

We're  
Here  
for Life<sup>®</sup>



**North American Company**  
for Life and Health Insurance  
Since 1886



**Steve E. Palmitier**  
President and Chief Operating Officer

## LETTER FROM THE PRESIDENT

North American Company's culture is driven by a set of shared values — Integrity, Openness, Respect, and Accountability. These values keep the company, its employees, and its representatives focused on doing the right things in the right way. You'll find that our culture is evident in our mission, history, stability, and investment philosophy.

We like to sum up our company's culture with the phrase "***We're Here for Life.***" It means so much to us that we trademarked it. When it comes to your finances, you need a company you can count on. One that's stable, and strong enough to stand the test of time. You want — and deserve — a company that will be there for you and your clients. We're North American Company... ***We're Here for Life.***

Sincerely,

**Steve E. Palmitier**  
President and Chief Operating Officer

## MISSION

To make life better for individuals and families...to afford security, trust, superior value, and peace of mind to those we serve...to offer the best in financial resources and services.



## HISTORY

Founded in 1886, North American has survived two world wars, the great depression, and multiple recessions. Yet the company has maintained its private ownership and now holds nearly 475,000 life insurance and annuity policies with assets of over \$8.4 billion.

## OWNERSHIP

North American is a member of Sammons Financial Group, which means that we offer something that is unique in the life insurance industry: private ownership with employee-shareholders.<sup>1</sup> We live by the belief that employee-shareholders with solid personal values yield positive behaviors that produce strong business results. This kind of ownership creates an atmosphere where personal, efficient service is the priority.

## STABILITY

Why is our stability important to you? As part of a privately-held company, we are not subject to the short-term earnings pressures that publicly-held companies face to satisfy Wall Street's expectations. We are a company with plans to perpetuate itself for hundreds of years, not the next quarter or fiscal year. We focus on the long term. We focus on you.

## INVESTMENT PHILOSOPHY

A company's investment philosophy is a good indication of how well the company will fare in good — and bad — economic environments. North American strives for a quality, comprehensive, and diverse investment portfolio. The vast majority of the investment portfolio is in bonds, of which approximately 95% are investment grade.

## You

If you've ever been waited on by the owner of a store — versus one of the store's employees — you've likely experienced a strong distinction in service. Like owners, North American employees have a genuine stake in the company's success, and they take your business seriously. Contact your North American representative today and be assured that ***We're Here for Life.***



## ASSETS

As of December 31, 2008  
(In thousands)

Bonds.....	\$7,703,723
Preferred Stock.....	80,551
Common Stock .....	26,419
Cash and Short-term Investments.....	92,616
Loans to Policyowners.....	80,512
Other Invested Assets.....	267,614
Accrued Investment Income.....	71,262
Other Assets.....	112,086
Premiums in Course of Collection .....	12,079
<b>Total Assets .....</b>	<b>\$8,446,862</b>

## LIABILITIES AND CAPITAL

As of December 31, 2008  
(In thousands)

Net Policy Reserves .....	\$6,488,155
Policy Claim Reserves .....	36,690
Commissions, Taxes & Expenses .....	66,667
Asset Valuation Reserve (AVR) .....	58,079
Retained Assets Liability .....	79,443
Interest Maintenance Reserve .....	32,013
Repurchase Agreements & Other Borrowings .....	1,085,931
Other Liabilities.....	73,325
<b>Total Liabilities.....</b>	<b>\$7,920,303</b>
Common Stock.....	2,500
Paid-In & Contributed Surplus .....	436,507
Unassigned Surplus .....	87,552
<b>Total Capital and Surplus.....</b>	<b>\$526,559</b>
<b>Total Liabilities, Capital and Surplus .....</b>	<b>\$8,446,862</b>

<sup>1</sup> Sammons Financial Group is comprised of North American Company for Life and Health Insurance, Midland National Life Insurance Company, Sammons Annuity Group - a division of Midland National, Sammons Corporate Markets Group - a division of Midland National, and Sammons Securities Company, Inc. With life operations located in Chicago, Illinois, the Annuity Division located in West Des Moines, Iowa, and Corporate Markets located in Fargo, North Dakota, North American operates in 49 states, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, the island of Anguilla, and on several overseas military installations. Employee-shareholders do not include independent insurance producers or registered representatives.



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