



NORTH AMERICAN CHARTERSM SERIES

FIXED INDEX ANNUITY - HIGHLIGHT SHEET

The North American CharterSM Series is an Index Cap Rate only product offering:

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

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

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

Products that have premium bonuses may offer lower credited interest rates and/or lower Index Cap Rates than products that don't offer a premium bonus. Over time and under certain scenarios the amount of the premium bonus may be offset by the lower interest rates and/or lower Index Cap Rates.

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

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

- Dow Jones Industrial AverageSM
- Nasdaq-100[®]
- Standard & Poor's 500 Index[®]
- Lehman Brothers U.S. Aggregate Index
- Dow Jones EuroSTOXX 50[®]
- Russell 2000[®] Index
- Standard & Poor's MidCap 400 Index[®]
- Hindsight Index Strategy[®]
(combination of S&P 500[®], DJ EuroSTOXX50[®] and Russell 2000[®])

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

INDEX CAP RATE An Index Cap Rate is applied to each of the Index Accounts. This rate, which is based upon current economic conditions, is declared each contract anniversary. Upon issue, the minimum Index Cap Rate will be guaranteed for the entire term of your contract. The following chart outlines the guaranteed minimum Index Cap Rate by crediting method. At no time will the rate fall below these minimum values. An Index Cap Rate does not apply to the Fixed Account.

DAILY AVERAGE	ANNUAL POINT-TO-POINT	MONTHLY POINT-TO-POINT
4% annual Index Cap Rate	4% annual Index Cap Rate 3% annual Index Cap Rate on Hindsight Index Strategy [®]	1% monthly Index Cap Rate

(The Lehman Brothers U.S. Aggregate Index has a minimum annual Index Cap Rate of 3%.)

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

PENALTY-FREE WITHDRAWALS Up to 10% of Accumulation Value may be withdrawn once each contract year after your client's first anniversary. Withdrawals, surrenders and loans from this annuity prior to age 59 ½ may be subject to IRS penalties. Under current law, annuities grow tax deferred. An annuity is not required for tax deferral in qualified plans. Partial withdrawals above the penalty-free amount and surrenders will be subject to Surrender Charges if taken during the surrender charge period.

INTEREST ADJUSTMENT The Charter Series has an Interest Adjustment which is applied only during the surrender charge period to full surrenders and to any partial surrender in excess of the penalty-free amount. This adjustment may decrease or increase the Surrender Value depending on the change in interest rates since the annuity purchase.

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

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

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

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

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

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

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

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

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

FOR AGENT USE ONLY. NOT TO BE USED FOR CONSUMER SOLICITATION PURPOSES. The CharterSM Series annuities are issued on form LC156A (group certificate), LS156A (individual contract), LR342A, LR398A and LR445A (riders/endorsements) 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. The Dow Jones Euro STOXX 50[®] is the intellectual property of (including registered trademarks) Stoxx Limited, Zurich, Switzerland and/or Dow Jones & Company, Inc., a Delaware corporation, New York, USA, (the "Licensors"), which is used under license. The securities based on the Index are in no way sponsored, endorsed, sold or promoted by the Licensors and neither of the Licensors shall have any liability with respect thereto. "Dow JonesSM", "Dow Jones Industrial AverageSM" and "DJIASM" are service marks of Dow Jones and Company, Inc.SM and have been licensed for use for certain purposes by North American. The CharterSM Series are not sponsored, endorsed, sold or promoted by Dow JonesSM and Dow JonesSM makes no representation regarding the advisability of investing in these products.

"Standard & Poor'sSM", "S&PSM", "S&P 500SM", "S&P MidCap 400SM", "Standard & Poor's MidCap 400 IndexSM" and "Standard & Poor's 500 IndexSM" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by North American. The CharterSM Series are not sponsored, endorsed, sold or promoted by Standard & Poor'sSM and Standard & Poor'sSM makes no representation regarding the advisability of investing in the product.

Nasdaq-100[®], Nasdaq-100 Index[®] and Nasdaq[®] are registered marks of the Nasdaq Stock Market, Inc. (which with its affiliates are the "Corporations") and are licensed for use by North American. The CharterSM Series have not been passed on by the Corporations as to their legality or suitability. The CharterSM Series is not issued, endorsed, sold or promoted by the Corporations. THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THE CharterSM Series. Russell 2000[®] Index is a trademark of Frank Russell Company and has been licensed for use by North American. The CharterSM Series are not sponsored, endorsed, sold or promoted by Frank Russell Company and Frank Russell Company makes no representation regarding the advisability of investing in these products. The Product(s) is not sponsored, endorsed, sold or promoted by Lehman Brothers. Lehman Brothers makes no representations or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the Lehman Index to track general bond market performance. Lehman Brothers' only relationship to the Licensee is the licensing of the Lehman Index which is determined, composed and calculated by Lehman Brothers without regard to the Licensee or the Product(s). Lehman Brothers has no obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the Lehman Index. Lehman Brothers is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. Lehman Brothers has no obligation or liability in connection with the administration, marketing or trading of the Product(s). Lehman Brothers and Lehman Brothers U.S. Aggregate Index are trademarks of Lehman Brothers Inc.

LEHMAN BROTHERS DOES NOT GUARANTEE THE QUALITY, ACCURACY AND/OR THE COMPLETENESS OF THE LEHMAN INDEX OR ANY DATA INCLUDED THERE IN, OR OTHERWISE OBTAINED BY LICENSEE, OWNERS OF THE PRODUCT(S), OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE LEHMAN INDEX IN CONNECTION WITH THE RIGHTS LICENSED HEREUNDER OR FOR ANY OTHER USE. LEHMAN BROTHERS MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE LEHMAN INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL LEHMAN BROTHERS HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.



P.O. Box 79905 Des Moines, IA 50325