

SERFF Tracking Number: NALH-125763102 State: Arkansas
Filing Company: North American Co for Life and Health State Tracking Number: 39859
Insurance
Company Tracking Number: LR452
TOI: L08 Life - Other Sub-TOI: L08.000 Life - Other
Product Name: LR452
Project Name/Number: LR452/LR452

Filing at a Glance

Company: North American Co for Life and Health Insurance

Product Name: LR452 SERFF Tr Num: NALH-125763102 State: ArkansasLH
TOI: L08 Life - Other SERFF Status: Closed State Tr Num: 39859
Sub-TOI: L08.000 Life - Other Co Tr Num: LR452 State Status: Approved-Closed
Filing Type: Form Co Status: Reviewer(s): Linda Bird
Authors: Carrie Block, Laurie Disposition Date: 08/11/2008
Gruba, Paula Kunkel-White, Gayle
Lovorn
Date Submitted: 08/06/2008 Disposition Status: Approved
Implementation Date Requested: On Approval Implementation Date:

State Filing Description:

General Information

Project Name: LR452 Status of Filing in Domicile: Authorized
Project Number: LR452 Date Approved in Domicile: 08/04/2008
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Group Market Size:
Overall Rate Impact: Group Market Type:
Filing Status Changed: 08/11/2008 Deemer Date:
State Status Changed: 08/11/2008
Corresponding Filing Tracking Number:
Filing Description:
RE: NAIC# 431-66974 / FEIN# 36-2428931
Form Description
LR452 Premium Guarantee Rider

SERFF Tracking Number: NALH-125763102 State: Arkansas
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Dear Reviewer:

We are filing the above form for your review and approval. This is a new form and is not intended to replace any previously approved form. This form is laser printed and we reserve the right to change fonts and layouts. We certify that the font size will never be less than 10-point type. Licensed agents of the Company will market this product on an individual basis.

No part of the filing contains unusual or possibly controversial items from normal Company or industry standards.

The Premium Guarantee Rider is for general use with previously approved individual universal life insurance policies. The rider provides for policy coverage to stay in force if cash value is insufficient to pay the monthly charges due on a Monthly Anniversary after the No Lapse Guaranteed Period if the total of Premium Guarantee Account I (PGA I) and Premium Guarantee Account II (PGA II) are greater than the Policy Debt. This Rider does not prevent the Policy from entering the Grace Period or lapsing during the No Lapse Guarantee Period. Please see the attached Actuarial Memo for details.

Included in this filing is a sample rider schedule page that will accompany the Rider at issuance and shows the guaranteed monthly account premium rates for calculating the premium guarantee accounts. A statement of variability that provides the ranges for each field is attached.

Your review for approval, at your earliest convenience, would be appreciated.

Company and Contact

Filing Contact Information

Gayle Lovorn, Senior Contracts Analyst glovorn@nacolah.com
525 W. Van Buren (800) 800-3656 [Phone]
Chicago, IL 60607 (312) 648-7797[FAX]

Filing Company Information

North American Co for Life and Health CoCode: 66974 State of Domicile: Iowa
Insurance

SERFF Tracking Number: NALH-125763102 State: Arkansas

Filing Company: North American Co for Life and Health State Tracking Number: 39859
Insurance

Company Tracking Number: LR452

TOI: L08 Life - Other Sub-TOI: L08.000 Life - Other

Product Name: LR452

Project Name/Number: LR452/LR452

525 W. Van Buren Street
Chicago, IL 60607
(800) 800-3656 ext. [Phone]

Group Code: 431
Group Name:
FEIN Number: 36-2428931

Company Type: Life and Annuity
State ID Number:

SERFF Tracking Number: NALH-125763102 State: Arkansas
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Filing Fees

Fee Required? Yes
Fee Amount: \$20.00
Retaliatory? No
Fee Explanation: \$20.00 per rider
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
North American Co for Life and Health Insurance	\$20.00	08/06/2008	21815303

SERFF Tracking Number: NALH-125763102 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	08/11/2008	08/11/2008

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Disposition

Disposition Date: 08/11/2008

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

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 Insurance
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		Yes
Supporting Document	Statement of Variability		Yes
Supporting Document	Actuarial Memorandum		No
Form	Premium Guarantee Rider		Yes

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Form Schedule

Lead Form Number: LR452

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	LR452	Policy/Cont	Premium Guarantee ract/Fratern Rider al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		51	LR452 w LRS452 Rider Schedule.pdf



North American Company for Life and Health Insurance

Principal Office: 4601 Westown Parkway, Suite 300 • West Des Moines, IA 50266

Administrative Office: P.O. Box 5088 • Sioux Falls, SD 57117-5088

A Member of the Sammons Financial Group

A Stock Company

PREMIUM GUARANTEE RIDER

This Rider is a part of the Policy to which it is attached. It is subject to all the provisions of the Policy unless We state otherwise.

Effective Date – The Rider is effective on the Policy Date shown in the Schedule of Policy Benefits. This Rider cannot be elected after the Policy Date.

Consideration – This Rider is issued in consideration of the application for it and the deduction of the Rider Charge from the Account Value while this Rider is in effect.

Benefit – If, on any Monthly Anniversary after the No Lapse Guarantee Period, the total of all Premium Guarantee Accounts (hereinafter referred to as PGA I or PGA II) is greater than or equal to the Policy Debt, then the Policy will not enter the Grace Period or lapse due to its Net Cash Surrender Value, even if the Net Cash Surrender Value is insufficient to pay the Monthly Deduction. This Rider does not prevent the Policy from entering the Grace Period during the No Lapse Guarantee Period.

Rider Grace Period - Before this Rider will terminate, Written Notice will be sent to Your last known address after the No Lapse Guarantee Period ends and the total of the Premium Guarantee Accounts has been less than the Policy Debt for 12 consecutive months.

When the total of the Premium Guarantee Accounts has been less than the Policy Debt for 24 consecutive months, Written Notice will be sent to Your last known address that this Rider has terminated. The notice will include the amount of the additional premium needed to keep this Rider in effect. If the additional premium is paid within 60 days of the date of the Written Notice, this Rider will not terminate.

Premium Guarantee Accounts - The Premium Guarantee Accounts are reference values used to determine whether this Rider is in effect to provide the Benefit shown above. Each Premium Guarantee Account is equal to the accumulation at interest of:

1. That Premium Guarantee Account from the end of the previous Policy Month; plus
2. Any Premiums received in that account during the current Policy Month, less the Account Premium Load; minus
3. The Required Premium deducted from that account at the beginning of the current Policy Month; minus
4. The Account Expenses deducted from that account at the beginning of the current Policy Month; minus
5. The Required Rider Amount deducted from that account at the beginning of the current Policy Month; minus
6. Any Withdrawals of Net Cash Surrender Value made during the current Policy Month that were deducted from that account.

PGA I on the Policy Date is equal to any premium received on or before the Policy Date less the Account Premium Load minus the Required Premium Amount, minus the Required Rider Amount, minus the Account Expense due on the Policy Date. PGA II is equal to zero on the Policy Date.

The Premium Guarantee Accounts are used only for the purpose of determining whether this Rider is in effect. They do not represent an independent dollar value that can be accessed by You. Further, they do not affect the calculation of the actual Account Value, Net Cash Surrender Value or any other value described in the Policy.

Account Premium Load – The Account Premium Load will be deducted from each premium paid in the calculation of the Premium Guarantee Accounts. The Account Premium Load, and the number of Policy Years it is deducted, are shown in the Schedule of Premium Guarantee Rider Amounts. The Account Premium Load depends on the cumulative premium that is paid each Policy Year, as shown in the Schedule of Premium Guarantee Rider Amounts.

Account Interest Rate - The effective annual Account Interest Rate for the Premium Guarantee Accounts is guaranteed in all years and is shown in the Schedule of Premium Guarantee Rider Amounts. Interest Rate Table I will be used for PGA I and Interest Rate Table II will be used for PGA II. The monthly Account Interest Rate is the monthly rate that will produce an effective annual yield equal to the Account Interest Rate.

Required Premium – The Required Premium is determined on each Monthly Anniversary. It is equal to: (a) multiplied by the difference between (b) and (c), divided by 1,000, where:

- (a) The Account Premium Rate;
- (b) The Account Death Benefit divided by the sum of one plus the monthly Account Interest Rate for PGA II;
and
- (c) The total of all Premium Guarantee Accounts.

Account Death Benefit – Under the Level Death Benefit Option, the Account Death Benefit is the greater of:

1. The Specified Amount in effect for the Policy Month; or
2. The total of the Premium Guarantee Accounts multiplied by the Corridor Percentage.

Under the Increasing Death Benefit Option, the Account Death Benefit is the greater of:

1. The Specified Amount in effect for the Policy Month, plus the total of the Premium Guarantee Accounts; or
2. The total of the Premium Guarantee Accounts multiplied by the Corridor Percentage.

The Account Death Benefit is used only for the purpose of determining the Premium Guarantee Accounts. It does not represent an independent dollar value that will be payable upon death.

Account Premium Rates – The Account Premium Rates are based on the Issue Age, Policy Year, Sex, Specified Amount, and Premium Class of the Insured. The monthly Account Premium Rates are guaranteed in all years and are shown on the Schedule of Premium Guarantee Rider Amounts Table A and Table B. Table B will be applied if PGA II is not equal to zero, otherwise Table A will apply.

Account Expense – The monthly Account Expense is equal to the sum of the Policy Expense and the Unit Expense.

- **Policy Expense** – The Policy Expense, and the number of Policy Years it is deducted, are shown on the Schedule of Premium Guarantee Rider Amounts.
- **Unit Expense** – The Unit Expense is equal to the Unit Expense Factor shown on the Schedule of Premium Guarantee Rider Amounts times the highest Specified Amount ever in effect divided by 1,000. The Unit Expense is deducted for the number of Policy Years shown on the Schedule of Premium Guarantee Rider Amounts.

Required Rider Amount - The Required Rider Amount is based on the additional benefits provided by any riders attached to the Policy. The Required Rider Amount for this Rider is zero. The Required Rider Amount for all other riders except for a Waiver of Monthly Deductions Rider is equal to the maximum cost of such riders. The Required Rider Amount for any Waiver of Monthly Deductions Rider is equal to (a) multiplied by (b), where:

- (a) is the sum of the Required Premium, Account Expenses, and Required Rider Amounts for other riders; and
- (b) is the Monthly Cost of Insurance Factor on the Schedule of Supplemental Policy Benefits for the Waiver of Monthly Deductions Rider.

Allocation Among Premium Guarantee Accounts – Premiums, Withdrawals, Required Premiums, Account Expenses and Required Rider Amounts will be allocated among the Premium Guarantee Accounts by the following rules:

1. Premiums:
 - (a) If the initial premium, allocate to PGA I.
 - (b) If any other premium paid while the total of all Premium Guarantee Accounts exceeds zero, allocate to PGA I.
 - (c) Otherwise, allocate to PGA II.
2. Withdrawals:
 - (a) Allocate to PGA I until it is reduced to zero.
 - (b) Allocate remaining balance to PGA II.
3. Required Premiums, Account Expenses and Required Rider Amounts:
 - (a) Allocate to PGA II until it is reduced to zero.
 - (b) Allocate balance to PGA I until it is reduced to zero.
 - (c) Allocate remaining balance to PGA II (in addition to any allocation to PGA II made in (a) above).

Rider Charge – The Rider Charge is equal to one twelfth of the Annual Premium shown on the Schedule of Policy Benefits page entitled Additional Benefits Provided by Endorsement or Rider. The Rider Charge will be deducted from the Account Value on each Monthly Anniversary.

Waiver of Monthly Deductions – If the Policy contains a Waiver of Monthly Deductions Rider and a Total Disability claim is approved while this Rider is effective, then for any month for which Monthly Deductions are thereby waived, Required Premium Amounts, the Account Expense and Required Rider Amounts will not be deducted from the Premium Guarantee Accounts.

Contestability – No material misrepresentation made in any application for this Rider will be used to contest payment of any benefit under this Rider after the Rider has been in effect during an Insured's lifetime for two years from the Effective Date.

Reinstatement – If this Rider terminates and the Policy remains in effect, this Rider cannot be reinstated. If the Policy lapses and is reinstated, this Rider can be reinstated with the Policy, subject to the terms of the Policy, when all Required Premium Amounts, Account Expenses and Required Rider Amounts are received at Our Administrative Office with interest.

Limitation - We reserve the right to limit increases to the Specified Amount of the Policy to which this rider is attached after 15 Policy Years.

Termination – This Rider will terminate on the earliest of:

1. The Expiry Date shown on the Schedule of Policy Benefits; or
2. The Monthly Anniversary on which the total of the Premium Guarantee Accounts has been less than the Policy Debt for 24 consecutive months, the Rider reaches the end of the Rider Grace Period without payment of the additional premium, and the Policy is no longer within the No Lapse Guarantee Period shown on the Schedule of Policy Benefits; or
3. The Monthly Anniversary following Your Written Request to terminate this Rider; or
4. Policy termination or Maturity.



Secretary



President

SCHEDULE OF PREMIUM GUARANTEE RIDER AMOUNTS

The amounts shown in this schedule are used only in the calculation of the Premium Guarantee Accounts and do **NOT** affect the calculation of the Account Value, Net Cash Surrender Value or any other value described in the Policy. The Premium Guarantee Accounts are used only for the purpose of determining whether this Rider is in effect.

ACCOUNT EXPENSE:

Policy Expense: [\$5.00] per month for [65] Policy Years
Unit Expense Factor: [\$0.1275] per month for [65] Policy Years

ACCOUNT PREMIUM LOAD:

Policy Year [1]

Cumulative Premiums up to [\$906] = [35%]
Cumulative Premiums from [\$906] to [\$4,879] = [0%]
Cumulative Premiums above [\$4,879] = [35%]

Policy Years [2-10]

Cumulative Premiums up to [\$906] = [22%]
Cumulative Premiums from [\$906] to [\$4,879] = [5%]
Cumulative Premiums above [\$4,879] = [22%]

Policy Years [11+]

Cumulative Premiums up to [\$906] = [21%]
Cumulative Premiums from [\$906] to [\$4,879] = [0%]
Cumulative Premiums above [\$4,879] = [0%]

* The Cumulative Premium for the Account Premium Load is set to 0 at the beginning of each Policy Year.

ACCOUNT INTEREST RATE:

Table I

[4.60%] per year for Policy Years [1-10]
[4.10%] per year for Policy Years [11+]

Table II

[4.60%] per year for Policy Years [1-10]
[4.10%] per year for Policy Years [11+]

SCHEDULE OF PREMIUM GUARANTEE RIDER AMOUNTS (CONTINUED)

**GUARANTEED MONTHLY ACCOUNT PREMIUM RATES
FOR CALCULATING PREMIUM GUARANTEE ACCOUNT**

Policy Year	Table A	Table B	Policy Year	Table A	Table B	Policy Year	Table A	Table B
[1	[0.0600	[0.0600	[36	[0.5100	[2.0200	[71	[0.0000	[0.0000
2	0.0725	0.0725	37	0.5575	2.2150	72	0.0000	0.0000
3	0.0825	0.0825	38	0.6225	2.4750	73	0.0000	0.0000
4	0.0950	0.0950	39	0.6875	2.7450	74	0.0000	0.0000
5	0.1050	0.1050	40	0.7600	3.0325	75	0.0000	0.0000
6	0.1150	0.1150	41	0.8350	3.3450	76	0.0000	0.0000
7	0.1275	0.1275	42	0.8350	3.6675	77	0.0000	0.0000
8	0.1375	0.1375	43	0.8350	4.0425	78	0.0000	0.0000
9	0.1500	0.1500	44	0.8350	4.4775	79	0.0000	0.0000
10	0.1625	0.1625	45	0.8350	4.9800	80	0.0000	0.0000
11	0.1625	0.1825	46	0.8350	5.5250	81	0.0000	0.0000
12	0.1625	0.2050	47	0.8350	6.1425	82	0.0000	0.0000
13	0.1625	0.2300	48	0.8350	6.7775	83	0.0000	0.0000
14	0.1625	0.2550	49	0.8350	7.4575	84	0.0000	0.0000
15	0.1625	0.2800	50	0.8350	8.2100	85	0.0000	0.0000
16	0.1625	0.3000	51	0.8350	9.0425	86	0.0000	0.0000
17	0.1625	0.3250	52	0.8350	9.9625	87	0.0000	0.0000
18	0.1625	0.3525	53	0.8350	10.9600	88	0.0000	0.0000
19	0.1625	0.3875	54	0.8350	12.0200	89	0.0000	0.0000
20	0.1625	0.4225	55	0.8350	13.1300	90	0.0000	0.0000
21	0.1625	0.4650	56	0.8350	14.2800	91	0.0000	0.0000
22	0.1625	0.5125	57	0.8350	15.3425	92	0.0000	0.0000
23	0.1625	0.5625	58	0.8350	16.4400	93	0.0000	0.0000
24	0.1650	0.6125	59	0.8350	17.5900	94	0.0000	0.0000
25	0.1800	0.6700	60	0.8350	18.7975	95	0.0000	0.0000
26	0.2000	0.7575	61	0.8350	20.0575	96	0.0000	0.0000
27	0.2200	0.8400	62	0.8350	21.3025	97	0.0000	0.0000
28	0.2450	0.9425	63	0.8350	22.6300	98	0.0000	0.0000
29	0.2750	1.0575	64	0.8350	24.0475	99	0.0000	0.0000
30	0.3025	1.1775	65	0.8350	25.5600	100 +]	0.0000	0.0000
31	0.3350	1.3025	66	0.0000	0.0000			
32	0.3650	1.4300	67	0.0000	0.0000			
33	0.3975	1.5600	68	0.0000	0.0000			
34	0.4325	1.7000	69	0.0000	0.0000			
35]	0.4675]	1.8450]	70]	0.0000]	0.0000]			

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Supporting Document Schedules

Satisfied -Name: Certification/Notice **Review Status:** 08/06/2008

Comments:

Attachments:

AR Bulletin 11-83 Cert.pdf
AR L & H 1 cert.pdf
READABILITY CERT.pdf

Satisfied -Name: Application **Review Status:** 08/06/2008

Comments:

Application form L-3159A was approved on 11/13/2006

Attachment:

Life Insurance Application L-3159A.pdf

Satisfied -Name: Statement of Variability **Review Status:** 08/06/2008

Comments:

Attachment:

Statement of Variability.pdf

Satisfied -Name: Actuarial Memorandum **Review Status:** 08/06/2008

Comments:

Attachment:

Actuarial Memo.pdf

Bulletin 11-83 Certification
Guidelines for non-guaranteed costs on participating and non-participating life insurance

RE:

I have reviewed the guidelines of Bulletin 11-83 and the referenced form complies with these guidelines.

A handwritten signature in black ink, reading "Timothy Reuer", is written over a horizontal line.

Timothy Reuer, FSA, MAAA
Vice President, Product Development

Date:

State of Arkansas

Certificate of Compliance

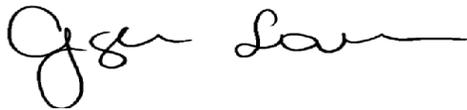
Rider Form LR452

On behalf of North American Company for Life and Health Insurance I certify the company is in compliance with:

Rule and Regulation 19.

Rule and Regulation 49 – each policyholder will be provided a life and health guaranty notice at time of issue.

A.C.A. § 23-79-138 for Policy Information Requirements – each policy will contain the contact information of the policyholder's service office, soliciting agent and the state insurance department.



Gayle Lovorn, Contract Analyst

Date: August 4, 2008

READABILITY CERTIFICATE

Name and Address of Insurer: North American Company for Life and Health Insurance
Executive Office: 525 W. Van Buren
Chicago, IL 60607

I certify that Readability has been tested under the Flesch Readability formula set forth by Rudolph Flesch in his book, The Art of Readability Writing and that the form(s) meet your minimum readability requirements for the form(s) listed below:

<u>FORM NUMBER</u>	<u>DESCRIPTION</u>	<u>SCORE</u>
--------------------	--------------------	--------------



Timothy Reuer, FSA, MAAA
Vice President - Product Development

Date



8. ADDITIONAL INSURED/SPOUSE (Complete Separate Application for Business Associates and Multiple Additional Insureds)

Also complete Sections 9, 13, 14, 15, 16, 17 and Part B.

Last Name			First			M.I.			Birthdate Mo. Day Year			State or Country of Birth			Sex		Height (Ft. In.)		Weight (Lbs)		
Citizenship status: <input type="checkbox"/> U.S. or Permanent Visa/Greencard										<input type="checkbox"/> Other Country											
# of Years in U.S.:					Visa Type:					Date Expires:											
Occupation (Title and Duties):										Employer Name & Address:											
Social Security Number					Driver's License Number					State		Annual Earned Income \$					Net Worth \$				
Daytime Phone:					Evening Phone:					Best Time To Call:											

9. BENEFICIARY INFORMATION FOR ADDITIONAL INSURED(S) (Complete Separate Application for Business Associates and Multiple Additional Insureds)

Name _____ Amt \$ _____

Primary Beneficiary/Relationship _____ Contingent Beneficiary/Relationship _____

10. CHILDREN (Children's Term Rider Only)

Also complete Section 15.

	Birthdate			State or Country of Birth	Sex	Social Security Number	Height (Ft. In.)	Weight (Lbs)
	Mo.	Day	Year					

11. LIFE INSURANCE AND ANNUITIES IN FORCE OR PENDING FOR ALL PERSONS COVERED UNDER THIS APPLICATION

- a. DOES ANY PROPOSED INSURED HAVE ANY EXISTING POLICIES OR CONTRACTS OR OTHER LIFE INSURANCE APPLICATIONS PENDING WITH ANY COMPANY OR INTEND TO APPLY FOR ANY ADDITIONAL COVERAGE (This includes policies that have or will be sold, assigned or otherwise placed via life settlement, viatical or other agreements, or that you intend to replace, cancel, or sell)? Yes No
If pending, will all policies be placed?..... Yes No
If No, give details: _____
- b. WILL THE INSURANCE BEING APPLIED FOR REPLACE OR CHANGE ANY EXISTING LIFE INSURANCE OR ANNUITY CONTRACT?.... Yes No
If the answer to either a. or b. above is Yes, complete applicable Replacement Form. Use additional sheet if necessary. If this is a 1035 Exchange, also complete 1035 Exchange paperwork and submit with application.

12. THE FOLLOWING QUESTIONS APPLY TO THE OWNER OF THE COVERAGE BEING APPLIED FOR UNDER THIS APPLICATION:

- a. Are any of the policies mentioned below being used to fund this policy? Yes No
- b. Have you or will you be compensated in any way to purchase this policy?..... Yes No
- c. Are you paying for this policy with your own funds?..... Yes No
- d. Have you financed or do you intend to finance all or a portion of the premiums for this policy?..... Yes No
(If Yes, complete applicable Disclosure and Acknowledgement Form and submit with application)
- e. Have you entered into or are you considering any other agreement in regard to this policy including but not limited to an agreement to sell, transfer or assign any rights in the policy?..... Yes No

IF ANSWER IS 'YES' TO QUESTION 11a or 11b PROVIDE DETAILS BELOW.

*Indicate Type of Coverage: I = Individual; B = Business; or G = Group

Insured Name	Insurance Company	Policy No.	Amount	Type*	Pending	Issue Year	Intention to Replace or Change?
					<input type="checkbox"/>		<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/>		<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/>		<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/>		<input type="checkbox"/> Yes <input type="checkbox"/> No



L3159A3

IF THE ANSWER IS 'YES' TO QUESTIONS 12a, 12b, or 12e, PLEASE PROVIDE DETAILS BELOW. IF ANSWER TO QUESTION 12c IS 'NO' PLEASE PROVIDE DETAILS BELOW.

13. PRIMARY CARE PHYSICIAN INFORMATION If NONE, CHECK HERE

Name	Physician Name/Address/Telephone	Reason seen and Results of Visit (Include Date Last Seen, Diagnosis, Treatment given, Medication prescribed)

14. NON-MEDICAL QUESTIONS - Complete EXCEPT for Children's Term Rider

Details of questions answered "yes". Include question number, full names and addresses of physicians, date diagnosed, prescription medications, and names of individuals to whom history pertains.

- | | Yes | No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| a. Have you or any person proposed for insurance:
Ever used tobacco and or nicotine products in any form?.....
<i>If Yes, provide Type of product, Amount used, and Date last used.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Ever consumed alcohol?.....
<i>If Yes, provide Type of Alcohol, Date last consumed, Average number of drinks per occasion, and Total number of drinks consumed weekly.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. In the last 3 years, traveled or resided outside the U.S. or Canada or intend to do so in the future?.....
<i>If Yes, please complete Foreign Travel Questionnaire.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. In the last 3 years, flown as any type of pilot, crewmember or in any other capacity other than as a fare-paying passenger or intend to do so in the future?.....
<i>If Yes, please complete appropriate Questionnaire</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. In the last 3 years, done any underwater diving, parachuting, sky diving, hang gliding, ultralight, ballooning, mountain climbing, cave exploration, vehicle racing or engaged in any hazardous sports or avocations or intend to do so in the future?.....
<i>If Yes, please complete appropriate Questionnaire.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. In the last 10 years, ever received a moving violation, driven under the influence of alcohol or drugs, refused a breathalyzer test or had your driver's license suspended or revoked?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Been arrested for or convicted of a felony?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Been refused life insurance or charged an extra premium for life insurance?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| i. In the last 10 years, filed for bankruptcy?.....
<i>If Yes, provide Type and Date of Discharge.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| j. Are you actively at work?.....
<i>If NO, provide details.</i> | <input type="checkbox"/> | <input type="checkbox"/> |



<p>15. PRELIMINARY HEALTH QUESTION - Complete EXCEPT for Children/s Term Rider</p> <p style="text-align: right;">Yes No</p> <p>Within the past 10 years, have you or any person proposed for insurance been diagnosed or treated by a medical professional for any of the following: heart disease; stroke; cancer; brain or mental disease; or alcohol or drug abuse?..... <input type="checkbox"/> <input type="checkbox"/></p>	<p>Details of questions answered "yes". Include question number, full names and addresses of physicians, date diagnosed, prescription medications, and names of individuals to whom history pertains.</p>
<p>16. FAMILY HISTORY – Has any proposed insured's natural parent(s) or sibling(s) been diagnosed with or died from coronary artery disease, cancer, or mental disease? <input type="checkbox"/> <input type="checkbox"/></p> <p><i>If YES, provide parent(s) or sibling(s) age(s) and cause of death in Details.</i></p>	
<p>17. Has any proposed insured ever used a different name within the last 7 years?..... <input type="checkbox"/> <input type="checkbox"/></p> <p><i>If Yes, state name of proposed insured(s) and different name(s) used in Details.</i></p>	
<p>18. CHILDREN'S TERM RIDER QUESTIONS Complete ONLY if applying for Children's Term Rider</p> <p>a. Has any child proposed for insurance ever been diagnosed or treated by a medical professional for: heart disease; cancer; tumor; diabetes; jaundice; mental disease, bone or muscle disorder; respiratory disease; or alcohol or drug abuse or other chronic medical condition?..... <input type="checkbox"/> <input type="checkbox"/></p> <p>b. Has any child proposed for insurance ever received a moving violation, driven under the influence of alcohol or drugs, or had their driver's license suspended or revoked?..... <input type="checkbox"/> <input type="checkbox"/></p>	
<p>HOME OFFICE ENDORSEMENT(S)</p>	
<p>SPECIAL REQUESTS</p>	



Part B - Complete for All Proposed Insureds, EXCEPT Children's Term Rider, Not Subject to Teleunderwriting or Paramed Exam

Details of questions answered "yes". Include question number, full names and addresses of physicians, date diagnosed, prescription medications, and names of individuals to whom history pertains.

1. MEDICAL QUESTIONS

Have you or any person proposed for insurance: Yes No

- a. Gained or lost more than 15 pounds in the last year?
- b. Attempted suicide or had counseling for suicide prevention?.....
- c. Had or been advised to have treatment for alcohol or drug use or used narcotics, cocaine or other habit forming drugs, except as prescribed by a physician?.....
- d. Been advised by a medical professional to decrease alcohol consumption?
- e. Had military service deferment, rejection or discharge because of a physical or mental condition?.....
- f. Requested or received a pension, benefits, or payment because of injury, sickness, or disability?
- g. Currently taking any prescription drugs or took any prescription drugs within the last year?.....
- h. Within the last 10 years, had or been treated by a medical physician for:
 - 1) Cancer, tumor, leukemia, lymphoma, or any other abnormal or malignant growth?
 - 2) High blood pressure, stroke, chest pains, heart attack or failure, coronary artery disease, heart murmur, irregular heart beat, poor circulation, or any other disease or disorder of the heart or blood vessels?.....
 - 3) Epilepsy, narcolepsy, convulsions, nervous breakdown, emotional or mental condition, neuritis, paralysis, or any other disease or disorder of the brain or nervous system?
 - 4) Ulcer, colitis, hepatitis or any other disease or disorder of the liver, gallbladder, pancreas, rectum, stomach, or intestines?
 - 5) Asthma, bronchitis, emphysema, tuberculosis, or any other disease or disorder of the lungs, or respiratory system?
 - 6) Sugar, albumin or blood in the urine, kidney stone, sexually transmitted disease, or any other disease or disorder of the kidneys, bladder, urinary system, or reproductive system?.....
 - 7) Anemia, bleeding disorder, or high cholesterol or any other disease or disorder of the blood?.....
 - 8) Diabetes, lymph, thyroid, pituitary, or any other glandular disease or disorder?.....
 - 9) Allergies, or any other disease or disorder of the eyes, ears, nose, throat, or skin?.....
 - 10) Severe injuries, amputation, arthritis, gout or any other disease, disorder or abnormalities of the spine, bones, joints or muscles?...
 - 11) Sleep apnea, abnormal sleep study, or polysomnography?.....
 - 12) AIDS (Acquired Immunodeficiency Syndrome) or HIV (Human Immunodeficiency Virus) infection?.....
- i. Within the last 5 years:
 - 1) Consulted, been examined, or treated by any physician or medical professional, or had observation or treatment at a hospital?.....
 - 2) Had an x-ray, resting or exercise electrocardiogram, any other diagnostic or laboratory tests (other than test for HIV or AIDS), or surgery done or advised not previously stated on this application? .
- j. If you are a female:
 - 1) Ever had any disorder of menstruation, pregnancy, or of the female organs or breasts?.....
 - 2) To the best of your knowledge, are you currently pregnant?.....

If YES, provide number of months in Details.



The Owner Understands And Agrees As Follows:

Statements in the Application –All statements in this application are true and complete to the best of my knowledge and belief and were correctly recorded before I signed my name. Statements in this application, including statements by any person proposed for insurance in any medical questionnaire that become a part of this application, will be the basis of any insurance issued. **False statements or misrepresentation in this application may result in loss of coverage under the contract.**

Effective Date – Any insurance issued as a result of this application will either: (1) not take effect until the full first premium is paid and the contract is delivered to and accepted by the Owner during the lifetime of any person proposed for insurance and while such person is in the state of health described in all parts of this application; or (2) take effect only as specified in the Temporary Insurance Agreement, if issued.

Limitation of Authority – No agent, broker, telephone application interviewer, or medical examiner is authorized to determine insurability, modify or waive any terms of this application or waive any of the Company's rights or requirements. Knowledge of any fact not disclosed in this application on the part of any agent, broker, telephone application interviewer, medical examiner, or other person will not be considered knowledge by the Company.

Payment of Premium – (check one) This application is C.O.D.; PAC; or I have paid \$_____ with this application in consideration of a Temporary Insurance Agreement. I have read, understand, and agree to the terms of the Temporary Insurance Agreement.

Taxpayer ID Certification: As Owner of this contract, I certify under penalties of perjury that: (1) the taxpayer identification number shown on this application is correct; and (2) I am not subject to IRS backup withholding. NOTE: Check this box if you are currently subject to backup withholding. The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

U.S. Patriot Act – To help fight the funding of terrorism and money-laundering activities, the U.S. government has passed the USA PATRIOT Act, which requires financial institutions, including insurance companies, to obtain, verify and record information that identifies persons who engage in certain transactions with or through our company. This means that we will verify the name, residential or street address, date of birth and social security number or other tax identification number on the proposed owner of all insurance applications. We may also ask to see a driver's license, passport or other identifying documents from you.

A copy of the Consumer Protection Notices was read and received.

Insurance products and annuities are not a deposit or other obligation of, or guaranteed by a bank, any affiliate of a bank, or savings association and are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the United States, a bank, any affiliate of a bank, or savings association.

PRE-AUTHORIZED CHECK (PAC) PLAN - Attach one preprinted, blank, voided check

Select Option Payment Frequency: Monthly; Quarterly; Semi-annually

Payment Option 1: Deduct the **first and future** premium payments. (The first deduction will occur on or after the Policy Date and then at the interval selected above.) A completed and signed Temporary Insurance Agreement must be submitted.

Payment Option 2: Deduct **future** premium payments only. (The initial premium payment is to be made by check. The day of the month in your Policy Date will be used to initiate future deductions at the intervals indicated above. Or, you may choose a specific day of the month between the 1st and 28th _____. Premium is due on or before the due date. For monthly deductions, selecting a day of the month that is after the Policy Date may initially result in deductions to pay both the current month and next month premiums.)

Financial Institution Information _____ Routing Transit No. (if known) _____

Bank Name _____ Account No. _____

Account Holder (Payer) Name (Please print.) _____

Authorization - I authorize the Company to initiate an automatic electronic payment from my account indicated above at the financial institution (Bank) indicated above and I authorize my Bank to honor the withdrawal(s). I authorize the adjustment of the dollar amount transferred from my account to correspond to periodic changes in the payment due under the terms of the policy. I understand that this authorization is to remain in effect until cancelled in writing either by me, the Company, or the Bank. Notice of five business days is required to change or terminate this authorization.

Payer Signature X _____ Date _____

Terms and Conditions

If your automatic payment is to be taken on a weekend or holiday, such payment will be deducted on the next business day. Information as to each charge will be provided by an entry on your bank statement or by other advice from the bank. Deductions will be made on or about (after) the date requested. In the event a charge is inadvertently not made, the Company may charge the account at a later date. You will be notified prior to an increase in the deduction which may occur due to periodic changes in the premium due under the terms of the policy, if any. The Company may terminate this payment method if any charge is not paid upon presentation, or if more than two changes are requested in any 12 month period.



Medical Authorization – To determine eligibility for insurance, I authorize: (1) any physician, medical practitioner, health care professional, hospital, clinic, or other medical or medically related facility, laboratory, pharmacy or pharmacy benefit manager, insurance or reinsuring company, viatical company, viatical broker or provider, the Medical Information Bureau, Inc., consumer reporting agency, insurance support organization, independent administrator, or pharmacy, governmental agency, group policyholder, employer or benefit plan administrator having information available as to diagnosis, prescription history, medications prescribed, treatment and prognosis with respect to information regarding alcoholism, drug abuse, and psychiatric care or any physical or mental condition and/or treatment of me or my minor children and financial, avocation, hazardous sports, aviation, driving, arrest, and credit information of me or my minor children, to give to North American Company for Life and Health Insurance (“the Company”), its representatives or reinsurers, any and all such data; (2) the Company to conduct a personal telephone interview in connection with my application; and (3) the Company to release any such data to its reinsurers, the Medical Information Bureau, or other persons or organizations performing business or legal services in connection with my application, or as required by law when given a copy of this authorization. Data released may include results of my medical examination or tests requested by the Company. I understand that I may request to be interviewed in connection with the preparation of an investigative consumer report and that I am entitled to receive a copy of such report upon request. This authorization is valid for the time period required by the state where the application is written from the earlier of: (1) the date signed, or (2) the Policy Date. I may revoke this authorization for information not then obtained by notifying the Company in writing. Such revocation will not be effective until received by the Company. I understand that I or any authorized representative will receive a copy of this authorization upon request.

[Accelerated Death Benefit – If insurance coverage includes an accelerated death benefit, I understand receipt of such benefits may affect eligibility for public assistance programs and may be taxable. There is no separate premium or cost for this benefit. Payment of this benefit will reduce my death benefit. I acknowledge receipt of the Accelerated Benefit Summary and Disclosure, if applicable.]

[AR, KY, LA, NM, and OH Residents: Any person who knowingly, and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.]

[CO Residents: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete or misleading facts or information to a contract holder or claimant for the purpose of defrauding or attempting to defraud the contract holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.]

[DC and TN Residents: Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.]

[PA Residents: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such a person to criminal and civil penalties.]

SIGNATURES

Signed at _____ (City, State) On _____ (Date)

X _____
Signature of Primary Insured, or Legal Guardian if Primary Insured is a Minor

X _____
Signature of Proposed Additional Insured/Spouse

X _____
Signature of Owner, if other than Primary Insured (If Owner is corporation, trust, or other entity, include title of signee.)

X _____
Signature of Proposed Additional Insured/Spouse

X _____
Signature of Witness (Required when agent not present)



Agent Certification

Does any person covered under this application have any existing life insurance or annuities?..... Yes No
Is any insurance applied for in this application intended to replace any existing life insurance or annuity? Yes No
If a replacement is involved, the applicable Replacement Notice will be sent to the existing insurer.

Accelerated Death Benefit – If insurance coverage includes an accelerated death benefit, I have provided the Accelerated Benefit Summary and Disclosure to the applicant(s), if applicable.

Please indicate the form of ID presented and used to verify this owner's identity:

Natural Person / Trust Accounts				
	Driver's License	State:	Number:	Exp. Date:
	State Issued ID	State:	Number:	Exp. Date:
	Military ID		Number:	Exp. Date:
	Passport		Country:	Exp. Date:
	Alien Registration Card		Country:	Exp. Date:

Non-Natural Person / Business or Corporation			
	Partnership or Trust Agreement		Date:
	Certificate of Incorporation	State:	Date:
	Business License	State:	Number:

Signature of Soliciting Agent X _____

Print Agent Name _____ Agent Code # _____

Print Other Agent Name (if applicable) _____ % Credit _____ Agent Code # _____

**Statement of Variability
Rider Form Series LR452**

With the exception of the variables specific to the individual policyholder, the following is a list of bracketed items and the corresponding range of text and/or values.

Bracketed Item	Variable Text/Range
Policy Expense	\$0-\$5 per month for 0-100 Policy Years (varies by Issue Age)
Unit Expense Factor	\$0 – \$5.50 per month for 0-100 Policy Years (varies by Sex, Premium Class, Specified Amount, and Issue Age)
Account Premium Load	0%-40% (varies by Cumulative Premiums paid by policyholder and Policy Year)
Account Interest Rate	<p><u>Table I</u> 3.00% - 5.50% for Policy Years 1-10 3.00% - 5.50% for Policy Years 11+</p> <p><u>Table II</u> 3.00% - 5.50% for Policy Years 1-10 3.00% - 5.50% for Policy Years 11+</p>
Guaranteed Monthly Account Premium Rates	<p><u>Table A</u> 0.02 – 20.00 (varies by Sex, Premium Class, Issue Age, Specified Amount, and Policy Year)</p> <p><u>Table B</u> 0.02 – 40.00 (varies by Sex, Premium Class, Issue Age, Specified Amount, and Policy Year)</p>

Actuarial Description of Premium Guarantee Rider

Rider Form LR452

North American Company for Life and Health Insurance

I. Description of Benefits

A. General Description

If, on any Monthly Anniversary after the No Lapse Guarantee Period, the total of Premium Guarantee Account I (PGA I) and Premium Guarantee Account II (PGA II) is greater than or equal to the Policy Debt, then the Policy will not enter the Grace Period or lapse due to its Net Cash Surrender Value, even if the Net Cash Surrender Value is insufficient to pay the Monthly Deduction. This Rider does not prevent the Policy from entering the Grace Period or lapsing during the No Lapse Guarantee Period.

The Premium Guarantee Accounts are used only for the purpose of determining whether this Rider is in effect. They do not represent an independent dollar value that can be accessed. Further, they do not affect the calculation of the actual Account Value, Net Cash Surrender Value or any other value described in the Policy.

B. Premium Guarantee Account Value

Each Premium Guarantee Account is equal to the accumulation at interest of:

- a. That Premium Guarantee Account balance from the end of the previous Policy Month; plus
- b. Any Net Premiums received in that account; minus
- c. The Required Premium deducted from that account; minus
- d. The Account Expense deducted from that account; minus
- e. The Required Rider Amount deducted from that account; minus
- f. Any Withdrawals of Net Cash Surrender Value made that were deducted from that account

The Net Premiums are equal to the premiums received less the Account Premium Load. The Account Premium Load varies by policy year and depends on the cumulative premium paid each policy year. The Account Premium Load is shown in the Schedule of Premium Guarantee Rider Amounts and is guaranteed for all years where premium is payable.

The Required Premiums are calculated from the Account Premium Rates on the Schedule of Premium Guarantee Rider Amounts. The Account Premium Rates vary by Issue Age, Policy Year, Sex, Specified Amount, and Premium Class. Table B will be applied if the value of PGA II is not equal to zero, otherwise Table A will apply. The Account Premium Rates are guaranteed in all years.

The Account Expense is equal to the sum of the Policy Expense and the Unit Expense.

- The Policy Expense is \$5 per month and is deducted until attained age 100.
- The Unit Expense is equal to the Unit Expense Factor shown on the Schedule of Premium Guarantee Rider Amounts times the highest Specified Amount ever in effect divided by 1,000. It is deducted until attained age 100. The Unit Expense varies by Issue Age, Sex, Specified Amount, and Premium Class.

The Required Rider Amount is based on the additional benefits provided by any Riders to the Policy. The Required Rider Amount for the Premium Guarantee Rider is zero. The Required Rider Amount for all other riders except for a Waiver of Monthly Deductions Rider is equal to the maximum cost of such riders. The Required Rider Amount for any Waiver of Monthly Deductions Rider is equal to (a) multiplied by (b), where:

- (a) is the sum of the Required Premium, Account Expenses, and Required Rider Amounts for other riders; and
- (b) is the Monthly Cost of Insurance Factor on the Schedule of Supplemental Policy Benefits for the Waiver of Monthly Deductions Rider.

The Account Interest Rate is guaranteed in all years and is shown in the chart below. The following interest rates apply to both PGA I and PGA II. Interest will begin to accumulate as of the date of the net premium is credited.

Initial Specified Amounts less than \$1,000,000:	4.60% in policy years 1-10 4.10% in policy years 11+
Initial Specified Amounts of \$1,000,000 and above:	4.70% in policy years 1-10 4.20% in policy years 11+

Net Premiums, Withdrawals, Required Premiums, Account Expenses, and Required Rider Amounts are allocated among the Premium Guarantee Accounts by the following rules:

Net Premiums:

- (a) If the initial premium, allocate to PGA I.
- (b) If any other premium paid while the total of PGA I and PGA II exceeds zero, allocate to PGA I.
- (c) Otherwise, allocate to PGA II.

Withdrawals:

- (a) First, allocate to PGA I until it is reduced to zero.
- (b) Next, allocate remaining balance to PGA II.

Required Premiums, Account Expenses and Required Rider Amounts:

- (a) First, allocate to PGA II until it is reduced to zero.
- (b) Next, allocate balance to PGA I until it is reduced to zero.
- (c) Finally, allocate remaining balance to PGA II (in addition to any allocation to PGA II made in (a) above).

C. Formula and Sample Calculation

The following Formula and Sample Calculations assume the Premium is paid on the anniversary and assume there are no Withdrawals or Loans.

1. Definitions and Formula

${}_t\text{PGA_I}$ = Premium Guarantee Account I at the end of month t.

${}_t\text{PGA_II}$ = Premium Guarantee Account II at the end of month t.

If the sum of ${}_t\text{PGA_I}$ and ${}_t\text{PGA_II}$ is greater than or equal to the Policy Debt, and the policy is no longer within the No Lapse Guarantee Period, then the policy will not enter the Grace Period.

${}_0\text{PGA_I} = 0$

${}_0\text{PGA_II} = 0$

${}_t\text{NP_I}$ = Net Premium received at the beginning of month t, including Premium for Riders, that is allocated to PGA I

${}_t\text{NP_II}$ = Net Premium received at the beginning of month t, including Premium for Riders, that is allocated to PGA II

${}_t\text{PE_I}$ = Policy Expense that is allocated to PGA I for month t

${}_t\text{PE_II}$ = Policy Expense that is allocated to PGA II for month t

${}_t\text{UE_I}$ = Unit Expense that is allocated to PGA I for month t

${}_t\text{UE_II}$ = Unit Expense that is allocated to PGA II for month t

${}_t\text{AE_I}$ = Account Expense that is allocated to PGA I for month t

= ${}_t\text{PE_I} + {}_t\text{UE_I}$

${}_t\text{AE_II}$ = Account Expense that is allocated to PGA II for month t

= ${}_t\text{PE_II} + {}_t\text{UE_II}$

${}_t\text{RRA_I}$ = Required Rider Amount that is allocated to PGA I for month t

${}_t\text{RRA_II}$ = Required Rider Amount that is allocated to PGA II for month t

${}_t\text{AI_I}$ = The monthly Account Interest Rate Factor for PGA I for month t

= (1 + annual Account Interest Rate I) raised to the $1/12^{\text{th}}$ power

${}_t\text{AI_II}$ = The monthly Account Interest Rate Factor for PGA II for month t

= (1 + annual Account Interest Rate II) raised to the $1/12^{\text{th}}$ power

For ${}_tAI_I$ and ${}_tAI_II$:

Initial Specified Amounts less than \$1,000,000:

= 1.0037548 in Policy Years 1-10

= 1.0033541 in Policy Years 11+

Initial Specified Amounts of \$1,000,000 and above:

= 1.0038347 in Policy Years 1-10

= 1.0034344 in Policy Years 11+

${}_tAPR_A$ = Account Premium Rates for Table A for month t

${}_tAPR_B$ = Account Premium Rates for Table B for month t

${}_tRP_I$ = Required Premium that is allocated to PGA I for month t

${}_tRP_II$ = Required Premium that is allocated to PGA II for month t

${}_tADB$ = Account Death Benefit for month t: The Account Death Benefit will vary by Death Benefit Option, either Specified Amount or Specified Amount plus the total of the Premium Guarantee Accounts. The ${}_tADB$ will equal the product of the total of the Premium Guarantee Accounts times the Corridor Percentage (shown in the policy) if this product is greater than the benefit otherwise defined.

$${}_tPGA_I = ({}_{t-1}PGA_I + {}_tNP_I - {}_tRP_I - {}_tAE_I - {}_tRRA_I) * {}_tAI_I$$

$${}_tPGA_II = ({}_{t-1}PGA_II + {}_tNP_II - {}_tRP_II - {}_tAE_II - {}_tRRA_II) * {}_tAI_II$$

Where, if ${}_{t-1}PGA_II = 0$,

$$RP = ({}_tADB / {}_tAI_II - {}_{t-1}PGA_I - {}_{t-1}PGA_II - {}_tNP_I - {}_tNP_II) * {}_tAPR_A$$

Else,

$$RP = ({}_tADB / {}_tAI_II - {}_{t-1}PGA_I - {}_{t-1}PGA_II - {}_tNP_I - {}_tNP_II) * {}_tAPR_B$$

2) Sample Calculation:

Sex: Male

Premium Class: Non-Tobacco

Issue Age: 35

Duration: End of Policy Year 8 (Month = 96)

Annual Premium: \$650.00

Death Benefit Option: Level

Account Death Benefit = Specified Amount = \$100,000

No Riders Attached

Assume ${}_{95}PGA_I = 1,742.31$

${}_{95}PGA_II = 0$

Since the total of PGA I and PGA II exceeds zero, premium will be allocated to PGA I.

However, this sample calculation assumes premiums are paid annually, so there is no premium received in this month.

Since PGA II is equal to zero, the Required Premiums, Account Expenses, and Required Rider Amounts will be allocated to PGA I until it is reduced to zero.

${}_{96}PE_I = 5.00$

${}_{96}UE_I = 0.1275 * (100,000 / 1,000)$
 $= 12.75$

${}_{96}AE_I = 5.00 + 12.75$
 $= 17.75$

$RP = (100,000/1.0037548 - 1,742.31 - 0) * (.0001375)$
 $= 13.46$

${}_{96}PGA_I = (1,742.31 + 0 - 17.75 - 13.46) * 1.0037548$
 $= 1,717.52$

${}_{96}PGA_II = 0$

II. Rider Charge

The Monthly Rider Charge for the Premium Guarantee Rider is equal to:

$$\frac{\text{Rider Rate} * (\text{Specified Amount of the Policy} + \text{Death Benefit provided by term riders})}{1000}$$

The Monthly Rider Charge is deducted from the Account Value on each monthly anniversary. The Rider Rates vary by Issue Age and Premium Class. The Rider Rates will never be more than the guaranteed monthly Rider Rates. The Rider Rates are applied in years 1-15 only. The guaranteed Rider Rates are applied in all years until attained age 100. We may declare Rider Rates that are different from the guaranteed rates, but we will never exceed the guaranteed rates.

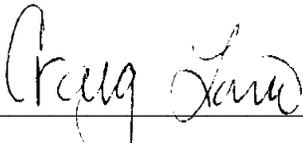
III. Termination

The Premium Guarantee Rider will terminate on the earliest of:

1. The Expiry Date shown on the Schedule of Policy Benefits.
2. The Monthly Anniversary on which the total of PGA I and PGA II has been less than the Policy Debt for twenty-four consecutive months and the Policy is no longer within the No Lapse Guarantee Period shown on the Schedule of Policy Benefits.
3. The Monthly Anniversary following a Written Request to terminate this Rider.
4. Policy termination or Maturity.

IV. Certification

I have reviewed or supervised the review of the actuarial formulae for this form. I certify that to the best of my knowledge this form is not deceptive or misleading and does not contain exceptions or conditions that unreasonably or deceptively affect the risk purported to be assumed. This form does not develop cash values or other nonforfeiture benefits as defined by the Standard Nonforfeiture Law adopted in your state.



Craig Lano, FSA, MAAA
Associate Actuary, Product Development
North American Company for Life and Health Insurance

August 1, 2008

Date