



North American Company
for Life and Health Insurance
Since 1886

2013 Annual Report

Continued Strength & Stability

Founded in 1886, North American has stood strong to help protect those who count on us for financial security. We are part of Sammons Financial Group, Inc.¹ (SFG), whose member companies offer a diverse portfolio of investment services, including life insurance, annuities, securities and retirement solutions. SFG's parent company, Sammons Enterprises Inc.,² is a multi-faceted, global holding corporation that ranks as one of the largest privately-held companies in the United States.

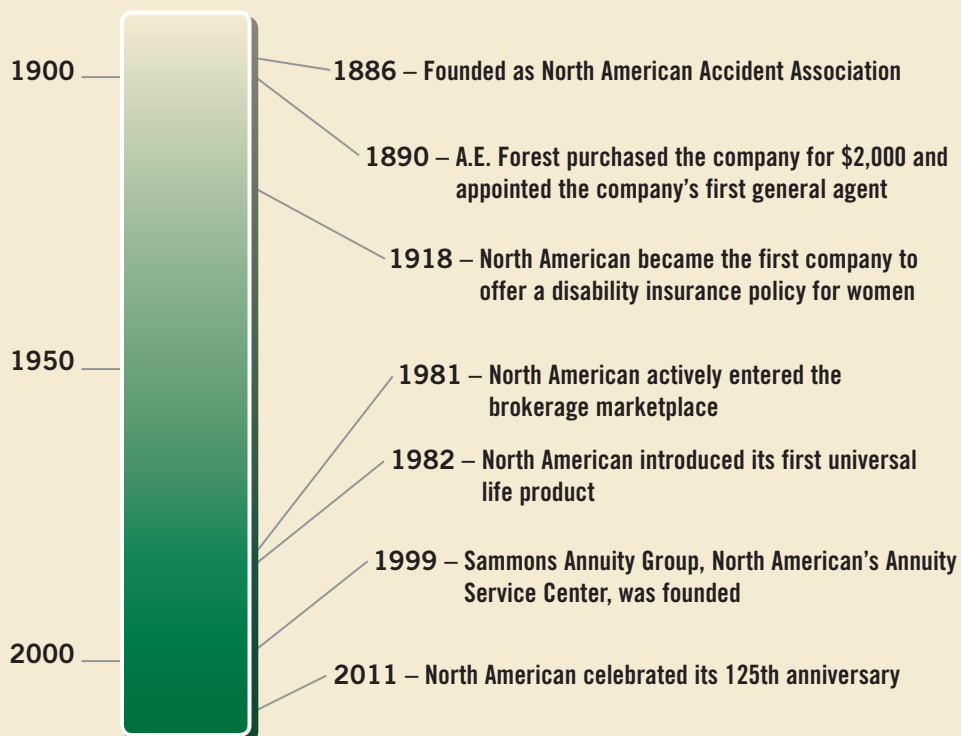
As a privately held company, North American is not subject to the short-term earning pressures that publicly held companies often face. We make decisions for the long term and stay focused on what matters most—protecting our policyowners and supporting our distribution partners.

Financial Strength Ratings³

As a steward of our policyowners' financial futures, we focus on financial strength and maintaining high ratings from the major rating agencies.

- A+ (Superior) A.M. Best
- A+ (Strong) Standard & Poor's

North American holds over 500,000 life insurance and annuity policies, with assets of over \$13 billion.



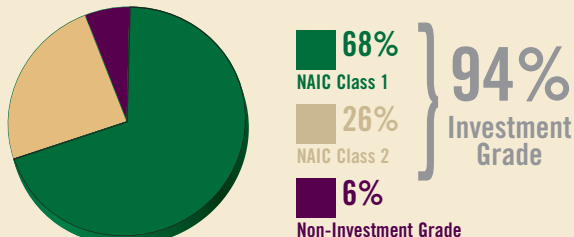
2013 Fact Sheet

STRENGTH

North American's asset quality is excellent.

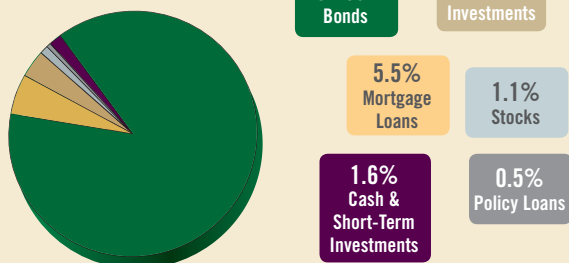
Bonds by NAIC Quality Rating

Bonds consist of US Government, government agency, and corporate securities.



Stocks consist primarily of public utilities, adjustable rate preferred, and other publicly-related securities.

Investments by Type⁴



Short-term investments consist of commercial paper, money market funds, and other high-quality, short-maturity investments.

BALANCE SHEET⁵

Assets

As of December 31, 2013 (In thousands)

Bonds.....	\$12,974,119
Stocks	161,264
Mortgage Loans	806,601
Cash and Short-Term Investments.....	232,449
Loans to Policyholders.....	79,301
Other Invested Assets	515,772
Accrued Investment Income	112,978
All Other Assets.....	139,185
Total Assets	\$15,021,669

Liabilities and Capital

As of December 31, 2013 (In thousands)

Life and Annuity Reserves.....	\$11,970,324
Interest Maintenance Reserve (IMR)	120,246
Asset Valuation Reserve (AVR)	102,751
Other Liabilities	1,763,200
Total Liabilities.....	13,956,521
Capital and Surplus.....	1,065,148
Total Liabilities, Capital and Surplus.....	\$ 15,021,669



Visit us online at
www.NorthAmericanCompany.com

1. Sammons Financial Group is comprised of North American Company for Life and Health Insurance®, Midland National® Life Insurance Company, including its divisions, Sammons Annuity Group and Sammons Corporate Markets Group, Sammons Securities Company®, LLC., Sammons Retirement Solutions, Inc.™ and Sammons Financial Network, LLC.™
2. Ranked No. 123 on Forbes' 2013 List of America's Largest Private Companies. The list includes 224 closely held corporations that had sales of more than \$2 billion.
3. **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 May 29, 2013. For the latest rating, access www.ambest.com. **Standard and Poor's** awarded its "A+" (Strong) rating for insurer financial strength on February 26, 2009 and affirmed on July 11, 2013 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.
4. Stated as a percent of total invested assets.
5. Information presented is on a Statutory Accounting basis.