

About the Threshold Participation Strategy

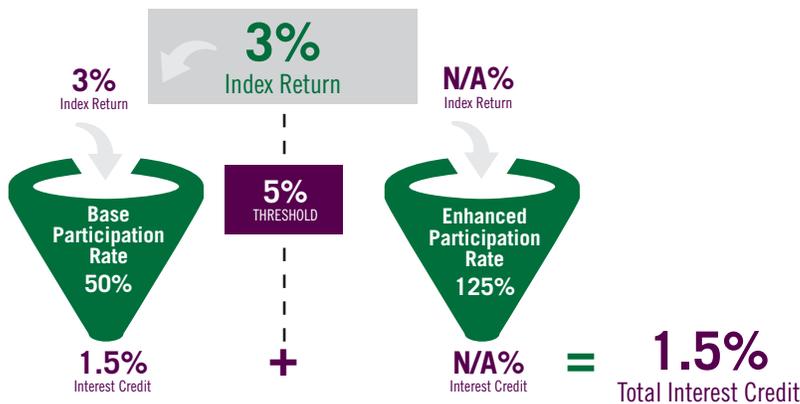
The Annual Point-to-Point with Threshold Participation Rates, also called the Threshold Participation Strategy, provides the same downside protection offered by other crediting methods but offers more upside potential in years of high index growth through an innovative design of threshold participation rates.

For the Threshold Participation Strategy, both of the threshold participation rates (**Base and Enhanced**) may apply in the calculation of your interest credit. Once the Annual-Point-to-Point Index Return has been calculated, the Index Return is compared to the declared Index Return Threshold. Let's look at a couple hypothetical examples showing an index return that is less than the Threshold rate and an index return that is greater than the Threshold Rate.

Example 1

Index Return LESS THAN Index Return Threshold

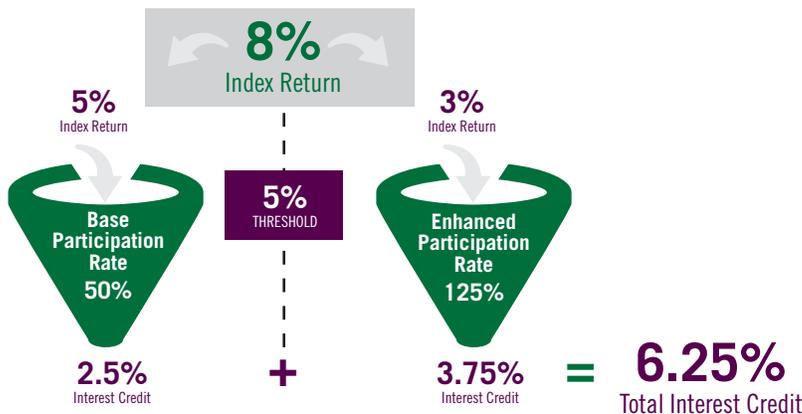
If the gain is less than or equal to the Index Return Threshold, the Base Participation Rate is applied to the gain and used to determine your interest credit.



Example 2

Index Return GREATER THAN Index Return Threshold

If the gain exceeds the Index Return Threshold, the Base Participation Rate is applied to the portion of the gain up to and including the Index Return Threshold and the Enhanced Participation Rate is applied to the portion of the gain that exceeds the Index Return Threshold. The sum of these values is used to determine your interest credit.



Hypothetical examples are for illustrative and educational purposes only. The use of alternate assumptions could produce significantly different results.

Key Terms:

Index Return Threshold

The Index Return Threshold (or Threshold rate) is a declared Rate which is used to determine whether the Base and/or Enhanced Participation Rate will apply and to which portion of the Annual Index Return the Base and/or Enhanced Participation Rates will be applied.

Participation Rate

A Participation Rate is a percentage that is multiplied by any index-linked gain at the end of the contract year to determine the Interest Credit to your contract.

Base Participation Rate

Rate applied to any index growth less than or equal to the Threshold Rate.

Enhanced Participation Rate

Rate applied to any index growth greater than the Threshold Rate.

The Index Return Threshold, the Base Participation Rate, and the Enhanced Participation Rate are each declared annually at the Company's discretion. Each is guaranteed for the first contract year, and can change each year thereafter on the contract anniversary, but will never exceed the maximum Index Return Threshold or fall below the minimum Base Participation Rate or minimum Enhanced Participation Rate.

The Threshold Participation Strategy uses the S&P 500® Low Volatility Daily Risk Control 5% Index.

For applicable Fixed Index Annuity products, please contact your Independent Insurance Agent.

Disclosure

Annuity products and riders are issued by North American Company for Life and Health Insurance®, West Des Moines, IA. Product features, rider and index options may not be available in all states or appropriate for all clients. This is a brief summary of one product feature. Please see the specific product brochure and materials for more detailed information on product features and limitations.

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 indices, without the risk of loss of premium due to market downturns or fluctuation. They may not be appropriate for all clients.

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