

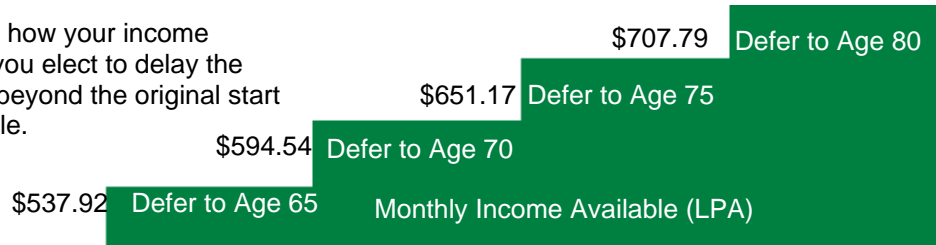
Income Pay Option 3 (6.25% for 10 Year with Ext Option) Payment Calculator

Total First Year Premium: \$3,600.00
 Premium Bonus Percentage: 5.00 %
 Premium Bonus Duration: 7
 Years Until 1st Lifetime Withdrawal: 16
 Issue Age: 44

Additional Premium: \$300.00 monthly starting at age 45 for 16 years.
 Client Name: Valued Client
 Agent Name: Steve Shorr
 California Insurance
 Agent License #: 123456

Age	Bonus Credit Percentage	GMWB Value	LPP	Monthly Lifetime Payment Amount (LPA)
60	6.25%	\$106,632.70	4.25%	\$377.66
61	6.25%	\$113,297.25	4.25%	\$401.26
62	6.25%	\$120,378.32	4.25%	\$426.34
63	6.25%	\$127,901.97	4.25%	\$452.99
64	0.00%	\$135,895.84	4.25%	\$481.30
65	0.00%	\$135,895.84	4.75%	\$537.92
66	0.00%	\$135,895.84	4.75%	\$537.92
67	0.00%	\$135,895.84	4.75%	\$537.92
68	0.00%	\$135,895.84	4.75%	\$537.92
69	0.00%	\$135,895.84	4.75%	\$537.92
70	0.00%	\$135,895.84	5.25%	\$594.54
71	0.00%	\$135,895.84	5.25%	\$594.54
72	0.00%	\$135,895.84	5.25%	\$594.54
73	0.00%	\$135,895.84	5.25%	\$594.54
74	0.00%	\$135,895.84	5.25%	\$594.54
75	0.00%	\$135,895.84	5.75%	\$651.17
76	0.00%	\$135,895.84	5.75%	\$651.17
77	0.00%	\$135,895.84	5.75%	\$651.17
78	0.00%	\$135,895.84	5.75%	\$651.17
79	0.00%	\$135,895.84	5.75%	\$651.17

The chart below illustrates how your income potential increases when you elect to delay the start of income payments beyond the original start date chosen in this example.



By current company practice, we will accept additional premium in excess of \$5,000.00 per year, however, we reserve the right in our annuity contracts to limit renewal premium to \$5,000.00 per year.

The LPP or Lifetime Payment Percentage is the percentage available for income based on the attained age of the covered person.

A Bonus Credit is available each Contract Year when partial surrenders are not taken and can increase your GMWB Value. This example assumes no partial surrenders have been taken. Bonus Credits will no longer apply once lifetime income payments are elected. Bonus Credits are not applied to the Accumulation Value of your base annuity Contract.

The GMWB Value is used only in determining your future income benefits under the Rider. This value is the total value on which your income payments are based. The GMWB Value is not available for withdrawal. It is not the same as the Accumulation Value under your base annuity Contract. Please see the rider brochure for complete product information.

The Annual Lifetime Payment Amount (LPA) = GMWB Value (BOY) * LPP.
 BOY = Beginning of Year

Frequently Asked Questions

Q. Does the Income Pay Rider have to be added to my annuity contract?

A. No, it is an optional rider that does NOT need to be added to every annuity. It is available for issue ages 40 and above. The Rider is intended for those who want guaranteed lifetime income withdrawals and choose to elect it and pay the cost for the rider.

Q. Is there a cost associated with this optional rider?

A. Yes, the cost of rider will vary by the Bonus Credit Option selected. This cost is calculated by multiplying the charge percentage (GMWB Charge) by the current GMWB Value. This amount is then subtracted from your annuity's Accumulation Value each year on contract anniversary. A cost is still applied even if the contract earns zero index or Interest Credits.

Q. Is the Rider Cost guaranteed for the life of the contract?

A. The cost is guaranteed, unless Bonus Credit Option Two is chosen and you elect to extend your Bonus Credit Percentage. In that instance, we may change your charge percentage beginning in the eleventh contract year and that cost will stay the same from that point forward. This charge percentage will never be more than 1.5% after you elect to extend your Bonus Credit Percentage. If you don't request to extend your Bonus Credit Percentage, the initial rider cost will stay the same and be applied each year until the rider is terminated.

Q. When is the Rider Cost applied?

A. Every contract year; even if the contract earns zero index or Interest Credits, in years when there are no GMWB Step-Ups, in years in which a withdrawal is taken and continuing on when you elect and begin taking lifetime income payments. The Rider Cost is applied every year until the Rider terminates.

Q. Is the Bonus Credit included in the Accumulation Value and available for withdrawal or surrender?

A. No, the Bonus Credit is only credited to the GMWB Value and is therefore not part of the Accumulation Value or cash surrender value.

Q. Can the Bonus Credit or GMWB Value be paid out as a Death Benefit to my named beneficiary?

A. No, since the Bonus Credit is only credited to the GMWB Value. This value is used to determine your lifetime income payment amount only. It will not be paid out as a Death Benefit to your beneficiary.

Q. In years when a withdrawal is taken, would a Bonus Credit still apply?

A. In most instances no, since Bonus Credits are only available until you begin taking income payments or elect to receive lifetime income from the rider. However, if the withdrawal satisfies a Required Minimum Distribution (RMD), the Bonus Credit would still be credited to your GMWB Value.

Q. How is the lifetime income payment calculated?

A. At the time you elect to receive income from the Rider, your Lifetime Payment Amount is calculated by multiplying your Lifetime Payment Percentage (determined by your attained age) times your current GMWB Value.

Q. Can additional premium be added to a contract after income payments have been started?

A. Yes, the additional premium would be added to your GMWB Value and your annuity's Accumulation Value. Your LPA may increase at the time the additional premium is received.

Q. Can a spouse continue Income Pay after the death of the owner?

A. Yes, if the surviving spouse is the sole beneficiary and he or she decides to use a spousal continuance to keep the contract in force.

If the spousal continuance occurs after you elect to receive lifetime income payments, the current income payment amount will continue until the earlier of the surviving spouse's death or the GMWB Value is reduced to zero.

If the spousal continuance occurs before you elect to receive lifetime income payments, income payments will be calculated based on the Lifetime Payment Election Date chosen by the surviving spouse. Income payments will be paid until the earlier of the surviving spouse's death or the GMWB Value is reduced to zero.

Q. When can I begin taking lifetime income payments?

A. Lifetime income payments can begin after the first contract year once you reach age 50. You must notify us in writing to establish your Lifetime Payment Election Date.

Q. Is the Accumulation Value calculated the same as the GMWB Value?

A. Accumulation Value: Used in the calculation of annuity death benefits, annuity payout options, penalty-free withdrawals and surrender values. Applicable premium bonuses, index or Interest Credits and additional premium can increase this value. Withdrawals, lifetime income payments, surrenders, surrender charges Interest Adjustment (if applicable) and rider costs will decrease the Accumulation Value. Bonus Credits under the Rider will not be credited to the Accumulation Value. The rider cost is automatically withdrawn, penalty-free, from the Accumulation Value on each contract anniversary.

Any withdrawal (penalty-free, partial or full surrender), Death Benefits and surrender values will be based upon your Accumulation Value.

GMWB Value: Used as the mechanism for determining lifetime income payments and the Rider Cost. See the Rider Cost section for complete details. Additional premium, applicable premium bonuses, annual "roll-ups" and Bonus Credits can increase this value. This value is used to determine your lifetime income payments. Excess withdrawals reduce this value on a percentage basis. RMD's reduce this value dollar for dollar.

Lifetime income payments will be based upon your GMWB Value.

IMPORTANT INFORMATION – (10 Year with Ext Option)

The **GMWB Cost** is equal to the **GMWB Charge** that is multiplied by the current **GMWB Value** on each Contract Anniversary. The **GMWB Cost** is deducted from the annuity's **Accumulation Value** each Contract Anniversary for as long as the rider remains active. The annual costs will be deducted every year, even in those years when a withdrawal is taken, when lifetime income payments have been elected and when the contract does not earn any interest or index credits. This annual charge will not change, unless you elect to extend your Bonus Credit Period (BCP). If you elect not to extend your Bonus Credits for an additional ten years, the Rider Charge will remain the same. The current **GMWB Charge** is 0.95%. If the benefit is cancelled, all subsequent rider charges will cease.

The **GMWB Value** is credited a **Bonus Credit Amount** each year for the first 10 Contract Years, when a withdrawal is not taken from the Contract and assuming the **Lifetime Payment Amounts** (also known as lifetime income amount) have not yet been elected. A Bonus Credit will be applied to the **GMWB Value** if withdrawals are taken to satisfy Required Minimum Distribution for this Contract. The current **Bonus Credit Percentage** is 6.25%.

Bonus Credit Percentages do not apply to the following:

1. The annuity's Accumulation Value;
2. Years in which a withdrawal is taken (except RMDs);
3. Once you elect Lifetime Income Payments; and
4. The contract's Death Benefit.

If you elect to start lifetime income payments after the 10th Contract Year, the **guaranteed minimum payment** generated, assumes you elected to extend the Bonus Credit Period, which can be extended for an additional 10 Contract Years. The GMWB Charge may increase if the **Bonus Credit Period** is extended, but is guaranteed to never exceed 1.50%.

The **GMWB Value** will never exceed the Maximum Benefit of \$5,000,000.

Actual **Lifetime Payment Amounts (LPA or guaranteed minimum payment)** may be higher or lower as a result of different premium amount, additional premiums, premium bonuses, withdrawals, GMWB Value Step-Ups, and applicable Lifetime Payment Percentage (LPP).

The **guaranteed minimum payment** generated assumes no additional premium or **Premium Bonuses**, unless additional premium is indicated, and assumes no withdrawals of any kind prior to the election of the lifetime income benefit.

As long as excess withdrawals are not taken, future **Lifetime Payment Amounts** will not decrease. Please note that LPA withdrawals from the rider will reduce the Contract's Accumulation Value. For Contracts with the Income Pay, the **Lifetime Payment Percentage** is based on the Covered Persons attained age on the Lifetime Payment Election Date. Please see the rider specific brochures for additional information.

LPA withdrawals for joint annuitants will be based on the younger annuitant's age and the **LPA** withdrawals available are lower than the values illustrated for a single covered person.

LPA withdrawals taken from the Income Pay SM rider can be taken out on a systematic basis by selecting monthly, quarterly, semi-annual, or annual payments.

Please note withdrawals may be taxed as ordinary income and if taken prior to age 59 ½ may be subject to a 10% IRS penalty tax.

You may elect to terminate this Rider at any time. Please note that terminating the Rider forfeits access to the GMWB Value, income payments and all Bonus Credits. Termination of the Rider will not automatically terminate the annuity contract. Once terminated, this Rider cannot be reinstated. If your needs change, you can elect to terminate the Rider. You will not be reimbursed for charges previously incurred.

THE RIDER WILL ALSO TERMINATE UPON:

1. Submitting written notice to surrender the contract or to terminate the contract or Rider
2. At death of the owner, unless the contract contains a Spousal Continuation provision and the spouse is named the beneficiary
3. On the date you begin taking annuity payments (annuitization) from the contract or on the maturity date if a payment option is elected
4. At the death of the annuitant, unless there are joint annuitants (only allowed with spouses). If there are joint annuitants, the Rider will terminate at the time of the second death.
5. If the contracts Accumulation Value, the GMWB Value and LPA all equal zero
6. If you take a loan out on your 403(b) contract and the rider is attached

The Income Pay® is an optional rider issued on from AE513A or appropriate state variation by North American Company for Life and Health Insurance, West Des Moines, Iowa. This rider may not be available in all states. The Income Pay rider is available at issue on all fixed index annuities except the North American Ten® (LC/LS160A), the North American Paramount Choice Ten® (LC/LS160A), and the NA Freedom Choice® (form LC/LS160A) if the 5% penalty-free withdrawal option is selected. The Income Pay rider is available on the North American DirectorSM and the North American Flex SeriesSM (form LC/LS160A) traditional fixed annuities. Please note the Income Pay rider and/or premium bonus referenced in the payment calculator may not be available in your state. Please see product brochure for further details.

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