Account Value True-Up period will also be changed from 8 years to 10 years, or upon death, lapse or surrender.

### **Variable Rate Loans**

The minimum Variable Loan Rate will be reduced to 3.5%. This means the rate can vary between 3.5% and 6%. The *current* rate remains 4.0% as of January 30, 2017.

### **Fixed Rate Loans**

The loan rate charged for fixed loans will also be reduced to 2.75% in years 1-5 and 1.5% in years 6+. The crediting rate for Standard Loans will be changing from 3% to 1.5%. The results remain the same, with a Guaranteed Zero Net Cost Loan in years 6+.

### ***NEW* Systematic Premium Allocation**

The Systematic Premium Allocation (SPA) feature will now be available on Builder IUL and Guaranteed Builder IUL for single or recurring premiums. This feature effectively allows a premium to be systematically spread out over 12 different index segment dates throughout the year.

### ***NEW* Guaranteed Insurability Rider**

The Guaranteed Insurability Rider will now be available on new versions of Builder IUL and Guaranteed Builder IUL. This rider is designed to protect the future insurability of the insured due to changes in vocation or health or to adverse factors relating to insurability.

### **Commission Rate Changes**

The commission rates are changing on the new Indexed Universal Life products. Please ensure you contact your upline to learn more about these changes or visit [NorthAmericanCompany.com](http://NorthAmericanCompany.com) for more information.

### **Guarantee Builder IUL Premium Rate Changes**

The new Guarantee Builder IUL will reflect higher premiums to guarantee the death benefit to maturity. The magnitude of the change will depend on a number of factors including the issue age, underwriting class, face amount, and funding pattern.

### **Transition Rules**

Both new and old generation products will be available for issue between **January 30 and February 17, 2017**. In order to receive the 'old' product versions, the applications must be **signed and received** by the administrative office by **February 17, 2017**.

All financial professionals must be appointed or able to be appointed with the application signed and received by **February 17, 2017**. If a new application is required due to the financial professional not submitting business within the designated appointment rules, the new rates or product will apply.

### **Illustration Software**

The enhanced Builder IUL, Guarantee Builder IUL and Rapid Builder IUL will be available for download on **January 30, 2017** via North American's NACIS Illustration Software (NACIS). The old version of these products will remain on NACIS at the bottom of the product list through March 31, 2017 for revised illustration purposes only on qualified cases.

### **Winflex 6.5**

Effective **February 6, 2017**, Winflex will be introducing their upgraded platform, Winflex 6.5, which will contain the new versions of the Builder IUL, Guarantee Builder IUL and Rapid Builder IUL as well as the old product versions through **March 31, 2017** (for revised illustration purposes only on qualified cases). At that time, these will all be located in the product list box to choose from. Please note that only the old generation single life IUL products will be available on the current version of Winflex (version 6.0) before the February 6, 2017 software release.

### **Simple Submit® e-App**

In order to receive the "old" versions of the Builder IUL, Guarantee Builder IUL and Rapid Builder IUL products, be advised that regardless of signature method, the case must be locked, signed by all signing parties, and submitted to the Administrative Office via e-app by **February 17, 2017**. Cases received after **February 17, 2017** will receive the revised product, regardless of the signature date.

### **Continued IUL Portfolio Strengths**

Our indexed universal life products continue to offer the features you've come to appreciate.

- Critical, Chronic and Terminal Accelerated Death Benefits<sup>1</sup>
- Zero Percent Floor
- Index credits on full beginning of segment account value regardless of charges
- Capped variable rate loans



- Guaranteed index interest rate bonus
- No charges beyond age 100
- Protected Death Benefit feature provides an option to guarantee<sup>2</sup> a portion of the death benefit, while providing access to cash value

## Application Availability & Dates

Please note the following important dates regarding the availability of new and 'old' form kits. **Please be careful to select the correct form.**

If you plan to utilize the "old" IUL products for the next few weeks, we encourage you to get your app kits from Forms Factory or Supply Warehouse prior to February 10. As of February 10, we will begin to update our form kits to reflect the new IUL product versions. See below for more information.

- **SimpleSubmit e-app:** will contain forms for the new IUL product versions as of January 30, 2017.
- **NACIS:** Forms for the new IUL product versions will be available within the NACIS Illustration software as of January 30, 2017.
- **Forms Factory:** Form kits for the new IUL product versions will begin to be updated on February 10, 2017. All kits will be updated to reflect the new IUL products on or before February 17, 2017. Previous version of the IUL product kits will no longer be available for states that have approved the new product versions after February 17, 2017.
- **Supply Warehouse:** Form kits for the new IUL product versions will be available starting February 10, 2017. Previous version of the IUL product kits will no longer be available for states that have approved the new product versions after February 10, 2017.

Reminder: In order to receive the 'old' product versions, the applications must be signed and received by the administrative office by February 17, 2017.

## Learn More at the Webinar

If you are looking to learn more about the excellent IUL portfolio and sales concepts that we offer, we invite you to join us for a webinar on **February 1, 2017 @ 10am CST**. Register now to ensure you get all of the details on these product updates. [Click HERE to register!](#)

## More Information

Want to learn more about our IUL product portfolio and the new products? View the updated product pages on our [Marketing Materials website](#).

Or contact Sales Development at **800-800-3656 Ext. 10411** & [SalesSupport@nacolah.com](mailto:SalesSupport@nacolah.com).



## Disclosures

Builder IUL (issued on policy form series LS172), Guarantee Builder IUL issued on policy form series LS175), Rapid Builder IUL (issued on policy form series LS176/LS176W with Waiver of Surrender Charge Option), Survivorship GIUL (issued on policy form series LS171 without the Waiver of Surrender Charge and policy form series LS171W with the Waiver of Surrender Charge), Guaranteed Insurability Rider (issued on form series LR495, or state variation), Accidental Death Benefit Rider 2 (issued on form series LR493), Accelerated Death Benefit Endorsement for Critical, Chronic and Terminal Illness is issued on form series LR477; and Accelerated Death Benefit Endorsement for Terminal Illness is issued on form series LR466, and Accelerated Death Benefit Endorsement - Chronic Illness is issued on form LR492, CA only are underwritten and issued by North American Company for Life and Health Insurance, Administrative Office, One Sammons Plaza, Sioux Falls, SD 57193. Products, features, endorsements, riders or issue ages may not be available in all jurisdictions. Limitations or restrictions may apply.

Indexed Universal Life 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.

### **THE S&P 500<sup>®</sup> COMPOSITE STOCK PRICE INDEX; THE S&P Mid-Cap 400<sup>®</sup> COMPOSITE STOCK PRICE INDEX**

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

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1. Subject to eligibility requirements. The death benefit will be reduced by the amount of the death benefit accelerated. Since benefits are paid prior to death, a discount will be applied to the death benefit accelerated. As a result, the actual amount received will be less than the amount of the death benefit accelerated. An administrative fee applies to each terminal and chronic election. There is no administrative fee for critical illness. Critical benefit not available in Florida, California or Connecticut.
2. Some living benefits cannot be elected simultaneously. If the overloan protection benefit is elected, the accelerated death benefits and the protected death benefit cannot be elected. If Policy has a Premium Guarantee Rider attached to it, such rider will be terminated upon the election of the Protected Death Benefit. The Protected Death Benefit cannot be elected if the Over loan Protection Benefit is in effect.

**Agents offering, marketing, or selling accelerated death benefits for chronic illness in California must be able to describe the differences between benefits provided under an accelerated death benefit for chronic illness and benefits provided under long-term care insurance to clients. You must provide clients with the ADBE Consumer Brochure for California NAM-3013 that includes this comparison. Comparison is for solicitation purpose only, not for conversions.**