



THE BENEFITS OF A FIXED INDEX ANNUITY



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Choosing the right accumulation vehicle for retirement can be difficult. With so many choices, which product will be right for you? On one hand, you want the safety and guarantee of premium and credited gains. On the other hand, most people prefer the potential of higher returns by being linked to the market—the return potential that a fixed-rate investment cannot offer. This was the decision that retirement savers had in the past—(1) receive the guarantee of premium¹ and a minimum amount of interest or, (2) link oneself to the market with the potential of higher returns, but also accept the downside risk to your premium.

Now you can have the best of both worlds; guarantee of premium and the potential of market-linked growth with no risk of loss of premium due to market downturns. North American offers the fixed index annuity concept: a concept designed to help you reach your retirement goals.

SAFETY AND GUARANTEES OF PREMIUM

A fixed index annuity provides you with the best features of a traditional fixed annuity:

GUARANTEE OF PREMIUM

Unlike most securities or mutual funds where your account balance can fluctuate due to market performance, premium deposited into a fixed index annuity is guaranteed to never go down due to market downturns. A contract owner of a fixed index annuity from North American participates in market-related growth without market-type loss.

MINIMUM GUARANTEED CASH VALUE (MGCV)

In addition to the guarantee of your premium, most index annuities contain a Minimum Guaranteed Cash Value (MGCV) which grows independently of your Accumulation Value at a specific interest rate. This value provides a standard of comparison for your annuity values throughout the life of the annuity. Thus, in a worst-case scenario where the market made a downturn or achieved no growth during the entire surrender charge period, you would be guaranteed to receive your original amount of premium back plus a small amount of interest. Please see the product-specific brochure for details regarding the surrender charge period.

THE POWER OF TAX DEFERRAL

All annuity values accumulate on a tax deferred basis until withdrawn. Therefore, your money can grow faster because you earn interest on dollars that would otherwise be paid as taxes. Your premium earns interest and the interest compounds allowing you to accumulate more money over a shorter period of time, thereby earning a greater return on your investment.

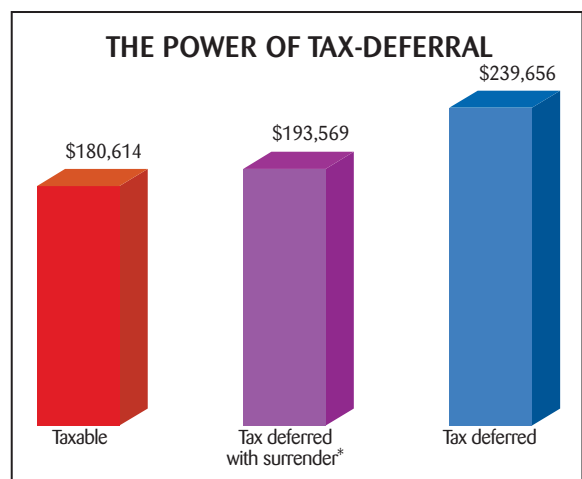


Chart is a hypothetical illustration of tax-deferral and assumes an initial premium of \$100,000 earning 6.00% compounded annual rate of return for 15 years. Not intended to predict or project performance. *Tax deferred with surrender represents the surrender value less taxes at an assumed rate of 33%.

LIQUIDITY FEATURES

North American provides you with opportunities to withdraw funds (subject to any applicable surrender charges, Interest Adjustment and/or IRS penalties). Fixed index annuity contracts generally allow for some form of penalty-free withdrawals up to 10% of the full Accumulation Value once each contract year after the first contract anniversary. In addition, North American offers certain riders* that increase liquidity in certain circumstances.

*Riders are not available in all states or for all products.

GUARANTEED LIFETIME INCOME

North American can provide you with a guaranteed income stream with the purchase of a fixed index annuity. You have the ability to choose from several different annuity payment options. With nonqualified plans, a portion of each annuity payment option represents a return of premium that is not taxed, thereby reducing your tax liability from your annuity payments.

STRENGTH

All North American tax-deferred annuities are backed by the financial strength of the Company's investment portfolio, which emphasizes high-quality bonds that provide safety, liquidity and competitive interest rates. North American maintains reserves equal to those required by state regulation.

POTENTIAL OF STOCK MARKET-OR BOND-LINKED GROWTH

While the fixed index annuity concept offers many features of a traditional fixed annuity, it has a rather unique feature that allows a potential of stock market- or bond-linked growth without the risk of any market-type loss.

In contrast to a securities-type product or mutual fund where the investor bears the market risk, the fixed index annuity concept insulates the contract owner from any risk of loss of premium due to market downturns.

WHAT IS INDEXING?

Earnings on a fixed index annuity from North American are based on stock market- or bond-like performance from certain indices. But what is indexing?

Indexing is simply an investment strategy that follows the performance of select securities, such as the Standard & Poor's 500® Index. The S&P 500® is a collection of 500 select industry leaders and thus a benchmark for U.S. Stock Market performance. A fixed index annuity is linked to the performance of this type of market index, without the risk of directly participating in stock, bond or equity investments. With indexing, you can participate in a diversified passive investment strategy: a link to the market and its potential gains without subjecting yourself to the potential downfalls of the market.

INTEREST ADJUSTMENT

Many of North American's fixed index annuities include an Interest Adjustment, which allows the Company to credit higher interest rates than on those products without an Interest Adjustment. This adjustment is applied only during the surrender charge period to full surrenders and to any partial surrenders in excess of the penalty-free withdrawal amount. This adjustment may increase or decrease the surrendered amount, based on the change in interest rates during the period since you purchased your annuity. Please see the "Interest Adjustment" brochure for more information.

EXPECTATIONS FOR THE FIXED INDEX ANNUITY²

The concept of a fixed index annuity is a simple one: allow the potential for market-linked gains without exposure to the market risk. Contract owners enjoy the guarantees and safety of premium even while being linked to market growth. However, they should not expect fixed index annuities to mirror the exact performance of any stock market or bond indices.

Since a fixed index annuity uses a passive investment strategy, it will not mirror the exact return of the stock market or bond index. A fixed index annuity from North American is a powerful financial tool designed to meet your long-term retirement needs. Get the best of both worlds with a fixed index annuity today!



PORTRAIT OF FINANCIAL STABILITY

Since 1886, Chicago-based North American Company for Life and Health Insurance has established a tradition of producing quality insurance products. North American Company's product lines are marketed in 49 states and the District of Columbia.

PORTRAIT OF FINANCIAL STABILITY

Independent rating agencies are an important source of information on an insurance company's ability to meet its obligations. Based on its financial strength and operating performance, North American Company continues to receive high ratings from the most well-respected ratings services, including:

A+ (SUPERIOR) RATING FROM A.M. BEST SINCE 1979

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 ongoing obligations to contractholders. A+ is the second highest rating out of 15 rating categories and was assigned to North American Company for Life and Health Insurance, as part of the Sammons Financial Group, on August 31, 2006. For the latest rating, access www.ambest.com.

AA- (VERY STRONG) FROM STANDARD & POOR'S CORPORATION (S&P)

Standard & Poor's awarded its AA- rating for insurer financial strength on December 5, 2006 to North American Company as part of Sammons Financial Group. The AA- rating, which is the fourth highest out of twenty-two, reflects Sammons Financial Group's (which is comprised of Midland National Life Insurance Company and North American Company for Life and Health Insurance) financial strength.

AA- (VERY STRONG) FROM FITCH RATINGS

Fitch is a leading global rating agency committed to providing the world's credit markets with independent, timely and prospective credit opinions. Fitch's insurer financial strength ratings range from AAA to D. The AA- rating is the 4th highest rating out of 24 rating categories.

The tax-deferred feature is not necessary for a tax-qualified plan. In such instances, you should consider whether other features, such as the Death Benefit, lifetime annuity payments and optional riders make the contract appropriate for your needs.

Withdrawals taken prior to age 59 1/2 may be subject to IRS penalties. Under current law, annuities grow tax deferred. An annuity is not required for tax deferral in qualified plans.

Neither North American, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult with and rely on a qualified advisor. "Standard & Poor's" "S&P", "S&P 500" and "Standard & Poor's 500 Index" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by North American. The product(s) are not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's make no representation regarding the advisability investing in the product.

This brochure is for solicitation purposes only. Please refer to your contract for any other specific information. With every contract that North American issues there is a free-look period. This gives you the right to review your entire contract and if you are not satisfied, return it and have your premium returned.

1. Guarantees are based on the claims-paying ability of North American.
2. Your fixed index annuity may be subject to Participation Rates and/or an Index Cap Rate.



NOT FDIC INSURED.
NO BANK GUARANTEE.