



PRECISION SERIESSM

FIXED INDEX ANNUITIES

The **Precision SeriesSM** is a **Participation Rate product** offering:

- No annuitization required to receive applicable bonus.
- Two distinct accounts: Fixed and Index—Up to twelve options from which to choose.
- No risk of loss in years when the market declines.
- Tax-deferred growth.
- Choice of three different annual reset crediting methods—Daily Average, Monthly Point-to-Point and Annual Point-to-Point.
- Flexible premiums - No rolling surrender charge.

The **Precision SeriesSM** is a long-term annuity product that offers several different options, allowing your clients the flexibility to choose the option that is best for their situation. Listed below are the 3 surrender charge options and corresponding benefits they can choose from.

SURRENDER CHARGE PERIOD	7-YEAR	10-YEAR	14-YEAR
PREMIUM BONUS	NO PREMIUM BONUS	5% on all premium payments received during first 7 years	10% on all premium payments received during first 7 years
ANNUITY PAYMENT BONUS	1% after the eighth year	1% after the tenth year	2% after the fourteenth year
ISSUE AGES	0-85	0-79	0-75

MINIMUM PREMIUM \$10,000 non-qualified & \$2,000 qualified (\$50/month TSA Salary Reduction).

ACCOUNTS Index Account: offers potential stock-market related growth associated with the:

- Dow Jones Industrial AverageSM
- NASDAQ-100^{®*}
- Standard & Poor's 500 Index^{®3}
- Dow Jones EuroSTOXX 50^{®*}
- Russell 2000[®]
- Standard & Poor's MidCap 400 Index[®]

Fixed Account: Premium allocated to this account will earn the current Fixed Account interest rate. This rate will be guaranteed for the entire contract year and the rate will renew annually thereafter, but will never fall below the minimum guaranteed fixed interest rate. See the Interest Rate Sheet (6745Z) for both the current and minimum interest rates.

PARTICIPATION RATE Once a gain has been calculated using either the Annual Point-to-Point or Daily Average Crediting Method, a Participation Rate is applied. The Participation Rate is a percentage that is multiplied by the gain at the end of the Index Period to determine the Index Credit to your client's contract. The Participation Rate is applied **before** the annual Index Cap Rate. The Participation Rate is guaranteed for the first year, but can change each subsequent year. The Participation Rate is set in advance each contract year, never to be less than 20%.

INDEX CAP RATE The **Precision SeriesSM** applies an Index Cap Rate, or upper limit, to the Index Account's Annual Point-to-Point and Monthly Point-to-Point Crediting Methods. This rate may change each year and is declared on each contract anniversary. The Participation Rate is based on current economic conditions and is guaranteed for the next contract year. At no time will this rate ever fall below the guaranteed 4% minimum annual Index Cap Rate for the Annual Point-to-Point Crediting Method and 1% minimum monthly Index Cap Rate for the Monthly Point-to-Point Crediting Method. Keep in mind that the annual Index Cap Rate for the Annual Point-to-Point Crediting Method is applied **after** the Participation Rate.

Index Cap Applied Last

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TRANSFER OPTIONS

Each year, your clients may elect to transfer their values between the Fixed Account and Index Account options. They may also elect to transfer between crediting methods within the Index Account on an annual basis. By current Company practice, your clients have 30 days following each contract anniversary to reallocate. Transfers are not allowed until your first contract anniversary. Based on current tax laws, these transfers between options will not be taxable or subject to surrender penalties.

PENALTY-FREE WITHDRAWALS

Up to 10% of Accumulation Value may be withdrawn once each contract year after your client's first anniversary. Withdrawals, surrenders and loans from this annuity prior to age 59½ may be subject to IRS penalties. Under current law, annuities grow tax deferred. An annuity is not required for tax deferral in qualified plans. Partial withdrawals above the penalty-free amount and surrenders will be subject to Surrender Charges if taken during the surrender charge period.

SURRENDER VALUE

The Surrender Value is the amount that is available at the time of surrender. The surrender value is equal to the Accumulation Value, subject to the Interest Adjustment, less applicable surrender charges and state premium taxes. The surrender value will never be less than the minimum requirements set forth by state, laws at the time of issue, where the contract is delivered in the state.

SUBSEQUENT PREMIUMS

All subsequent premiums are deposited into the Fixed Account and will earn the then-current Fixed Account interest rate until the contract anniversary date. On each contract anniversary, North American will allocate any premiums received since the prior contract anniversary among the Fixed Account and Index Account Crediting Methods according to your clients most recent instructions.

ANNUITY PAYOUT OPTIONS

Should your client decide to receive an income from their annuity after the surrender charge period, they will have several annuity payout options from which to choose. Annuity payout options are a benefit of deferred annuities, but annuitization is not a requirement with the **Precision SeriesSM**.

With the exception of the Life Income options, annuity payout options are for a minimum of five years and a maximum of 20 years. The following options are available:

Income for a Specified Period	Life Income
Income of a Specified Amount	Joint and Survivor Life Income
Life Income with a Period Certain	

DEATH BENEFIT

North American will pay out, as the Death Benefit, the Accumulation Value to your client's beneficiary upon the death of the annuitant or an owner. Their beneficiary may choose to receive the payouts in either a lump sum or a series of income payments. If joint annuitants are named, the Death Benefit will be paid on the death of the second annuitant. If joint owners are named, the Death Benefit will be paid out on the death of the first owner.

NURSING HOME CONFINEMENT RIDER

The Nursing Home Confinement Rider provides a benefit to annuitants who are confined to a qualified nursing care center. This rider will be automatically added to the contract in states where available. This rider allows the penalty-free withdrawal amount allowed under the base annuity to be increased by 10% of the Accumulation Value. Nursing home confinement must be:

- After the first contract anniversary;
- For at least 90 days; and
- Medically necessary.

We must receive acceptable proof of confinement. This rider is available to annuitants age 75 or younger on the issue date of the annuity. Please see the **Precision SeriesSM** product brochure for specific details regarding this rider.



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