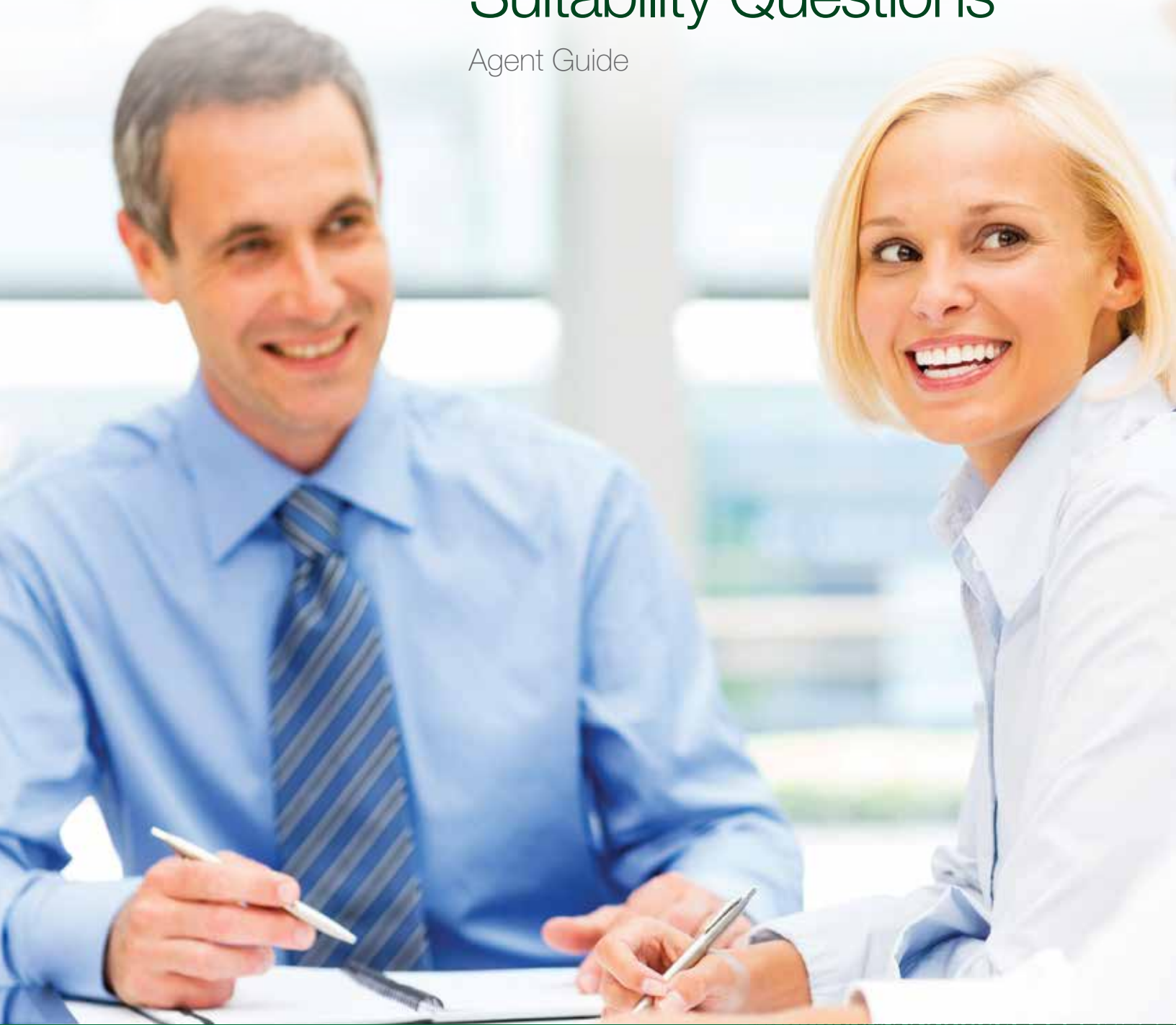


Frequently Asked Suitability Questions

Agent Guide



North American Company
for Life and Health Insurance

| *Annuity*

11838Z | REV 9-17

FOR AGENT/ADVISOR USE ONLY. NOT TO BE USED FOR CONSUMER SOLICITATION PURPOSES.

Suitability Summary

Why is suitability analysis such an important task?

You have an important job in assisting your client with determining which product(s) may be appropriate for their situation. State regulations and your obligations to your client require you to gather enough information to make a recommendation of a suitable product. Uncovering information about your client's financial situation means more than asking how much they earn each year and how much money is in the client's checking and savings accounts at the bank.

Make sure you also understand your client's lifestyle, recent or upcoming life events (e.g. divorce, marriage, college tuition, retirement and planned medical expenses), financial experience, taxes owed, income needs, time horizon, and liquid assets outside of this annuity or other annuities already owned. This information will assist you in completing this critical task.

What type of records is the agent required to keep?

Our suitability forms are designed to capture the end result of your suitability analysis. You may require additional information when making your recommendation. No matter how good your memory is, if an issue ever arises, it will be helpful to have a detailed summary in your file as to why your recommendation was suitable at the time it was made. Keep notes on each conversation, information discussed and presented, and every item you considered during your analysis. All materials used during your review are required to be part of your customer file. You may be asked to provide this documentation to our company. State regulations require agents to retain written documentation for each customer for each recommended transaction.

Refer to our Compliance Guide (form 8943Z) and your state for more information.

Will North American discuss a potential client/case with me prior to submission?

Yes, the Suitability team is willing to review the merits of a potential case with you on a pre-sale basis. While we cannot provide a suitability approval prior to receipt and review of a full application submission, including any supplemental information pertinent to your individual client, we can discuss a potential client and let you know if we have any questions or concerns. You may complete the "pre-sale worksheet" available on our website and submit it directly to the Suitability department direct email at Suitability@sfgmembers.com or, you can reach a Suitability Review Consultant at **877-858-1364**.

How can I contact the Annuity Suitability department?

The Suitability Department has a direct phone line that allows you access to a Suitability Review Consultant who may assist you with your suitability needs for any current/pending, or pre-sale situations. The direct phone line is open Monday through Thursday, 10:00am – 5:00pm central, and Friday 10:00am - 12:30pm central time.

Suitability Department direct contact information:

Phone: **877-858-1364**

Fax: **855-293-1608**

Email: Suitability@sfgmembers.com

My client will not provide all the information required on the suitability form. Does North American allow the client to "opt-out" of providing any information?

If a client chooses not to provide required information, we will not issue the Contract. We do not allow a client to opt-out of completing our suitability form. The suitability disclosure details are necessary to understand both the agent's recommendation and the client's need for a specific annuity product. A completed form clearly documents the discussion you had with your client and helps demonstrate their understanding.

If privacy is a concern, please assure your client that we protect all personal information and restrict access to personal information by maintaining physical, electronic, and procedural safeguards. We only allow access to persons who must use the information to provide insurance products and services.

Suitability Forms

Which form do I use?

Deferred Annuity Suitability Form (**26383Z**)

- Fixed Index Annuities
- Traditional Fixed Annuities
- Multi-Year Guarantee Annuities

Immediate Annuity Suitability Form (**26384Z**)

- Single Premium Immediate Annuities

Disclosure and Comparison Form (**26002Z**)

- Required for all annuity-to-annuity replacements. State-specific forms may apply to your state.

Refer to the Forms Chart (7372Z) for details.

Some states require an additional suitability disclosure or supplement form.

You are welcome to submit additional supporting documentation at any time. In the event that a suitability review requires additional information, a member of our Suitability Review Team will contact you.

I am an agent in **Florida**.

What forms am I required to use?

The North American Suitability form is required for all clients of all ages.

The Florida Annuity Suitability Questionnaire **21240Z** is required for all sales in Florida for all clients of all ages.

The Florida Disclosure and Comparison of Annuity Contracts **25134Z** is required for all annuity to annuity replacement transactions only. Note that a separate form is required for each annuity to annuity transaction.

IMPORTANT REMINDER:

The State of Florida also requires our company to compare the client signature dates within each form, to the date we receive the forms, to confirm they have been received by us within 10 days. If any of the required State Suitability forms are received after the 10 day window, the agent will be required to obtain an updated, full version of the form (all pages) with current client signatures, allowing us to proceed with issuing the contract(s).

Additionally, any updates/corrections made to the form (not just limited to the signature comparison) will require a full version of the form (all pages) to be submitted back to our company, with current signatures.

Suitability Comparison of Annuity Contracts form 26002Z

(Excluding **AR, FL & NV**)

North American received feedback from the field requesting for comparative information to be required up front as opposed to requesting corresponding information after application submission. Accordingly, the Suitability Comparison of Annuity Contracts form is required for clients of all ages and is applicable for all Annuity-to-Annuity replacements, including but not limited to; penalty free, full exchanges and internal replacements. This form will replace the existing Internal Disclosure form 15852Z and the CA Disclosure & Comparison form 13733Z-04.

Note: a separate Suitability Comparison of Annuity Contracts form is required for each replacement. Any updates and/or corrections made to the form will require client attestation.

*Please contact the North American Suitability Team directly at **877-858-1364** for any questions you may have concerning the completion of this form and any corresponding requirements.*

I am an agent in **Arkansas** or **Nevada**.

What forms am I required to use?

The North American Suitability form is required for all clients of all ages.

The Arkansas Comparison Form **12339Z-AR** and the Nevada Comparison Form **12339Z-NV** are required for all sales in Arkansas and Nevada when the transaction is an annuity to annuity replacement only.

Note: a separate form is required for each annuity to annuity transfer on an application.

I am an agent in **Minnesota**.

What forms am I required to use?

The North American Suitability form is required for all clients of all ages.

No additional state-specific forms are required for Minnesota as the questions on the previously required form are now incorporated into the new suitability form.

How do I complete the suitability form?

Refer to Appendix A on page 10.

I am writing two applications for my client. Is it OK to complete one suitability form for both applications?

We require one suitability form for each application. If the review and analysis of your client's needs resulted in your decision to recommend two products, it is likely that their goals and objectives were not the same for each application.

What if the owner is not the annuitant?

Complete the suitability form based on the owner's information. In general, the suitability form should be based upon the person paying the premium on the Contract.

What if the owner is a trust?

Complete the suitability form based on the grantor of the trust's financial information. There may be some circumstances where we will require additional information or the suitability form to be completed on a different person involved in the annuity application.

What if the owner is a corporation?

Complete the suitability form based on the corporation's information.

How do I complete the suitability form when the policy is an UTMA or UGMA?

For UGMA or UTMA contracts, complete the suitability form based on the person funding the annuity. For example:

**Owner – John Doe Sr. UGMA/UTMA FBO John Doe Jr.
John Doe Sr. should complete the suitability form.**

How do I complete the suitability form when the money is from a Multi-Generational Distribution Option (MGDO)?

For MGDO contracts, complete the suitability form based on the person who is now the owner of the Contract. For example:

Owner – John Doe Jr. as beneficiary to John Doe Sr. (deceased IRA)

John Doe Jr. should complete the suitability form.



Net Worth

How is Net Worth calculated?

All figures noted on page 1 of the deferred/immediate annuity suitability form should exemplify any income, assets, liabilities, expenses, etc. combined for all adults contributing to and residing within the household. Multiple applications submitted for more than one person residing within the household should therefore demonstrate very similar if not the same net worth disclosure and corresponding breakdown.

Net Worth = Assets – Liabilities

Please exclude primary residence, household contents, clothing, vehicles and other personal possessions.

If the client owns a business, include the net worth of the business.

Net worth should be the client's total assets including the premium pending for the proposed annuity.

Where in the net worth should I include the pending premium?

As indicated on page 1 of the [deferred/immediate suitability form], premiums for all household pending applications should be included in the funding source(s) where they reside prior to issue, under the liquid or non-liquid asset columns. Accordingly, we would expect to see at least the amount of premium (combined with any additional money) noted in the corresponding asset category, disclosed within page 1.

In addition, any type of death claim, inherited funds, etc. used to fund the proposed annuity contract, should also be documented in the category in which they currently reside, prior to issuance of the new proposed contract. For example, if life insurance proceeds are used to fund the proposed annuity, they should accordingly be documented in column A2H on page 1 of the deferred annuity suitability form. If however, the client has taken receipt and placed the funds into their personal checking account, pending premium would accordingly be documented in column A2F on page 1 of the deferred annuity suitability form.

How do I classify/document an asset as either liquid or non-liquid?

Liquid assets allow for immediate to close-to-immediate access to funds without the client incurring surrender or back-end charges. Accordingly, such assets should be noted on the left hand column of the net worth breakdown under the "Liquid" asset categories. Assets that require charges for immediate access/liquidation should accordingly be noted on the right hand side under the "non-liquid" asset column.

Liquid Assets:

- Pension (over age 59½), 401k (over age 59½), Mutual Funds (excluding B Shares)
- If a Pension income is listed as monthly income in section A1a, it should not be included as an asset in either the liquid or illiquid asset columns.
- Brokerage Accounts, Money Markets, Stocks, Bonds, Options
- Bank CDs, Checking/Savings
- Net Cash Surrender Value of Life Insurance

Non-liquid Assets:

- Rental or Investment Property
- Annuities in surrender period
- Pension (under age 59½), 401k (under age 59½)
- Limited Partnership

Liabilities

- Rental or Investment Property Mortgage
- Credit Card Debt, Loans (e.g. signature, student, automobile, etc.)
- You may be required to provide additional information to clarify any debt noted in this section.

Why doesn't North American include the primary residence in the Net Worth calculation?

A home, while very valuable to your client, is not liquid and should **not be factored** into net worth for purposes of annuity suitability. North American does not accept home equity loan proceeds or reverse mortgage proceeds as annuity premium.

What percentage of a prospective clients net worth will you accept?

In general, anytime a client plans to invest 50% or more of their net worth in annuities, heightened review is triggered. We will carefully review the following:

1. Age – as the client's age increases (older than 60), we expect the percentage of net worth invested in annuities to decrease.
2. Amount of net worth – the lower the amount of net worth, the lower the percentage of net worth should be allocated to our deferred annuities.

As with any suitability determination, the client's overall individual circumstances will be important to the overall suitability.

What criteria will trigger a call from the Suitability Team?

There are a variety of situations that may trigger a Suitability Review Consultant to contact you for additional information. Such situations include, but are not limited to, circumstances in which:

1. The pending premium and existing contracts are equal to or greater than 50% of the client's total net worth.
2. The client is a senior with low or limited net worth.
3. The benefit for the client to transfer their assets is unclear from the information provided.
4. There is little in liquid assets set aside for emergencies.
5. The annuity that is to be transferred/exchanged is under three years old. (five years in California and Minnesota)
6. The product selected is not consistent with the suitability information provided. Objectives should correspond to products/riders selection that provide income need to consistently reference income objective in section B on page 2 of suitability form.

Keep in mind that suitability reviews are based on each client's individual circumstances/objectives.

What criteria will be an automatic decline?

North American generally will not accept an application where:

1. The client will incur a net loss in account value during the transfer.
2. A client is left with no liquid assets set aside for emergencies.
3. All of a client's net worth is in annuities with surrender charges.
4. The client answers "No" to questions concerning:
 - a. They believe the product is suitable for them.
 - b. They have sufficient liquid/emergency funds available.
 - c. They understand that withdrawals greater than penalty-free amounts incur surrender charges
 - d. The agent has explained how the existing and new contracts compare on charges, rates, company ratings and other benefits.

What happens if an application is declined?

If an application is declined by the Suitability Review Team, the following action will be taken:

1. The agent will be notified by telephone regarding the reason. If they are not available, we will leave a voice message.
2. The agent will receive a written response that includes the reason for the decline.
3. Any premium received will be returned to the original source after a 10-day bank clearing period.

Should circumstances change, the client is eligible to complete a new set of paperwork after a 30-day waiting period.

An application was declined by Suitability, what options do I have to try to change the decision?

Prior to declining the application, we will contact you to confirm any details we might question and give you the opportunity to supplement any information already presented. Account statements and/or other documentation will be required to verify new information that may lead to an overturn of a suitability decision. Once we have all the facts and our decision is made, it is final.

An application was declined by Suitability, are you saying that this sale is not suitable?

When a file is declined, it generally means that North American will not accept the application based on the facts presented under our guidelines. We understand and accept that applying our suitability guidelines may result in our turning down business.

If a client's replacement is declined due to surrender charges, can the client surrender the policy and send the funds in another form of payment?

No. The transaction will still be considered a replacement and we already know the surrender charge loss the client would incur.

The client is adamant that they want this product even after you have declined the application. Is there anything the client can do to take on the responsibility for their decision?

No. Our review process allows opportunity for the Suitability Review Consultant and agent to review the material facts of the case to determine if we can get comfortable with the sale. Our decision to decline a specific case is considered final.

We appreciate that your client is certain about this product choice, however we reserve the right to decline the application.

Will you allow the agent to choose a different product or accept a lesser amount for this application?

Our standard procedure is to withdraw the application therefore upholding our final review decision. If however, additional information is provided demonstrating how a lesser amount of premium or, a different product for example, may allow the client to satisfy their objectives and plans for distribution, we may (with updated paperwork and further client attestation), allow for a case to proceed to issue on an exception basis with updates made to the original application paperwork.

Replacements

Disclosure and Comparison form (**26002Z**), will be required for each replacement, whether they are internal or external in nature, used to fully or partially fund the proposed annuity, regardless of a client's age, and required for all states (exception Arkansas, Florida and Nevada, who each require their own separate state specific form). Each replacement will be reviewed closely for completion and accuracy. Case submissions including any errors or discrepancies will not proceed to issue until the necessary corrections including client acknowledgement are received and reviewed.

Internal Replacements are subject to heightened review. The new product must demonstrate a clear benefit to the client, and frequently requires a cover letter or additional documentation from the client, confirming how the new product better supports the client's objectives. For an internal replacement to be considered, the replacing policy must be penalty-free.

Note: regulators deem a replacement of a North American product with one of an affiliated company to be an internal replacement. Internal replacements require an additional comparative disclosure form. Contact the Marketing department for information. Certain restrictions apply.

How does North American view company ratings as a reason for replacement?

We recognize the importance of your client's funds residing with reputable companies that maintain strong ratings as recognized by industry rating agencies. With consideration of a proposed annuity replacement however, we will seek additional benefits beyond company ratings in an effort to sufficiently substantiate the clear benefit of moving funds from one annuity for the establishment of a new annuity and corresponding surrender charge schedule.



My client is replacing multiple contracts. Not all contracts have a remaining surrender charge. What information is needed?

List the surrender charge percentage for each contract being replaced. Do not combine or “net” the existing surrender charges from multiple contracts. The best source for accurate information is a recent statement or phone call to the existing carrier. It is important that your client understand the impact of surrender charges compared to the benefits for each replacement. Please document your files with the current contract value and surrender charge (including market value adjustments) for each replacement in case further review is necessary.

How do I calculate the surrender charge percent and the surrender charge dollar amount on a transfer/exchange?

The surrender charge dollar amount is calculated as follows (excluding MVA):

Accumulation Value – Surrender Value = Surrender charge dollar amount

The surrender charge percent is calculated as follows (excluding MVA):

Surrender charge dollar amount / Accumulation Value = Surrender charge percent

North American requires full disclosure of surrender charges associated with the exchange or replacement of an existing annuity contract, even if the proposed contract is funded with partial or penalty free funds. Accordingly, North American does review loss in its totality, taking in to consideration (in addition to surrender charges), all other deductions made from a client’s accumulation value, including but not limited to fees, bonus recapture, etc. We therefore ask that any loss or deduction made to the client’s account value, corresponding to the exchange or replacement of an existing annuity, be carefully and accurately disclosed within the Deferred Annuity Suitability form, and the Disclosure and Comparison of Annuity Contracts form.

My client has an outstanding loan on their existing annuity or life insurance contract. Will you allow the replacement?

The loan must be paid in full or reported as a taxable distribution by the other company before transferring to North American. Please carefully review your client’s ability to (1) pay off the loan or (2) pay any taxes if the loan is reported as a taxable default.

We will not accept or carry an outstanding loan on an existing contract, nor will we accept an application if they wish to request a new loan here within the first year.

My client is requesting to replace a recently issued policy with another carrier. How does Suitability review this type of transaction?

While we recognize there is no guarantee that business submitted will be accepted, it is important to acknowledge that in accordance with the Suitability Model Regulation, replacements under 3 years old (5 years for California and Minnesota), will be subject to heightened review. Such transactions must demonstrate a clear benefit to the client. Specific information regarding the contract being replaced will be required, including but not limited to; surrender charge information, interest rates, rider features, fees and costs.

What is your company’s stance on exercising a Return of Premium feature of an existing contract for the purchase of a new annuity contract?

The Company believes Return of Premium is a valuable feature for many clients and may offer peace of mind for unforeseen circumstances that arise after purchase. However, the surrender of a contract with a Return of Premium feature is not viewed by our Company any differently than a surrender of a contract without such a feature and therefore may be subject to heightened suitability review. As with any replacement, we will look at the impact of the proposed transaction to the existing contract’s values, and whether the new contract provides a benefit to the owner in light of his/her individual objectives.

Funding

My client would like to use proceeds from a reverse mortgage or home equity loan to purchase an annuity. Is this allowed?

We do not accept “financed” purchase applications.

Refer to our Compliance Guide (form 8943Z) and your state for more information.

What is your company's stance on Medicaid or other state or federal benefit programs?

We do not offer “Medicaid friendly” annuity contracts nor do we permit clients to “shelter” assets in an annuity to qualify for any state or federal aid program.

Refer to our Compliance Guide (form 8943Z) and your state for more information.

Where can I find federal income tax brackets and tax filing status?

Visit the IRS website at www.irs.gov.

What is the financial time horizon for this annuity?

The financial time horizon is the number of years the client plans to hold the annuity before surrendering the policy in full. Typically the financial time horizon is equal to or greater than the surrender period for the product chosen.

Reviewing Policies

What if mistakes are made on the suitability form?

The owner(s) must initial any changes made on the form. Please do not use whiteout on any of the forms. Certain question responses, even if you tell us they were made in error, indicate an unsuitable sale. In those cases, we will also require a signed, handwritten statement from your client before moving forward with the application.

Will the suitability review process delay mailing out the transfer paperwork?

We see minimal to no changes to processing time if the paperwork is complete when the application is received.

How long will the suitability review process take?

Initial suitability review will typically be completed within 48 hours of receipt of the application.

- If needed, we will contact you within 48 hours of receipt of the application regarding any missing information or remaining suitability questions.
- Any outstanding suitability requirements not resolved within 30 days will result in the application being declined.

Will you contact my client?

We reserve the right to contact your client directly to clarify or gather any additional suitability information, however, we will attempt to discuss our plans with you before any contact occurs.

Satisfying Suitability

Once a policy is issued, is the Suitability review complete?

North American continues to monitor Suitability after the Contract is issued in multiple ways. For example:

1. **Report monitoring** – Including replacement reports to look for trends to better understand the type of business that is submitted.
2. **Letter from other insurers** – We receive information from other insurance carriers notifying us of any surrender charges or negative effects to a client during a replacement.
3. North American conducts policyholder surveys to help ensure the client understands their purchase.

What are the qualifications of the Suitability Review team?

Suitability team members often have two or more of the following:

1. State Insurance Licenses
2. FINRA Securities Registrations (6, 7, 24, 26, and 63)
3. LOMA designations (FLMI, AAPA, ACS)
4. University Degrees (MBA, BS, and BA)



In addition, the Suitability team keeps abreast of the current and proposed Suitability and Replacement regulations and participate in industry educational opportunities when available.

Note: this list of frequently asked questions is not inclusive of all unacceptable business. Contact the Suitability Team at 877-858-1364 regarding any questions that are not addressed within this document.

Appendix A

Following is a sample Deferred Annuity Suitability Form with sample client data.

CLIENT: KENNETH K. SAMPLE | AGE: 58 | PRODUCT PURCHASED: NAC RETIRECHOICE® TAX STATUS: IRA

		North American Company for Life and Health Insurance		Deferred Annuity Suitability Form	
Your privacy is a high priority to us. The information you provide will be treated with the highest degree of confidentiality. Please note that if this form is not completed in full, signed, and dated, we are unable to consider your application.					
Applicant/Owner's First Name		MI	Last Name		Contract Number
K E N N E T H		K	S A M P L E		
Joint Applicant/Owner's First Name		MI	Last Name		
A. Household Financial Information					
1. Household Disposable Income:					
a. Monthly Household Income		4 1 0 0		.00 (i.e. Employment Salary, Pension, Social Security, Investment, Disability)	
b. Monthly Household Expenses		2 7 7 5		.00 (i.e. Mortgage/Rent, Car, Health, Life/Auto Insurance, Loan Repayments)	
c. Disposable Monthly Income		1 3 0 0		.00 (a minus b)	
2. Household Net Worth: Assets - Liabilities (Debts).					
Premiums for all household pending applications are to be included in the funding source(s) below.					
Liquid Assets – Does not include primary residence, personal possessions, cars, etc.			Non-liquid Assets – Does not include primary residence, personal possessions, cars, etc.		
Current Dollars Invested			Current Dollars Invested		
a. Stocks/Bonds	\$ 0 0 0 0 0 0 .00		j. Real Estate - (Exclude Primary Home)	\$ 1 5 0 0 0 0 .00	
b. Annuities - Out of Surrender Period	\$ 0 0 0 0 0 0 .00		k. Annuities - In Surrender Period	\$ 2 0 0 0 0 0 .00	
c. Mutual Funds - Excluding IR Stocks	\$ 1 0 0 0 0 0 .00		l. Pension/401k - (Under 59 1/2)	\$ 1 5 0 0 0 0 .00	
d. CDs	\$ 1 0 0 0 0 0 .00		m. Limited Partnership	\$ 0 0 0 0 0 0 .00	
e. Money Market	\$ 0 0 0 0 0 0 .00				
f. Checking/Savings	\$ 5 0 0 0 0 0 .00				
g. Pension/401k - (Over 59 1/2)	\$ 0 0 0 0 0 0 .00				
h. Net Cash Surrender Value of Life Insurance	\$ 0 0 0 0 0 0 .00				
(total of a through h)			(total of j through m)		
i. Total Liquid Assets	\$ 2 5 0 0 0 0 .00		n. Total Non-liquid Assets	\$ 5 0 0 0 0 0 .00	
o. Total Household Assets: \$ 7 5 0 0 0 0 .00 (total of i plus n)					
p. Household Liabilities (Debts): \$ 0 0 7 5 0 0 0 0 .00 (Exclude Primary Home Mortgage)					
q. Total Household Net Worth: \$ 0 0 0 0 0 0 0 0 .00 (o minus p)					
			\$2622720		
262272			\$262272		
Page 1 of 4			B-17		

Section A

- | | | |
|-----|---|---|
| 1 – | a. Income = \$50,000/yr (\$4,166/mo) | \$150,000 = 2nd home (Non-liquid) |
| | b. Monthly Expenses = \$2,775 (\$1,200 house payment, \$75 car insurance, \$500 - electric, phone and food, \$1,000 credit card payments) | \$200,000 = Fixed annuities still in surrender (Non-liquid) |
| | | \$150,000 = 401k (Non-liquid as client is under age 59½ and still contributing) |
| 2 – | a. Net worth | \$75,000 = Debt (excluding primary home mortgage) |
| | \$100,000 = A share mutual funds (Liquid) | |
| | \$50,000 = Checking/savings (Liquid) | |
| | \$100,000 = CDs (Liquid) | |

(Section A continued - Household Financial Information)

3. Financial Experience (number of years): Stocks Bonds Mutual Funds Fixed Annuities
 Variable Annuities Life Insurance CDs Pension/401K/403(b) or None

4. Federal Income Tax Bracket: 0% 10% 15% 25% 28% 33% 35% > 35%

5. Tax Filing Status: Single Head of Household Married Filing Jointly Married Filing Separately Widowed

6. Risk Tolerance for this annuity: Low Moderate Moderate to High High Speculative

7. Number of Dependents (indicate ages): Age: Age: Age: or, None

8. After considering your net worth, source of funds, liquidity needs, and time horizon, do you believe this deferred annuity contract is suitable for your financial situation and objectives? Yes No

9. Excluding this transaction, has your producer previously sold you any other policies or contracts? Yes No

10. Do you intend to apply for any income-tested government benefits and/or are you seeking qualification of any state or federal aid programs? (Examples - Medicaid, Veterans Aid and Attendance benefit, etc.) Yes No
 If yes, please explain: _____

11. Do you have a reverse mortgage? Yes No

11a. If yes, is any of the premium intended for this annuity proceeds from a reverse mortgage? Yes No

B. Financial Objectives

1. My financial objective for purchasing this annuity (check all that apply): Liquidity Long-Term Growth Guarantees provided
 Transfer of Assets to Beneficiaries Long-Term Growth, Followed by Income Preservation of Principal
 Immediate Annuity (complete form 26384Z) Guaranteed Death Benefit Guaranteed Lifetime Withdrawal Benefit


2. Do you have sufficient funds available for monthly living expenses, medical expenses, and emergencies other than the funds planned for this annuity or any other annuities already owned? Yes No

3. Financial time horizon - Years I plan to keep this annuity: years

4. How do you anticipate taking distributions from this annuity? RMD Penalty Free Annuitize Interest Only Withdrawal
 Lump Sum Leave to Beneficiary Guaranteed Lifetime Withdrawal Benefit Immediate Income Immediate Access to Funds

5. An annuity is a long-term contract with substantial penalties for early surrenders and/or withdrawals. Do you understand that if you take money out of this annuity, in excess of the penalty-free withdrawal amount during the surrender charge period, that you will incur a surrender charge and Market Value Adjustment (also referred to as an Interest Adjustment in some contracts/annuities) - if applicable? Yes No

6. Do you anticipate a significant change in your future income or expenses during the surrender charge period? Yes No
 If yes, please explain: _____


 26383Z \$262273 \$2622730
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Section A (cont.)

- 3 – The client has 10 years experience in investing in mutual funds and CDs and 15 years experience investing in fixed annuities. He has contributed to a 401k for the last 30 years.
- 4 – Tax bracket- 33% (This information can be found at www.irs.gov or on client's tax forms)
- 5 – Tax Filing Status- Single (can be found on client's tax forms)
- 6 – Client has moderate risk.
- 7 – The client's children are ages 17 and 15.

Section B

- 1 - Guaranteed Lifetime Withdrawal Benefit should be selected for questions B1 (Objectives) and/or B4 (Distribution) only if the client has elected the additional guaranteed lifetime withdrawal benefit, or an "income definite" product.
- 1 & 4 – The client wants guarantees on his money and preserve the principal to be able to pass the money to his children at death.
- 3 – The client plans to work for another 15 years as a Trainer at XYZ company where he has worked and contributed to a 401k for the last 30 years. The client plans to keep the annuity for at least 15 years.
- 4 – The client doesn't plan on taking any withdrawals other than the required RMDs.


C. Funding Source and Replacements of Life or Annuity Contract(s)


1. Excluding this transaction, have you exchanged or replaced any other life policy or annuity contract within the last 5 years? Yes No
If yes, please provide the transaction dates and corresponding companies: Company A to Company B in 2012


2. Source of Funds to purchase this annuity (Check all that apply): Money Market/ brokerage Account CDs Salary Reduction
 Death Claim Proceeds Reverse Mortgage/home Equity Checking/Savings Pension/401k Stocks/Bonds/Mutual Funds
 Sale of Primary Residence Inheritance

*If one or more of the following are checked, continue to questions 3 through 7. If not, proceed to section D on page 4.
 Traditional Fixed Annuity* Fixed Index Annuity* Variable Annuity* Fixed Life Insurance* Variable Life Insurance*

3. Complete for each replacement of Annuity or Life Insurance: (transfer, exchange, rollover):

a.  Company Name: COMPANY A Date Issued: 08 / 01 / 2010 Surrender Charge %: 3.8% Surrender Charge Amount: 800.00
Owner(s) Initials: _____

b.  Company Name: COMPANY B Date Issued: 08 / 05 / 2010 Surrender Charge %: 6.5% Surrender Charge Amount: 2100.00
Owner(s) Initials: _____


c.  Company Name: _____ Date Issued: ____ / ____ / ____ Surrender Charge %: ____% Surrender Charge Amount: _____.00
Owner(s) Initials: _____

4. Does your current contract require you to annuitize (elect a series of scheduled payments) your existing contract in order for you to receive the full accumulation value without surrender charges? Yes No
If yes: Company: _____ Product Name: _____

5. I agree that my agent has explained how the existing and new contracts compare concerning surrender charges, interest rates, company ratings, death benefits and all other benefits and features? Yes No

6. Is your current agent the same agent who recommended the purchase of the existing contract? Yes No

7. Replacement Reason - My reason(s) for choosing this replacement contract: Company Ratings of North American
 Interest Rates/Index Credit Potential Penalty-free Death Benefit Change in Financial Objective Increased Liquidity
 Enhanced Benefits Multiple Index Options Guaranteed Death Benefit Guaranteed Lifetime Withdrawal Benefit


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Section C

- 1 – The client processed a 1035 exchange from Company A to Company B in 2012.
- 2 – Client wants to transfer his Company A and Company B traditional fixed annuities into 1 NAC RetireChoice fixed index annuity. He also wants to add \$10,000 from a CD that has matured.
- 3 – a and b.

Surrender Charge Value = Accumulation Value – Surrender Value
Surrender Charge % = Surrender Charge Value/Accumulation Value

 - a. Company A - Accumulation value is \$20,800 and surrender value is \$20,000
 Surrender Charge Value = \$20,800 - \$20,000 = \$800
 Surrender Charge % = \$800 / \$20,800 = .0384 = 3.8%
 - b. Company B – Accumulation value is \$32,100 and surrender value is \$30,000
 Surrender Charge Value = \$32,100 - \$30,000 = \$2,100
 Surrender Charge % = \$2,100 / \$32,100 = .0654 = 6.5%
- 7 – The client wants to replace both annuities due to the interest rates offered at North American, the additional benefits of the North American annuity, the penalty-free death benefit option of the North American Contract as well as the company rating of North American.

D. Applicant/Owner Signature

By signing this form, I certify that the information provided is accurate. I acknowledge and agree that during the purchase of this insurance contract North American, its employees, and any of its agents acting in their capacity as an independent agent of North American have not suggested that I liquidate securities, otherwise provided any investment advice, or made any representations regarding losses or gains in respect to my portfolio. I have been advised to discuss any liquidation of securities with a properly licensed securities advisor, and I acknowledge that anyone (including my agent if properly registered) who provided me any such advice with respect to this purchase was not doing so in his/her role as an agent of North American. By signing below, I certify that: 1) to the best of my knowledge and belief, the information provided to my agent, and shown above is true and complete; 2) the annuity meets my financial needs and objectives; and 3) this annuity is suitable for me.

DO NOT SIGN THIS FORM IF ANY REQUIRED QUESTION HAS BEEN LEFT BLANK.

Applicant/Owner Signature Lennith Sample Date 11-15-18

Joint Applicant/Owner Signature _____ Date _____

E. Agent Statement - Acknowledgment of Responsibility for Suitability Recommendations

By signing below, I certify that:

- 1) I have completed a suitability and needs analysis review regarding the purchase of this annuity;
- 2) I have reasonable grounds for believing that the recommendation to purchase this annuity is suitable for the Applicant/Owner;
- 3) I understand that only properly registered investment advisors or registered representatives are allowed to recommend the sale of securities and if I am not properly security licensed, I did not make such a recommendation to the Applicant/Owner; and
- 4) I agree to maintain records of the information provided by the Applicant/Owner and any other information used as the basis for my recommendation. I agree to make such records available for review upon request by North American or by any regulatory body as required.
- 5) I have complied with the Department of Labor Conflict of Interest Rule (Fiduciary Rule), and have satisfied the requirements of any applicable prohibited transaction exemption related thereto (for qualified purchase only).

Agent Signature Jr Agent Agent Number 1234567 Date 11-15-18

North American Company for Life and Health Insurance®
P.O. Box 79905, Des Moines, IA 50325-0905
Overnight to: 4360 Western Parkway, West Des Moines, IA 50265



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**Note: This sample client document is for example purposes only.
Actual answers to the suitability questions will vary by client.**

Protect Your Assets and Those You Love With an Industry Leader

North American Company for Life and Health Insurance® is a leading insurance company in the U.S. Throughout our 100+ year history, we've focused on providing growth, income, and financial protection to the clients we serve. Our insurance and annuity products have consistently provided value to our clients - in all types of market and economic environments.

For nearly 30 years, North American has continued to earn high ratings, based on our financial strength, operating performance, and ability to meet obligations to our policyholders and contract holders. North American currently holds the following ratings:

A.M. BEST ^{A,B}	S&P GLOBAL RATINGS ^{B,C}	FITCH RATINGS ^D
<p>“A+” (Superior) (2nd category of 15) Superior ability to meet ongoing obligations to policyholders</p>	<p>“A+” (Strong) (5th category of 22) Very strong financial security characteristics</p>	<p>“A+” (Stable) (5th category of 19) Strong business profile, low financial leverage</p>

A.M. Best is a large third-party independent reporting and rating company that rates an insurance company on the basis of the company's financial strength, operating performance, and ability to meet its obligations to policyholders. S&P Global Ratings is an independent, third-party rating firm that rates on the basis of financial strength. Ratings shown reflect the opinions of the rating agencies and are not implied warranties of the company's ability to meet its financial obligations. The ratings above apply to North American's financial strength and claims-paying ability. **a)** A.M. Best rating affirmed on July 6, 2017. For the latest rating, access www.ambest.com. **b)** Awarded to North American as part of Sammons® Financial Group Inc., which consists of Midland National® Life Insurance Company and North American Company for Life and Health Insurance®. **c)** Standard & Poor's rating assigned February 26, 2009 and affirmed on October 19, 2016. **d)** Fitch Ratings, a global leader in financial information services and credit ratings, on May 2, 2017, assigned an Insurer Financial Strength rating of A+ Stable for North American. This rating is the fifth highest of 19 possible rating categories. The rating reflects the organization's strong business profile, low financial leverage, very strong statutory capitalization and strong operating profitability supported by strong investment performance. For more information access www.fitchratings.com.



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