



# PrimePath<sup>®</sup> 12

fixed index annuity



*Annuity*

# Your PrimePath<sup>®</sup> 12 to retirement

*Planning for retirement can be overwhelming—will I have enough to retire? How much is enough? How much longer will I need to work? What happens if I have an extended illness? Will I be able to leave anything to my family?*

**As you research options, you will be faced with various products and unfamiliar terms. Your licensed insurance professional and this brochure will provide information so you can determine if this product is a solution to help meet your needs during your retirement years.**

If there's anything predictable about life, it's that it's unpredictable. But it's safe to say that when you retire, a few things happen:

**You want to protect and grow what you worked so hard to earn.**

You want to know that your savings are not only protected from market downturns, but that there's opportunity for growth as you approach retirement.

**You need income.** To travel, to start that hobby you always dreamed about, to buy a vacation home... to help pay for whatever it is that you want to do in your golden years.

**You may need health care.** If your health fails or you experience an extended illness, you may need access to more of your money to help pay for assistance during that time.

**You hope to leave something for your beneficiaries.** A way to offer a legacy to your loved ones.

*The PrimePath 12 fixed index annuity could help you and your family when any of these situations take place. Read on to find out how...*



*Annuity*

# Retire confidently

The PrimePath 12 annuity is a flexible premium, fixed index annuity that offers growth potential for your retirement assets while providing protection from downside market downturns, as well as flexible options for taking lifetime income. None of us know the path that life has in store for us. That's why it's comforting to know that PrimePath 12 has key features to help you on your journey:

## Growth

Fixed and index account options offer upside potential without downside market risk to the money you worked so hard to save throughout your career. And to help along your path to retirement, PrimePath 12 also provides opportunities to receive bonuses to certain contract values to help you reach your goals.

## Retirement income

PrimePath 12 provides multiple options for taking retirement income. So you're in the driver's seat in determining how and when you start receiving payments.

## Liquidity options

If you need access to your money, PrimePath 12 has different liquidity provisions that can help you when you need it most.

## Death benefit

PrimePath 12 has death benefit provisions so you may be able to leave something for your loved ones.

PrimePath 12 fixed index annuity allows you to benefit from the advantages that a fixed annuity offers, such as:

## Tax deferral

Tax-deferred growth allows your money to grow faster because you earn interest on dollars that would otherwise be paid in taxes. If your premium earns interest, the interest compounds within the contract and the money you would have paid in taxes earns interest as well.

*Under current law, annuities grow tax-deferred. An annuity is not required for tax deferral in qualified plans. Annuities may be subject to taxation during the income or withdrawal phase.*

## May avoid probate

By naming a beneficiary, you typically minimize the delays, expense and publicity often associated with probate.

*Please consult with and rely on your own legal or tax advisor.*

## Payout options

By annuitizing your contract (electing an annuity payout option) or by turning on lifetime payment amounts (LPAs), you have access to a guaranteed income stream that will last as long as you live.

## Issue ages (may vary by state)

Available issue ages 40-75, California 40-52 (qualified and non-qualified).

## Minimum premium

Flexible premium, \$20,000 at issue, qualified and non-qualified (\$50/month TSA salary reduction accepted after \$20,000 minimum initial premium requirement).



# Your PrimePath 12 annuity

To understand how your annuity works, it's important to first understand a few basics about two values in your PrimePath 12 annuity.

## Accumulation value

The accumulation value equals 100% of premium; plus interest credited, if any; less withdrawals. Your accumulation value is the value used to determine penalty-free withdrawal amounts and your surrender value, which is the amount you would receive if you surrendered your contract early. Additionally, any remaining accumulation value may be paid to your beneficiaries upon your passing.

*For detailed information on charges incurred if the contract is surrendered, see the surrender charge section.*

## Benefit base

Your benefit base is used to determine your lifetime payment amount (LPA). This value is never available as a lump sum withdrawal. If you should pass away before starting your LPAs, the benefit base is available as a death benefit to your beneficiaries if paid out over five annual payments.

*The Benefits rider is included for no annual charge which is guaranteed for life of contract.*

	Accumulation value	Benefit base
Increased by...	<ul style="list-style-type: none"> <li>• Premiums</li> <li>• Interest credits</li> </ul>	<ul style="list-style-type: none"> <li>• Premiums</li> <li>• Double the interest credited to the accumulation value during the benefit base roll-up period</li> </ul>
Decreased by...	<ul style="list-style-type: none"> <li>• Withdrawals</li> <li>• LPAs</li> </ul>	<p>Before LPAs begin: Withdrawals at a proportional amount</p> <p>After LPAs begin: Benefit base no longer applies</p>
Used for...	<ul style="list-style-type: none"> <li>• Calculating penalty-free withdrawals</li> <li>• Annuity payout options</li> <li>• Death benefit</li> <li>• Surrender value</li> </ul>	<ul style="list-style-type: none"> <li>• LPAs</li> <li>• Before LPAs have started, an enhanced death benefit option</li> </ul>

# Enhancing your retirement

One question people often ask themselves is: Have I saved enough for retirement? While “enough” varies by individual wants and needs, many consumers would like to have growth as they approach retirement. Fixed index annuities combine growth potential without experiencing loss of premium from market downturns or fluctuations. Interest credits in the PrimePath 12 annuity will not mirror performance of the index itself, but rather the index closing prices are used as a basis for determining interest credits. PrimePath 12 has unique and competitive options to grow your retirement dollars so they can work harder for you.

## Did you know -

PrimePath 12 is a flexible premium annuity. That means you may be able to continue to put funds into the contract as long as you own it.

## Transfer options

Annually on your contract anniversary for the one-year crediting options, or at the end of each two-year term for the two-year crediting options, you may elect to transfer your account values between the fixed account and index account options. By current company practice\*, you will have 30 days following each contract anniversary to reallocate.



## Choose your index options

You choose how your initial premium is allocated between your fixed account and/or index accounts. At the end of each crediting term you have the option to transfer your money among the different options.

*Please refer to the “How it works-crediting methods” brochure for more information on the differences.*

## Fixed account

PrimePath 12 provides a fixed account that offers a fixed interest rate that is guaranteed for the first contract year. The rate for future contract years will be declared each year at the company’s discretion thereafter, and will never be less than the minimum guaranteed rate listed in your contract.

*Refer to your contract for minimum guaranteed rates.*

## Index account options

While your premium is protected from downside market risk, PrimePath 12 also provides the opportunity to take advantage of market growth with its indexed interest crediting options. These index crediting methods allow you to select from different indexes; each index account option may perform differently in various market scenarios.

- Annual Point-to-Point with Participation Rate
- Monthly Point-to-Point with Cap
- Annual Point-to-Point with Cap
- Annual Point-to-Point with Margin
- Two-year Point-to-Point with Participation Rate
- Two-year Point-to-Point with Margin and Participation Rate

Interest is credited on each contract anniversary for each index account option except the Two-year Point-to-Point options. For the Two-year Point-to-Point options, interest is credited at the end of each two-year term.

*See the following pages for details.*

Your agent will explain how the different interest crediting strategies work and which account or combination of accounts could be the best fit for your objectives.

*\*A feature offered “by current company practice” is not a contractual guarantee of this annuity contract and can be removed or changed at any time.*

# Pick from a wide variety of index\* options

## S&P 500® Index (SPX)

The S&P 500 Index is widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The price-return index includes 500 leading companies in leading industries of the U.S. economy and does not include dividends in the index valuation.

## S&P Multi-Asset Risk Control 5% Excess Return Index (SPMARC5P) S&P MARC 5% ER

The S&P MARC 5% ER Index is a multi-asset excess return index that strives to create more stable index performance through diversification, an excess return methodology, and volatility management (i.e. risk control). The index applies rules to adjust allocations among multiple asset classes creating a diversified basket of these assets. The index then adds an element of risk control by applying rules to allocate between this basket and cash. The index is managed to a 5% volatility level.

## S&P 500® Low Volatility Daily Risk Control 5% Index (SPLV5UT)

The S&P 500® Low Volatility Daily Risk Control 5% Index strives to create stable index performance through managing volatility (i.e. risk control) on the

S&P 500 Low Volatility Index. The S&P 500 Low Volatility Index measures performance of the 100 least volatile stocks in the S&P 500. The index adds an element of risk control by applying rules to allocate between stocks, as represented by the S&P 500 Low Volatility Index, and cash. The index is managed to a 5% volatility level.

## Morgan Stanley Dynamic Contribution Index (MSUSMSDC)

The Morgan Stanley Dynamic Contribution Index (“the MSDC Index”) is a rules-based strategy that uses modern portfolio theory principles and the related concept of efficient frontier to attempt to maximize returns for a given level of risk. The Index provides access to global opportunities by investing in multiple asset classes representing global equities, government bonds and major commodities. The Morgan Stanley Dynamic Contribution Index seeks to dynamically allocate to a portfolio nearest to the efficient frontier. On a daily basis, the Index computes recent returns, realized volatilities and correlations for each asset over two time horizons: short-term and long-term. All combinations are then screened to identify the highest historical return portfolio for 5% target risk level, subject to allocation constraints for each asset class and individual asset.

### Diversify your premium among the following index account options

Crediting methods <i>(subject to factor below)</i>	Index availability* <i>Index(es) and strategies may not be available in all states.</i>
Monthly Point-to-Point <i>(subject to an index cap rate)</i>	<ul style="list-style-type: none"> <li>• S&amp;P 500®</li> </ul>
Annual Point-to-Point <i>(subject to an index cap rate)</i>	<ul style="list-style-type: none"> <li>• S&amp;P 500®</li> </ul>
Annual Point-to-Point <i>(subject to an index margin)</i>	<ul style="list-style-type: none"> <li>• S&amp;P 500® Low Volatility Daily Risk Control 5%</li> <li>• S&amp;P Multi-Asset Risk Control 5% Excess Return Index (S&amp;P MARC 5% ER)</li> </ul>
Annual Point-to-Point <i>(subject to a participation rate)</i>	<ul style="list-style-type: none"> <li>• S&amp;P 500®</li> <li>• Morgan Stanley Dynamic Contribution</li> </ul>
Two-year Point-to-Point <i>(subject to a participation rate)</i>	<ul style="list-style-type: none"> <li>• Morgan Stanley Dynamic Contribution</li> </ul>
Two-year Point-to-Point <i>(subject to an index margin and a participation rate)**</i>	<ul style="list-style-type: none"> <li>• Morgan Stanley Dynamic Contribution</li> </ul>

\* NOTE: Past index performance is not intended to predict future performance and the index does not include dividends.

\*\*The declared annual index margin is multiplied by two when it is applied at the end of each two-year term. The participation rate is applied after the index margin.

## Crediting methods

<b>Annual Point-to-Point with:</b> <ul style="list-style-type: none"> <li>• Index Margin, or</li> <li>• Index Cap Rate, or</li> <li>• Participation Rate</li> </ul>	<b>Annual Point-to-Point</b>	<p>This calculation method measures the change in index value using two points in time; the beginning index value and the ending index value for that year. Index linked gains are calculated based on the difference between these two values. The index change, if any, is then subject to an index margin, index cap rate, and/or participation rate. The annual interest credit will never be less than zero.</p>
	<b>Index margin</b>	<p>Once a gain has been calculated using the Annual Point-to-Point with Margin index account option, an index margin is subtracted. The index margin is guaranteed for the first year, but can change each year thereafter at the company's discretion. The index margin is set in advance each contract year, however at no time will it be greater than the maximum index margin for the Annual Point-to-Point index account.</p>
	<b>Index cap rate</b>	<p>Your annuity applies an index cap rate, or upper limit, to calculate your interest credits each year applied to the Annual Point-to-Point with Cap index account option. This cap is applied annually and may change annually. It is declared on the contract anniversary and is guaranteed for that year. The index cap rate is set at the Company's discretion. However, at no time will this cap ever fall below the minimum guaranteed index cap rate set for the Annual Point-to-Point index account.</p>
	<b>Participation rate</b>	<p>Once a gain has been calculated using the Annual Point-to-Point index account option, a participation rate is applied. The participation rate is a percentage that is multiplied by the gain at the end of the contract year and is used to determine the interest credit to your contract. The participation rate is guaranteed for the first contract year, and can change each year thereafter on the contract anniversary. The participation rate is declared each year at the Company's discretion. However, at no time will this rate ever fall below the minimum guaranteed participation rate set for the Annual Point-to-Point index account.</p>
<b>Monthly Point-to-Point with Index Cap Rate</b>	<b>Monthly Point-to-Point</b>	<p>This method for determining any interest credit uses the monthly changes in the index value, subject to a monthly index cap rate. The interest credit is credited annually and is based on the sum of all the monthly percentage changes in the index value—which could be positive or negative. On each contract anniversary, these monthly changes, each not to exceed the monthly index cap rate, are added together to determine the interest credit for that year. Negative monthly returns have no downside limit and will reduce the interest credit, but the interest credit will never be less than zero.</p>
	<b>Index cap rate</b>	<p>Your annuity applies a monthly index cap rate, or upper limit, to calculate your interest credits each year for the Monthly Point-to-Point. This cap is applied monthly and may change annually. The index cap rate will be declared on each contract anniversary and is guaranteed for that year. The index cap rate is set at the company's discretion, however, at no time will this cap ever fall below the minimum guaranteed index cap rate set for the Monthly Point-to-Point index account.</p>
<b>Two-year Point-to-Point with:</b> <ul style="list-style-type: none"> <li>• Participation Rate, or</li> <li>• Index Margin and Participation Rate</li> </ul>	<b>Two-year Point-to-Point</b>	<p>This calculation method measures the change in index value using two points in time; the beginning index value and the ending index value for that two-year term. Index linked gains are calculated based on the difference between these two values. The index growth, if any, is then subject to a participation rate or an index margin and a participation rate. The annual interest credit will never be less than zero.</p>
	<b>Participation rate</b>	<p>Once a gain has been calculated using the Two-year Point-to-Point index account option, a participation rate is applied. The participation rate is a percentage that is multiplied by the gain at the end of the two-year term and is used to determine the interest credit to your contract. The participation rate is guaranteed for the first two contract years, and can change at the start of each new two-year term. The participation rate is declared at the beginning of each two-year term at the company's discretion. However, at no time will this rate ever fall below the minimum guaranteed participation rate set for the Two-year Point-to-Point index account.</p>
	<b>Index margin and participation rate</b>	<p>Once a gain has been calculated using the Two-year Point-to-Point index account option, the annual index margin is multiplied by two (which is the term length) and is subtracted from the gain. The resulting value is then multiplied by the participation rate. An annual index margin and a participation rate are set at the beginning of each two-year term and are guaranteed for that term. The index margin and participation rate can change at the start of each new term at the Company's discretion, however at no time will the index margin be greater than the maximum index margin or the participation rate be less than the minimum guaranteed participation rate for the Two-year Point-to-Point index account.</p>
<b>Fixed account</b>	<p>Premium allocated to the fixed account will be credited interest at a declared fixed account interest rate and is credited daily. The initial premium interest rate is guaranteed for the first contract year. For each subsequent contract year, we will declare, at our discretion, a fixed account interest rate that will apply to the amount allocated to the fixed account as of the beginning of that contract year. A declared fixed account interest rate will never fall below the minimum guaranteed fixed account interest rate.</p>	

Ask your sales representative for the current rates and minimum index cap rates, maximum index margins, minimum participation rates, and fixed account interest rate.

# Growth potential

The PrimePath 12 fixed index annuity has growth opportunities that you can take advantage of as you build your retirement savings.

## How your annuity grows

### Accumulation value growth

The interest earned in the fixed and indexed accounts is applied to your contract's accumulation value.

### Benefit base

The benefits rider is included for no annual charge which is guaranteed for life of contract.

### Benefit base roll-up

Your benefit base is the amount upon which your LPA will be based and is never available as a lump sum. During the benefit base roll-up period, your benefit base grows at double the average rate of interest credited to your fixed and indexed accounts. What this means is that if the average interest credited is 3.5%, your PrimePath 12 annuity's benefit base would grow at 7% ( $3.5\% \times 2 = 7\%$ ) that contract year.

During the benefit base roll-up period, the benefit base may be increased by 200% of the weighted average interest credit percentage to the fixed and index accounts (based on account allocations at the beginning of the contract year). The benefit base roll-up period is each contract anniversary until earlier of 15th contract anniversary or the lifetime payment election date.

### Benefit base bonus opportunities

If you don't take any withdrawals or turn on LPAs in the first five contract years, a benefit base bonus of 1% of your initial premium will be added to your benefit base at the end of the fifth contract year. Further, if no withdrawals are taken and you don't turn on LPAs in the first ten contract years, an additional 1% of your initial premium will be added to your benefit base at the end of the tenth contract year. The benefit base bonus does not increase your accumulation value and is not available as a lump sum.

*For detailed information on charges incurred if the contract is surrendered, see the surrender charge section.*

### Benefit base floor

The benefit base floor is equal to your premiums, less any proportional reductions for withdrawals, accumulated at 1% per year. When you utilize your benefit base by starting LPAs, your benefit base is guaranteed to be no less than the benefit base floor.

### Death benefit maximum

The death benefit maximum is the benefit base as of the end of the benefit base roll-up period.





# Benefit base roll-up example

## Hypothetical example

A hypothetical example of a couple approaching retirement will help explain how all of these values work together.

Nick and Vicki have worked hard to save for retirement. Nick chose PrimePath 12 annuity because he liked the idea of growth potential of a fixed index annuity while not being subject to market losses. He put \$100,000 into his PrimePath 12 annuity and let it accumulate for 10 years without taking any withdrawals or starting LPAs.



The chart below shows the benefit base floor, which increases at 1% annually. The chart also shows how the benefit base increases each year, assuming that the average interest credited to the accumulation value was 3.5% each contract year. The benefit base roll-up rate is double that percentage, or 7% each year during the benefit base roll-up period. Since no withdrawals were taken in the first 10 years, a benefit base bonus of 1% of initial premium is added to the benefit base at the end of the fifth and tenth contract years.

## Hypothetical example

**Initial premium:**  
\$100,000

**Benefit base floor:**  
Increases at 1% annually

**Benefit base:**  
Benefit base roll-up is 200% of the hypothetical assumed annual interest credit to the accumulation value, or  $200\% \times 3.5\% = 7\%$  each year during the benefit base roll-up period.

**Benefit base bonus:**  
1% of initial premium is added to the benefit base if no withdrawals are taken in years one through five and years one through 10.

End of year (EOY)	Benefit base floor	Benefit base roll-up amount	Benefit base bonus	EOY benefit base
At Issue	\$100,000	\$0	\$0	\$100,000
1	\$101,000	\$7,000	\$0	\$107,000
2	\$102,010	\$7,490	\$0	\$114,490
3	\$103,030	\$8,014	\$0	\$122,504
4	\$104,060	\$8,575	\$0	\$131,080
5	\$105,101	\$9,176	\$1,000	\$141,255
6	\$106,152	\$9,888	\$0	\$151,143
7	\$107,214	\$10,580	\$0	\$161,723
8	\$108,286	\$11,321	\$0	\$173,044
9	\$109,369	\$12,113	\$0	\$185,157
10	\$110,462	\$12,961	\$1,000	\$199,118

*This hypothetical example is not intended to predict future performance. Alternative assumptions could produce different results.*

# Retirement income

Outliving income in retirement has become a concern for many retiring consumers. PrimePath 12 can provide confidence that it will be there to provide income you can't outlive, and to provide for the possibility of increasing payments over time.

## Lifetime payment amounts

After your 50th birthday, the PrimePath 12 fixed index annuity provides you two choices for taking lifetime payments.

### Level lifetime payments

This option provides a level payment amount for either the rest of your lifetime or the joint lifetime of you and your spouse. Any excess withdrawals that you may choose to take from your PrimePath 12 annuity's accumulation value will reduce your future lifetime payments by a proportional amount.

### Increasing lifetime payments

This option starts at a lower initial payment amount than the level payment option, but has the possibility of increasing each year, based on the average interest credited to your fixed and index accounts.

## Lifetime payment percentages (LPPs)

Level LPP		
Attained age of covered person	SINGLE covered person	JOINT covered person
50	3.20%	2.70%
55	3.70%	3.20%
60	4.20%	3.70%
65	4.70%	4.20%
70	5.20%	4.70%
75	5.70%	5.20%
80	6.20%	5.70%
85+	6.70%	6.20%

Increasing LPP		
Attained age of covered person	SINGLE covered person	JOINT covered person
50	2.20%	1.70%
55	2.70%	2.20%
60	3.20%	2.70%
65	3.70%	3.20%
70	4.20%	3.70%
75	4.70%	4.20%
80	5.20%	4.70%
85+	5.70%	5.20%

Lifetime payment percentages increase by 10 bps for each attained age between ages 50 and 85.

## LPA example

When Nick starts his lifetime payments, he talks with his agent about whether he wants a level payment amount for the higher initial LPA or if he is interested in the increasing payment option (with an initially lower payment) that may be able to help protect purchasing power of his lifetime payments.

### Hypothetical example

**Benefit base:**

**\$199,128**

**Age:**

**70 (issue age 60)**

**Level payout:**

**5.20%**

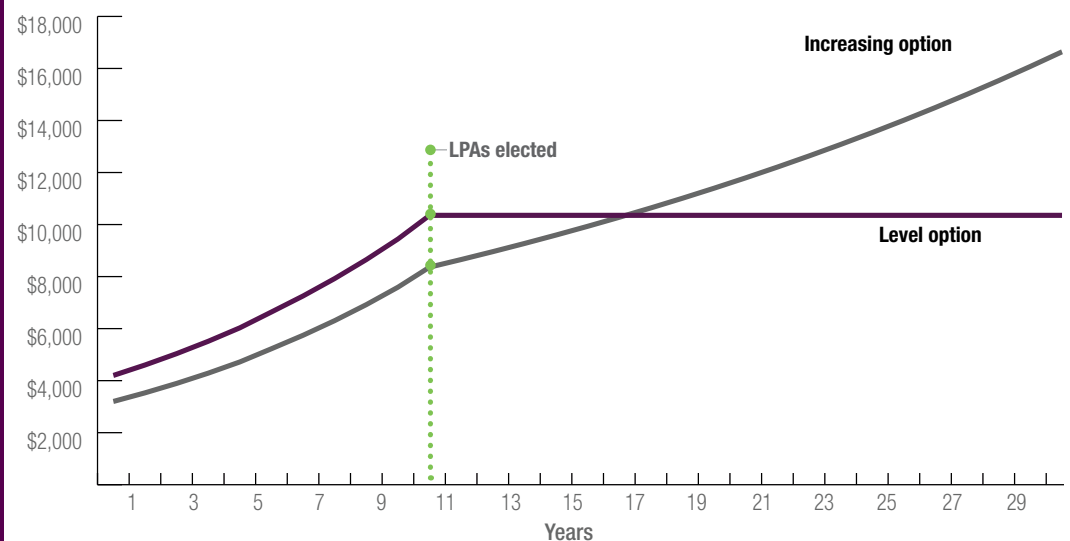
**Increasing payout:**

**4.20%**

**LPA increase percentage:**

LPA increase percentage is 3.5%, which is 100% of the hypothetical assumed average annual interest credit percentage to the accumulation value.

	Level LPA	Increasing LPA
Initial	\$10,354	\$8,363
Age 75 (5 years)	\$10,354	\$9,933
Age 80 (10 years)	\$10,354	\$11,797



This hypothetical example is not intended to predict future performance. Alternative assumptions could produce different results.

# Flexibility for unexpected paths

## Penalty-free withdrawals

Should you need to take withdrawals before starting lifetime payments from your PrimePath 12 annuity, you have the flexibility to do that. However, PrimePath 12 is intended to be a long-term product to provide lifetime income in retirement. After the first contract anniversary, a penalty-free withdrawal (also known as a penalty-free partial surrender) of up to 7% of the accumulation value as of the beginning of the contract year may be taken each year. It is important to discuss potential withdrawals with your agent so that you understand the impact of any withdrawals on your contract. The portion of any withdrawal that exceeds the penalty-free amount will be assessed a surrender charge.

*While it's nice to know that penalty-free withdrawals are available if you need them before you start taking lifetime payments from PrimePath 12, keep in mind that if you don't take any withdrawals, you receive benefit base bonuses after the fifth and tenth contract years. It is also important to understand that taking penalty-free withdrawals will reduce your benefit base and benefit base floor, as well as your future LPA.*

## Nursing home confinement waiver (may not be available in all states)

After your first contract year, if you become confined to a qualified nursing care facility for 90 consecutive days, you can withdraw 100% of your accumulation value without a surrender charge and without application of an MVA. You cannot be confined at the time your contract is issued. This rider is automatically included with your annuity at no additional charge. If joint annuitants are named on the annuity, waiver will apply to the first annuitant who qualifies for the benefit.

## Annuitization

As an alternative to the lifetime payment amount, PrimePath 12 annuity offers annuity payout options. Discuss with your agent the differences between annuitization (electing an annuity payout option) and taking LPAs.

*\* A feature offered "by current company practice" is not a contractual guarantee of this annuity contract and can be removed or changed at any time.*

## Your payout options

Should you decide to receive an income from your annuity after the surrender charge period, you will have several annuity payout options from which to choose. Annuity payout options are a benefit of deferred annuities, but are not a requirement with the PrimePath 12. Once a payout option is elected it cannot be changed and all other rights and benefits under the annuity end. On non-qualified plans, a portion of each income payout represents a return of premium that is not taxable, thus reducing your tax liabilities.

In all states except **Florida**, by current company practice\*, you may receive an income from the accumulation value after the first contract year (without surrender charges or market value adjustment) if you choose a life income option.

## Payout options

With the exception of life income options, income options are available from five to 20 years.

Choose from:

- income for a specified period
- income for a specified amount
- life income with a period certain
- life income
- joint and survivor life income

### For Florida:

You may select an annuity payout option based on the accumulation value at any time after the first contract year. The following options are available:

- life income
- life income with a 10-year or 20-Year period certain
- joint and survivor life income
- joint and survivor life income with 10-year or 20-year period certain

## Market value adjustment (MVA)

Your Contract also includes a market value adjustment feature—which may decrease or increase your surrender value depending on the change in the index value of the market value adjustment external index since your annuity purchase. Due to the mechanics of a market value adjustment, surrender values generally decrease as the market value adjustment external index rises or remains constant.

When the market value adjustment external index decreases enough over time, the surrender value generally increases. However, the market value adjustment is limited to the surrender charge or the interest credited to the accumulation value.

In **California**, the market value adjustment is limited to the surrender charge or 0.50% of the accumulation value at the time of surrender.

This adjustment is applied only during the market value adjustment period to surrenders exceeding the applicable penalty-free allowance.

*See the “Understanding the market value adjustment” brochure for more information.*

## Required minimum distribution

Surrender charges and market value adjustments on any portion of an IRS-required minimum distributions exceeding the available penalty-free withdrawal amount will be waived by current company practice.\*



*\* A feature offered “by current company practice” is not a contractual guarantee of this annuity contract and can be removed or changed at any time.*

## Surrender charges

During the surrender charge period, a surrender charge is assessed on any amount withdrawn, as a partial or full surrender, that exceeds the penalty-free amount and may result in a loss of premium. Additional premiums deposited into existing contracts will maintain the surrender charge schedule set forth at policy issue date. Certain annuity payout options may incur a surrender charge.

*A surrender during the surrender charge period could result in a loss of premium. Surrender charges may vary by state.*

## Surrender charge schedule

Contract year	12-year
1	14%
2	14%
3	12%
4	12%
5	11%
6	11%
7	10%
8	9%
9	8%
10	7%
11	6%
12	4%
13+	0%

# What if...

## LPA multiplier

(LPA multiplier is not available in **California** and **Illinois**.)

If you have a health event after your second contract year that leaves you unable to perform at least two of the six “activities of daily living” (ADLs) as defined in your contract, your lifetime payment amount can double for up to five years of payments, as long as you continue to meet the requirements on each annual payment date.

*This feature is no longer available when the accumulation value reaches zero.*

Regardless if you choose the level or increasing LPA option, your LPA multiplier benefit is always double the LPA for the current year.

*Here’s a hypothetical example of how this could work for you.*

At age 70, Nick decides to turn on his level LPAs, which in our example, is \$10,354 annually. If eligibility requirements are met, the LPA multiplier can then double the level LPA to \$20,708 annually for up to five years of payments.

## Age 70

- Begin single annuitant lifetime annual payment

\$10,354

Level LPA



\$20,708

With 2x LPA multiplier

*This hypothetical example is not intended to predict future performance. Alternative assumptions could produce different results.*



# What if...

## Death benefit

Even if you purchased your annuity for lifetime payments, the PrimePath 12 annuity's death benefit provides the opportunity to leave some or all of your annuity's value to loved ones.

### Before starting LPAs

If you should pass away before starting lifetime payments, your beneficiaries have the option to receive your Benefit Base paid out in five equal annual payments. This death benefit may be limited; see page 8 for more information. Alternatively, your beneficiaries also have the option to receive any remaining accumulation value as a lump sum.

### After starting LPAs

If you pass away after you have begun taking lifetime payments, your beneficiaries will receive any remaining accumulation value.

## Spousal continuance

### Before starting LPAs

If your spouse is your sole beneficiary, then your spouse can continue the annuity until he/she is ready to start taking LPAs.

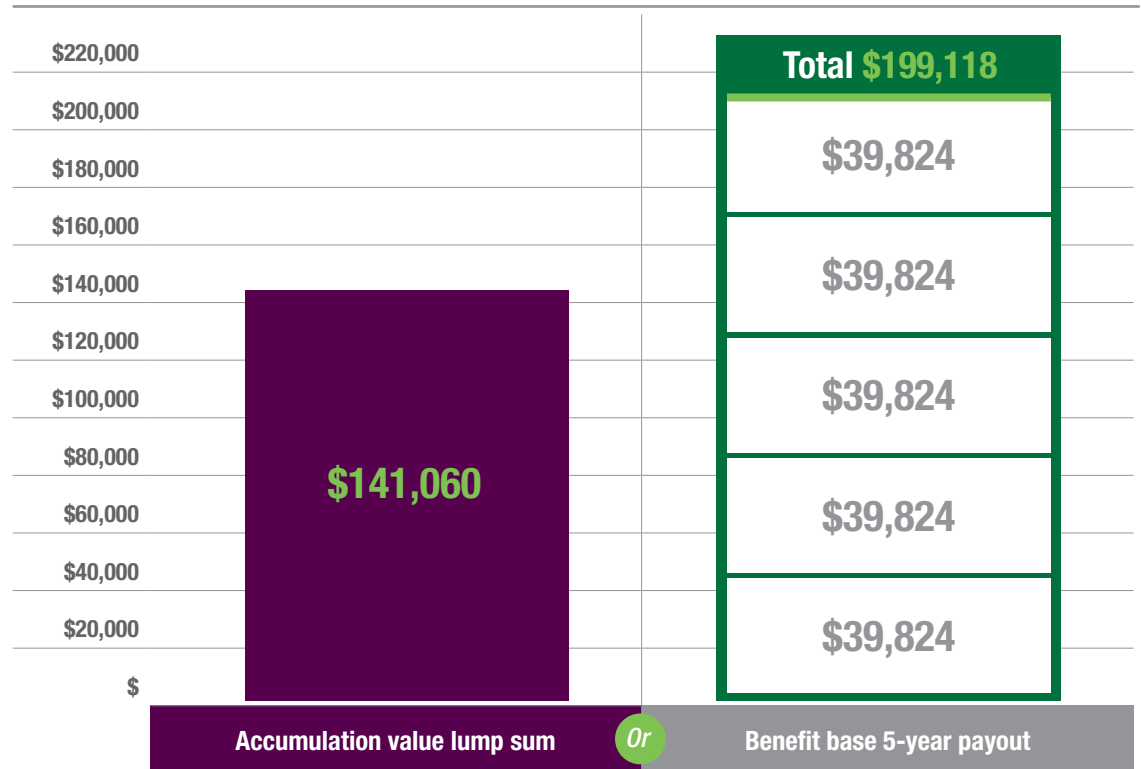
If joint income is elected on your PrimePath 12 annuity, your spouse can continue taking LPAs for the rest of his/her life. If not joint, LPAs can't continue.

## Value at death

### Hypothetical death benefit example

#### Assumptions:

- \$100,000 initial premium
- No additional premium, no withdrawals
- 10-year accumulation prior to death; the average interest credit to the accumulation value is an assumed and hypothetical rate of 3.5%



*This hypothetical example is not intended to predict future performance. Alternative assumptions could produce different results.*

The PrimePath® 12 is issued on form NC/NA1008A (certificate/contract), AE577A, AE581A, AE583A, AE584A, AE586A, AE587A, AE588A, AE589A, AE620A and AE629A or appropriate state variation by North American Company for Life and Health Insurance®, West Des Moines, IA. This product, its features and riders may not be available in all states.

Premium taxes: Accumulation value and surrender value will be reduced for premium taxes as required by the state of residence.

Fixed index annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indexes, without the risk of loss of premium due to market downturns or fluctuation. They may not be appropriate for all clients. Interest credits to a fixed index annuity will not mirror the actual performance of the relevant index.

**Special notice regarding the use of a living trust as owner or beneficiary of this annuity.**

The use of living trusts in connection with an annuity contract can be a valuable planning mechanism. However, a living trust is not appropriate when mass-produced in connection with the sale of an insurance product. We strongly suggest you seek the advice of your qualified legal advisor concerning the use of a trust with an annuity contract.

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. Under current law, annuities grow tax deferred. Annuities may be subject to taxation during the income or withdrawal phase. 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 any other features make the Contract appropriate for your needs.

Withdrawals taken prior to age 59 1/2 may be subject to IRS penalties.

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<p><b>“A+”</b> (Superior)</p> <p>(Second category of 15) Superior ability to meet ongoing obligations to policyholders</p>	<p><b>“A+”</b> (Strong)</p> <p>(Fifth category of 22) Very strong financial security characteristics</p>	<p><b>“A+”</b> (Stable)</p> <p>(Fifth category of 19) Strong business profile, low financial leverage</p>

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