

Changes to Custom Guarantee® UL and Protection Builder IUL with PGR

288NB

TO: General Agents, Writing Agents, and MGAs
RE: Changes to Custom Guarantee UL and Protection Builder IUL with PGR
Date: May 21, 2020
Effective: June 3, 2020

As one of the leading providers of life insurance and annuities in the United States, we have continuously fulfilled commitments to our customers since 1886. Today, we remain focused on our commitment to our policyowners, our distribution partners, and continue to make decisions for the long-term. With this focus in mind and the continuing low interest rate environment, we are making rate changes to our Custom Guarantee® UL and Protection Builder IUL with the Premium Guarantee Rider (PGR). We believe these updates will help better position us to maintain long-term viability and ensure we continue to fulfill the commitments made to your clients. On **June 3, 2020**, North American will be increasing guarantee premiums for Custom Guarantee UL and Protection Builder IUL.

The Custom Guarantee UL and Protection Builder IUL with PGR will reflect higher premiums to guarantee the death benefit. The magnitude of the change will depend on a number of factors including the issue age, underwriting class, face amount, and funding pattern. The required premium to qualify for the Premium Recovery Endorsement (PRE) will also be increasing. Generally, for the common premium scenarios of level-pay and single-pay, the premium to guarantee the death benefit to maturity is increasing 15% to 20%.

Note the strong guarantees we provide in these products.

1. Ability to provide lifetime guarantees beyond life expectancy.¹
2. Protection Builder provides 2.5% on the minimum account value.
3. Custom Guarantee UL provides the guaranteed exchange provision.²
4. We offer a Premium Recovery endorsement on both the Protection Builder IUL and the Custom Guarantee UL.

We also offer critical, chronic, and terminal (CCT) living benefits for eligible clients.

Important dates

Paper Applications for Custom Guarantee UL and Protection Builder IUL with PGR

- To receive the current product guarantee premiums, applications must be signed on or before **June 2, 2020**, and received by **June 14, 2020**.
- If an application is signed on or before **June 2, 2020**, and received **June 15, 2020** or after, the new rates will apply and a new fully completed application will be required.
- If an application is signed on or after **June 3, 2020**, the new rates will apply regardless of the date received.

SimpleSubmit® e-app for Custom Guarantee UL and Protection Builder IUL with PGR

- To receive the current product guarantee premiums, e-applications must be signed by all signing parties and must be locked and submitted by **June 2, 2020**.
- If an e-application is signed on or after **June 3, 2020**, the new rates will apply regardless of the date received.

Web Illustrations

The web illustration software will be updated with the new guarantee premium rates on **June 3, 2020**. The old rates will be available to illustrate for revised illustration purposes only for approximately 60 days; after which, all saved illustrations, if reopened, will be converted to the new rates.