

Over 130 Years Of Strength & Stability

# You Can Have Confidence in North American



# We focus on what matters most.

With 130 years of business under our belt, North American's continued and consistent financial strength is a result of our conservative and disciplined investment strategy, our private ownership structure, and **doing what's right for our distribution partners and policyowners.**

## Speaking of policyowners, did you know...

North American Company holds over **595,000 life insurance** and **annuity policies**, with assets of **over \$22 billion**. We have paid out over **\$389 million** in life insurance death claims in 2016 and our Sammons Annuity Group has **\$43 billion** of annuity reserves for 609,000 contract owners.

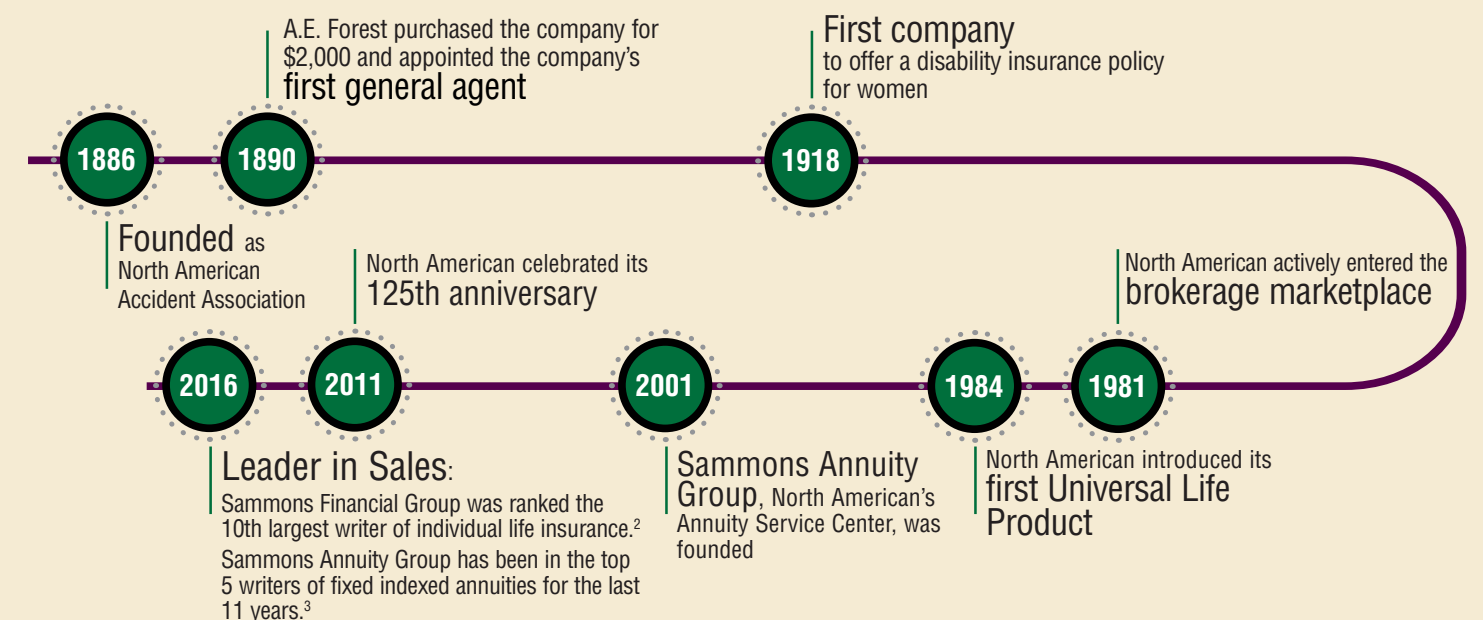


## History of Strength

As an affiliate of the privately held Sammons® Financial Group, Inc.<sup>1</sup> (SFG), we are not subject to the short-term earning pressures that publicly held companies often face. As we reflect on our long history, we are proud of our long-term business decisions and of our continued tradition of financial strength and stability. The high ratings we've maintained from the major rating agencies are testaments to that strength:

- "A+" (Superior) A.M. Best
- "A+" (Strong) S&P Global Ratings

With a track record like this, you can have confidence in North American.



# Measures of Strength

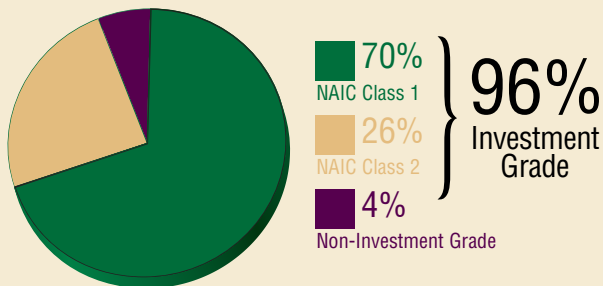
## 2016 FACT SHEET

While we celebrated our 130th year of business in 2016 and are eagerly looking ahead to the future, here is a glance at the success we enjoyed in asset quality for the year 2016.

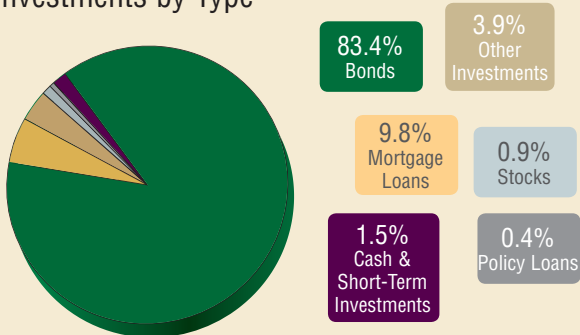
### STRENGTH

North American's asset quality is excellent.

#### Bonds by NAIC Quality Rating



#### Investments by Type<sup>4</sup>



### BALANCE SHEET<sup>5</sup>

#### Assets

As of December 31, 2016 (In thousands)

Bonds.....	\$18,155,230
Stocks.....	\$202,902
Mortgage Loans.....	\$2,143,777
Cash and Short-Term Investments .....	\$328,317
Loans to Policyholders .....	\$88,650
Other Invested Assets .....	\$848,638
Accrued Investment Income .....	\$156,187
All Other Assets .....	\$258,554
<b>Total Assets.....</b>	<b>\$22,182,255</b>

#### Liabilities and Capital

As of December 31, 2016 (In thousands)

Life and Annuity Reserves .....	\$16,934,530
Interest Maintenance Reserve (IMR) .....	\$183,910
Asset Valuation Reserve (AVR).....	\$143,625
Other Liabilities .....	\$3,510,093
<b>Total Liabilities .....</b>	<b>\$20,772,158</b>
Capital and Surplus.....	\$1,410,097
<b>Total Liabilities, Capital and Surplus .....</b>	<b>\$ 22,182,255</b>



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1. Sammons<sup>®</sup> Financial Group is comprised of North American Company for Life and Health Insurance<sup>®</sup>, Sammons Annuity Group<sup>SM</sup> (a division of Midland National), Sammons<sup>®</sup> Corporate Markets Group (a division of Midland National), Midland National<sup>®</sup> Life Insurance Company, Sammons Retirement Solutions<sup>®</sup>, Inc. and Sammons Financial Network<sup>®</sup>, LLC, member FINRA.

2. Source: LIMRA International, U.S. Retail Individual Life Insurance Sales Reports Fourth Quarter 2016 results. Sales based on annualized premium plus excess.

3. Source: Beacon Annuity Survey, Total Fixed Annuity Sales, 2005 - 2016.

4. Stated as a percent of total invested assets.

5. North American Balance sheets as of 12/31/16 (in thousands). Information presented is on a Statutory Accounting basis.

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 obligations to policyholders. A+ is the second highest rating out of 15 categories and was affirmed for North American Company for Life and Health Insurance as part of Sammons Financial Group on July 14, 2016. For the latest rating, access [www.ambest.com](http://www.ambest.com).

S&P Global Ratings awarded its "A+" (Strong) rating for insurer financial strength on February 26, 2009 and affirmed on October 19, 2016 to North American Company for Life and Health Insurance, as part of Sammons Financial Group. The "A+" (Strong) rating is the fifth highest out of 22 available ratings.