

# ELEVATE

*Reaching new heights together*



# Think Differently!

## Case Design Post AG49B



1352NP

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2-23

# il-lus-trate

- To provide with visual features intended to explain or decorate
- To make clear by giving or be serving as an example or instance

il-lus-trate

# IUL Illustrations



An Illustration is just PART of the IUL Sale

Educate & Promote Index Diversification

Utilize the Index charts within the illustration

# IUL Illustration tips



Take advantage of rate bands at \$100k & \$1M

Alternate illustrations – no income or different loan type

Level or ROP DBO do not require a DBO change in the future

\*Subject to terms of the policy.



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# di-ver-si-fi-ca-tion

- The act or process of diversifying something of becoming diversified; an increase in the variety or diversity of something il-lus-trate
- The act or practice of spreading investments among a variety of securities or classes of securities

# Different Choices for Different Environments



Index	Best Environment
S&P 500® Pt to Pt	General market conditions
Fidelity MFY Index 5% ER	Desire to limit variability
S&P 500® with Spread	High index return years
High Par S&P 500®	Lower return years
Uncapped S&P 500®	Moderately high index return years
S&P 500® Monthly Pt to Pt	Slow and steady rising market
Midcap 400® & Russell 2000®	Desired exposure to mid-cap & low-cap

# Index Charts from Illustrations

Index Selection	Index	Index Crediting Method	Minimum Index Cap Rate	Current Index Cap Rate	Minimum Index Par Rate	Current Index Par Rate	Current Spread Rate	Max Spread Rate	Initial Premium Allocation
1	S&P 500®	Annual Pt-to-Pt	2%	9.30%	100%	100%	None	None	100.00%
2	Fidelity MFY Index 5% ER^	Annual Pt-to-Pt	None	None	35%	120%	None	None	0%
3	S&P 500®	Annual Pt-to-Pt w/ Spread	None	None	100%	100%	7.5%	30%	0%
4	High Par S&P 500®	Annual Pt-to-Pt	1%	7.90%	140%	140%	None	None	0%
5	Uncapped S&P 500®	Annual Pt-to-Pt	None	None	10%	50.75%	None	None	0%
6	S&P 500®	Monthly Pt-to-Pt	0.50%	3.30%	100%	100%	None	None	0%
7	S&P MidCap 400®	Annual Pt-to-Pt	2%	8.25%	100%	100%	None	None	0%
8	Russell 2000®	Annual Pt-to-Pt	2%	8.25%	100%	100%	None	None	0%
Fixed Account		None	None	None	None	None	None	None	0%

^Fidelity Multifactor Yield Index<sup>SM</sup> 5% ER

# Index Charts from Illustrations



*The Average Rate of Return uses the current Index Cap Rate, Index Participation Rate, Index Spread Rate and Index Floor Rate and assumes money was deposited on each business day of the year. All Index Selections or Index Crediting Methods may not be available in all jurisdictions.*

Index Selection	Index	Index Crediting Method	5 Year	10 Year	20 Year	25 Year	30 Year	40 Year	Max Illustrated Rate
1	S&P 500®	Annual Pt-to-Pt	6.3%	6.7%	5.8%	6.3%	6.4%	6.3%	5.91%
2	Fidelity MFY Index 5% ER <sup>^</sup>	Annual Pt-to-Pt	5.0%	5.7%	6.4%	N/A	N/A	N/A	3.58%
3	S&P 500®	Annual Pt-to-Pt w/ Spread	7.1%	6.9%	5.5%	7.2%	6.7%	7.4%	6.32%
4	High Par S&P 500®	Annual Pt-to-Pt	5.7%	6.1%	5.3%	5.7%	5.8%	5.7%	5.38%
5	Uncapped S&P 500®	Annual Pt-to-Pt	6.3%	6.4%	5.3%	6.4%	6.2%	6.5%	5.67%
6	S&P 500®	Monthly Pt-to-Pt	7.2%	7.6%	6.1%	6.7%	6.7%	6.7%	5.42%
7	S&P MidCap 400®	Annual Pt-to-Pt	4.1%	5.4%	5.4%	5.4%	5.6%	N/A	5.32%
8	Russell 2000®	Annual Pt-to-Pt	3.9%	5.0%	5.1%	4.8%	5.1%	5.2%	5.24%

<sup>^</sup>Fidelity Multifactor Yield Index<sup>SM</sup> 5% ER



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## S&P 500 Annual Pt to Pt

- #1 six times
- #1 only 3 times when Fidelity is #1 due to bonus

## Fidelity Index

- #1 eight times
- 4 of those times due to the bonus in a zero yr
- #1 three more times with 1.65% bonus
  - 9.45%
  - 10.25%
  - 9.55%

## S&P 500 Pt to Pt w/ Sprd

- #1 six times

End Year	S&P 500® Annual PTP		Fidelity Multifactor Yield Index™ 5% ER Annual PTP		S&P 500® Annual PTP w/Spread		High Par S&P 500® Annual PTP		Uncapped S&P 500® Annual PTP	
	Index Change	Return for Index Selection	Index Change	Return for Index Selection	Index Change	Return for Index Selection	Index Change	Return for Index Selection	Index Change	Return for Index Selection
2003	26.4%	9.3%	10.0%	12.0%	26.4%	18.9%	26.4%	7.9%	26.4%	13.4%
2004	9.0%	9.0%	6.5%	7.8%	9.0%	1.5%	9.0%	7.9%	9.0%	4.6%
2005	4.7%	4.7%	-0.9%	0.0%	4.7%	0.0%	4.7%	6.6%	4.7%	2.4%
2006	13.5%	9.3%	3.5%	4.2%	13.5%	6.0%	13.5%	7.9%	13.5%	6.8%
2007	3.5%	3.5%	4.6%	5.5%	3.5%	0.0%	3.5%	4.9%	3.5%	1.8%
2008	-38.5%	0.0%	-0.4%	0.0%	-38.5%	0.0%	-38.5%	0.0%	-38.5%	0.0%
2009	23.5%	9.3%	4.4%	5.3%	23.5%	16.0%	23.5%	7.9%	23.5%	11.9%
2010	12.8%	9.3%	11.7%	14.0%	12.8%	5.3%	12.8%	7.9%	12.8%	6.5%
2011	1.5%	1.5%	10.0%	12.0%	1.5%	0.0%	1.5%	2.2%	1.5%	0.8%
2012	13.4%	9.3%	7.2%	8.6%	13.4%	5.9%	13.4%	7.9%	13.4%	6.8%
2013	29.6%	9.3%	4.5%	5.4%	29.6%	22.1%	29.6%	7.9%	29.6%	15.0%
2014	11.4%	9.3%	10.9%	13.1%	11.4%	3.9%	11.4%	7.9%	11.4%	5.8%
2015	-0.7%	0.0%	-2.5%	0.0%	-0.7%	0.0%	-0.7%	0.0%	-0.7%	0.0%
2016	10.5%	9.3%	6.6%	7.9%	10.5%	3.0%	10.5%	7.9%	10.5%	5.3%
2017	20.4%	9.3%	8.0%	9.6%	20.4%	12.9%	20.4%	7.9%	20.4%	10.4%
2018	-6.2%	0.0%	-0.5%	0.0%	-6.2%	0.0%	-6.2%	0.0%	-6.2%	0.0%
2019	28.9%	9.3%	11.8%	14.1%	28.9%	21.4%	28.9%	7.9%	28.9%	14.7%
2020	16.3%	9.3%	4.3%	5.1%	16.3%	8.8%	16.3%	7.9%	16.3%	8.3%
2021	26.9%	9.3%	3.3%	4.0%	26.9%	19.4%	26.9%	7.9%	26.9%	13.7%
2022	-19.8%	0.0%	-11.7%	0.0%	-19.8%	0.0%	-19.8%	0.0%	-19.8%	0.0%
Average		6.5%		6.4%		7.3%		5.8%		6.4%

“Return for Index Selection” shows the return for that index selection using the current index cap rate, current index spread rate, current index participation rate & the index floor rate of 0%. These calculations assume money was deposited on December 31.



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End Year	S&P 500® Monthly PTP		S&P Midcap 400® Annual PTP		Russell 2000® Annual PTP	
	Index Change	Return for Index Selection	Index Change	Return for Index Selection	Index Change	Return for Index Selection
2003	24.3%	14.5%	34.0%	8.3%	45.4%	8.3%
2004	8.9%	8.4%	15.2%	8.3%	17.0%	8.3%
2005	4.9%	4.3%	12.9%	8.3%	5.0%	5.0%
2006	12.9%	12.7%	9.4%	8.3%	17.0%	8.3%
2007	3.9%	0.6%	6.7%	6.7%	-2.8%	0.0%
2008	-44.0%	0.0%	-37.3%	0.0%	-34.8%	0.0%
2009	24.9%	0.0%	35.0%	8.3%	25.2%	8.3%
2010	14.1%	0.0%	24.9%	8.3%	25.3%	8.3%
2011	2.7%	0.0%	-2.1%	0.0%	-4.0%	0.0%
2012	13.2%	10.7%	16.1%	8.3%	14.6%	8.3%
2013	26.5%	22.5%	31.6%	8.3%	37.0%	8.3%
2014	11.1%	9.7%	8.2%	8.2%	3.5%	3.5%
2015	0.2%	0.0%	-3.7%	0.0%	-5.7%	0.0%
2016	10.5%	6.9%	19.4%	8.3%	20.2%	8.3%
2017	18.8%	18.5%	15.5%	8.3%	14.2%	8.3%
2018	-5.0%	0.0%	-12.5%	0.0%	-12.2%	0.0%
2019	26.5%	17.0%	24.1%	8.3%	23.7%	8.3%
2020	18.5%	0.0%	11.8%	8.3%	18.4%	8.3%
2021	24.6%	17.7%	23.2%	8.3%	13.7%	8.3%
2022	-19.5%	0.0%	-14.9%	0.0%	-22.0%	0.0%
Average		7.2%		6.1%		5.4%

## S&P 500 Monthly Pt to Pt

- #1 four times

“Return for Index Selection” shows the return for that index selection using the current index cap rate, current index spread rate, current index participation rate & the index floor rate of 0%. These calculations assume money was deposited on December 31.



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# Index Charts from Illustrations

## Bonuses

<b>Interest Bonus on the Fixed Account Value</b>	After the 10th policy anniversary, if we declare a current Interest Rate on the Fixed Account Value that is higher than the Fixed Account Guaranteed Rate, then we will increase the current rate by an amount no lesser than 1.00%. The non-guaranteed illustrated values on the "Projected Policy Values" pages of this document utilizes the current Interest Bonus on the Fixed Account Value of 1.00%. The Interest Bonus on the Fixed Account Value does not apply to any portion of the Fixed Account attributable to Policy Debt.
<b>Interest Bonus on the Indexed Account</b>	<p>We will add an Interest Bonus on the Indexed Account to the rate used to calculate the Index Credit. The timing and amount of this bonus varies by Index Selection as shown below:</p> <ul style="list-style-type: none"><li>• Fidelity Multifactor Yield Index<sup>SM</sup> 5% ER<ul style="list-style-type: none"><li>• Non-Guaranteed Basis: 1.65% in Policy Years 1-10, 2.65% in Policy Years 11+</li><li>• Guaranteed Basis: 0.5% in all Policy Years</li></ul></li><li>• All other Index Selections<ul style="list-style-type: none"><li>• Non-Guaranteed Basis: 1% in Policy Years 11+</li><li>• Guaranteed Basis: 0.5% in Policy Years 11+</li></ul></li></ul> <p>This bonus does not apply to any portion of the Index Account Value attributable to Policy Debt.</p>

# Index Allocations



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Index Segments are 1 yr long - not necessarily the same as the policy anniversary

10 day window after index segment ends to roll over to a NEW index option

Funds allocated to the Fixed account can move to another index ANY time

Systematic Premium Allocation for lump sum or annual premiums

\*Subject to terms of the policy.



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# Annual Maintenance of IUL



## Review Annual Statement

- Compare actual performance to sales illustration

## Review/discuss

- Premium plans & income plans
- Index performance & index changes if needed
- Beneficiary changes
- Additional Coverage
- Referrals

# Things WILL Change



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Biggest variable is the client

Will they pay all of the premiums?

Will they pay lower premiums?

Will the client want to take income earlier or will they delay income?

Will they desire a lump sum instead?

Will they want the income for a shorter or longer timeframe?

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# Things WILL Change



Does the DBO need to be changed in the future?

Does the DB amount need to be reduced in the future? (MEC & Guideline Limits & Surr Charge)

The index returns could be higher or lower due to market performance or changing caps, participation or spread rates

\*Subject to terms of the policy.



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# Inforce Illustrations



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Think about limiting to every 5 yrs

May not reflect any positive arbitrage

They do not assume ANY changes without you specifically requesting those changes



Thank  
You!



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