Index Universal Life (IUL) Annual Statement FAQs

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1. Why is the initial premium not credited as the Issue Date, thus creating the first Account Period on the next monthiversary?

Your policy's first Account Period may not match your policy's first anniversary if your policy's first premium was not credited as the same date as your Issue Date (the official active date of the policy). Therefore, your policy's first Account Period will mature on a later date than your policy's first anniversary.

The first premium ever received on the policy is credited as the date in which all requirements are received or credited as the Issue date if at the time of issue, the Issue Date was for a future date. If the initial premium is not credited before or as the Issue Date, then the funds will create the first Account Period the following month that the funds were credited as. If all requirements are received prior to underwriting approval, then the initial premium will be credited as the date that the policy was physically issued.

2. If the Account Period falls on a weekend or holiday, then which dates are used?

We use the prior date that the market was open for the Account Period.

EXAMPLE: The Account Period is 04/05/2020-04/05/2021. Since 04/05/2020 was a Sunday, we use the prior open market date (Friday, 04/03/2020) for the beginning value.

3. Why doesn't the Account Period share the same date as the premium's credit date?

If the funds are not credited with a date on or before the Allocation Day in the month that the funds were received in, then the Interim Fund Transfer occurs on the next monthiversary.

Example: The Issue Date is 04/05/2020, therefore the Allocation Day is the 5th for every month. A subsequent premium was received and credited as 07/10/2020. The Interim Fund Transfer will occur on the next monthiversary, which is 08/05/2020. This creates the Account Period 08/05/2020-08/05/2021. In this example, since the premium was credited with a date after the Allocation Date 07/05/2020, it uses the next month's Allocation Date 08/05/2020.

4. How is the Allocation Day determined?

The Issue Date determines the Allocation Day.

EXAMPLE: The Issue Date is 04/05/2020. The Allocation Day is the 5th of every month.

KEY TERMS AND DEFINITIONS

Account Period
Each index has the duration of one year. This is referred to as your Account Period.

Allocation Day
The monthiversary of your policy's Issue Date. Each Account Period begins on the Allocation Day and ends on the same Allocation Day of the same month one year later.

Interim Fund Transfer
Net Premium or Eligible value transferred to the Index Fund Account.

Issue Date
The official active date of the policy that determines the policy's anniversaries.

Renewal Allocation Amount
This amount on any Allocation Day is equal to the Renewal Allocation Percentage multiplied by the value of the Account ending on the day immediately preceding the Allocation Day, including any Index Interest credited to such Account.

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5. **How does the Dollar Cost Averaging (DCA) rider work and how will it show on the annual statement?**

The DCA rider provides an additional layer of control to help ride out the periodic ups and downs in market performance – like bumpers or shocks for your policy's accumulation potential. It helps to lessen the risk of the initial lump sum payment not earning interest. Instead of allocating the initial lump sum payment all at once, the DCA rider divides the lump sum payment to up to 12 monthly allocations. This creates more potential for the one-time payment to earn interest.

Depending on the requested number of transfers at the time of issue for the DCA rider, the annual statement can show up to 12 index segments for the one payment. Typically, one payment only creates one index segment. The rider can separate one payment into as many as 12 index segments. Per usual, the Rate of Return will be calculated for each segment.

6. **How is the interest generally calculated for the Rate of Return?**

On each Allocation Day, Net Premiums and loan repayments received that are designed to receive Index Interest, the value in the Interim Account, as well as Renewal Allocation Amount will be placed in the appropriate Index Account.

Then at the end of each Account Period, we calculate the Index Interest Percentage used for crediting Index Interest to each Account. We compare the Index Value at the end of the Account Period to the Index Value at the beginning of the same Account Period to determine the percentage change in the Index Value. If the market has gone up between the beginning value and end value, then interest is earned.

Not A Deposit | Not Insured By Any Federal Government Agency | May Lose Value | No Bank Or Credit Union Guarantee | Not FDIC/NCUA/NCUSIF Insured

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