

Field Bulletin

Updated: Spread and illustrated rates for indexed universal life products

295NB

TO: General Agents, Writing Agents, and MGAs

RE: Updated: Spread and illustrated rates only for S&P annual point-to-point with spread index selection

Date: June 18, 2020

Effective: June 29, 2020

North American continues to focus on making decisions for the long-term in line with the commitments we've made to both our policyholders and distribution partners. Recent changes in market volatility have caused us to evaluate our spread rates and make adjustments that we believe to be most prudent to maintaining long-term success. Please be advised that we are making changes to the spread and illustrated rates for only the S&P annual-point-to-point with spread index selection for the following currently marketed products: **Builder Plus IUL® 2, Protection Builder IUL, and Smart Builder IUL.**

For these products to receive the current rates, **ALL** monies must be placed into the index accounts with an effective date **ON OR BEFORE June 26, 2020**. All monies with an effective date **ON OR AFTER June 29, 2020** will receive the new rates as outlined in the tables below. The new maximum illustrated rates are also shown below.

Please consider using the new rates for all future illustrations as applications you submit today may not be ready for issue until after the new rates have been implemented.

*Applicable in force product lines will have spread rate changes as well. The rate changes will take effect for index selections that renew on or after **June 29, 2020**.*

To Receive Current Rates

The following criteria must be met for monies to be placed into the index accounts with an effective date **on or before June 26, 2020**:

For applications in New Business

- Policy Anniversary Date of 6/26/20 or earlier
- Money received and applied by 6/24/20
- All requirements received in good order by 6/24/20
- Policy placed in force by 6/24/20

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For applications in Policy Change

- Policy Anniversary Date of 6/26/20 or earlier
- Money received and applied by 6/23/20
- All requirements received in good order by 6/23/20
- Policy placed in force by 6/23/20

Currently Marketed Products

Builder Plus IUL 2 - S&P 500[®] annual point-to-point with Spread Effective for Index Periods that start on/after June 29, 2020

	Spread rate	Max illustrated rate*
Current rate	6.50%	6.27%
New rate	10.00%	5.34%

Please remember that starting on April 1, 2020, the percentage of account value charge for monies in the S&P 500 annual point-to-point with spread selection for Builder Plus IUL 2 is now 0% - on a current basis.

Protection Builder IUL - S&P 500[®] annual point-to-point with Spread Effective for Index Periods that start on/after June 29, 2020

	Spread rate	Max illustrated rate*
Current rate	5.85%	5.91%
New rate	8.50%	5.91%

Smart Builder IUL - S&P 500[®] annual point-to-point with Spread Effective for Index Periods that start on/after June 29, 2020

	Spread rate	Max illustrated rate*
Current rate	6.30%	5.41%
New rate	9.00%	5.41%

*Maximum illustrated rate reflects the requirements of Actuarial Guideline 49.

In addition to other great product features, don't forget about the strong guarantees we provide in these products, including:

- Contractual guaranteed Interest Bonus for monies in the index account – as high as 1.0% for the Builder Plus IUL 2
- Guaranteed 2.5% minimum account value
- Guaranteed participation rate on the S&P 500 annual point-to-point with spread index selection is 100%

Illustration Platform

Web-based Illustrations will reflect the updated maximum illustrated rates on **June 27, 2020**.

More information

For further information on these changes, please contact your Managing General Agency (MGA).

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THE S&P 500[®] COMPOSITE STOCK PRICE INDEX THE S&P 400[®] COMPOSITE STOCK PRICE INDEX

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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.

Protection Builder IUL (policy form series LS186), Builder Plus IUL 2 (policy form series LS183), and Smart Builder IUL (policy form series LS187), or state variations, including all applicable endorsements and riders, are issued by North American Company for Life and Health Insurance, Administrative Office, One Sammons Plaza, Sioux Falls, SD 57193. Products, features, riders, endorsements or issue ages may not be available in all jurisdictions. Limitations and restrictions may apply.

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