

# One- and two-year index crediting

Indexed Universal Life (IUL) uses a different crediting method than other fixed insurance products. Premium dollars first go into an interim account, where they earn fixed interest daily. On the third Friday of each month, those transfer to an indexed account, where the crediting is tied to the movement of a market index chosen by the client.<sup>1</sup>

## How it works

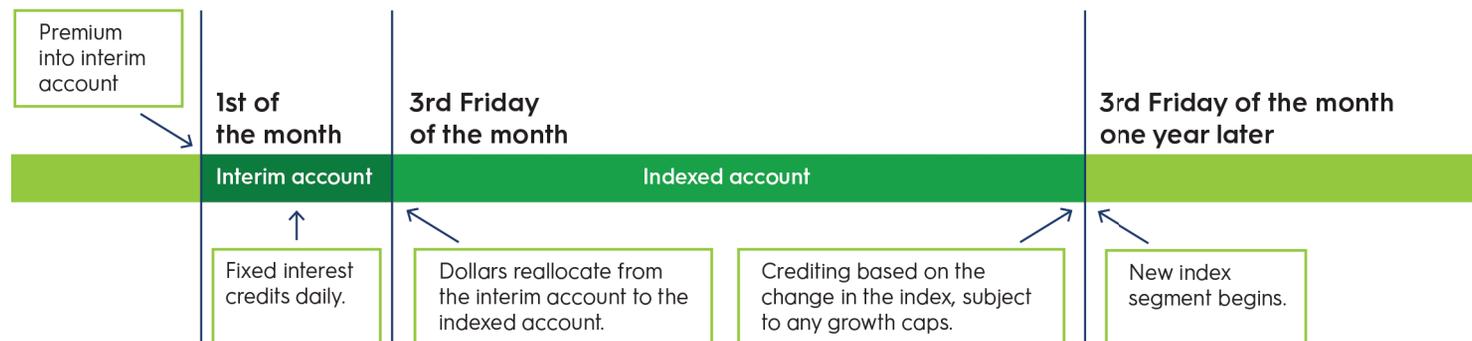
- A premium is paid on November 1, 2018
- It earns fixed interest in the interim account; monthly charges may be deducted
- On the third Friday of the month, dollars reallocate to the indexed account
- At the end of the segment term, index credits are calculated and applied to the index segment

<b>One-year index crediting</b>	<b>Two-year index crediting<sup>1</sup></b>
No index credits are earned until the third Friday of November in 2019.	No index credits are earned until the third Friday of November in 2020.
Crediting is based on the change in the index from one year ago.	Crediting is based on the change in the index from two years ago.

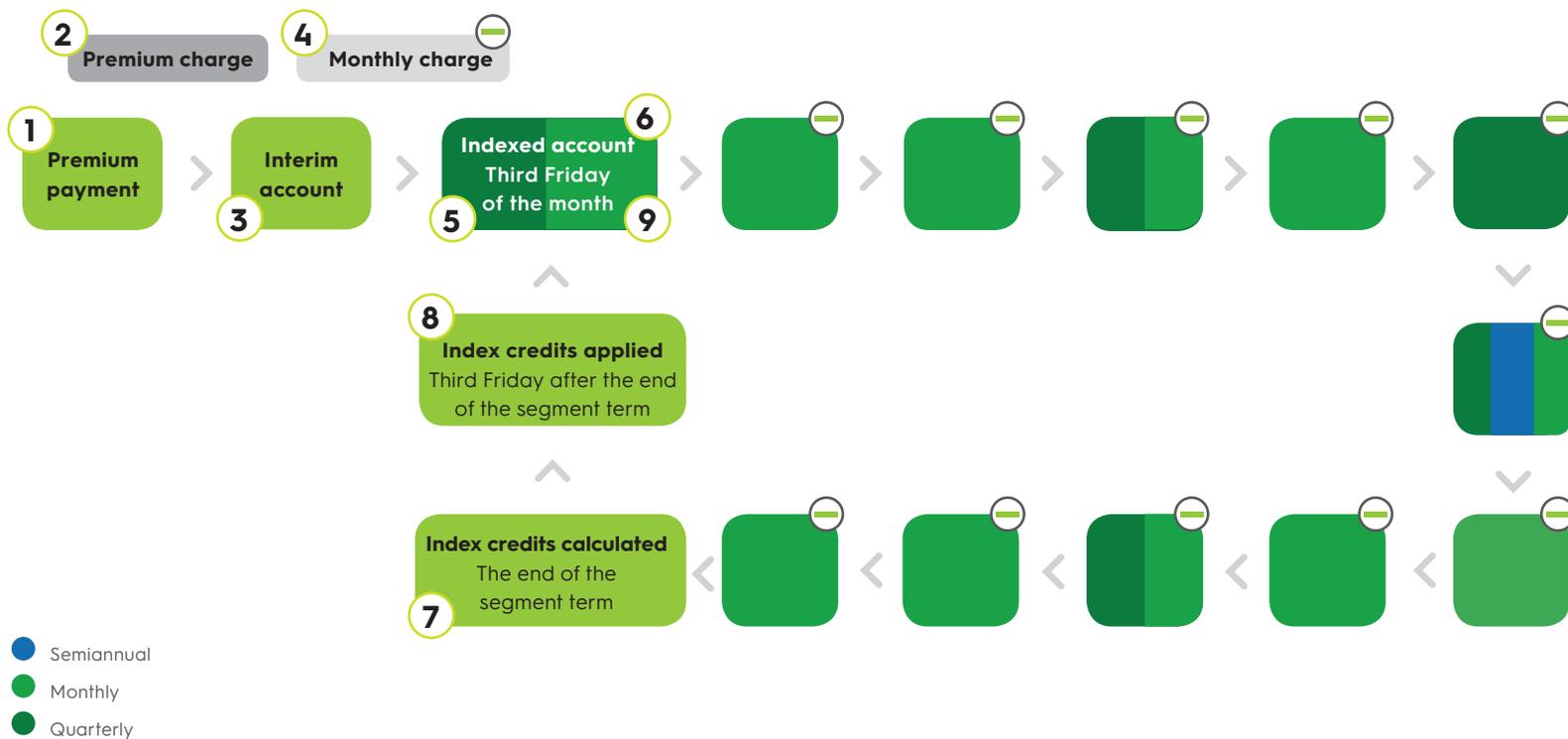
Index crediting occurs on a one- or two-year basis, depending on which indexed account the client has selected, as noted in the table to the right:

<b>One-year index crediting</b>	<b>Two-year index crediting</b>
Index credits are applied <b>one year</b> after an index segment is established.	Index credits are applied <b>two years</b> after an index segment is established.
We identify the index's closing value and credit the account based on the change.	
Another <b>one-year crediting period</b> (known as an index segment) begins at that time.	Another <b>two-year crediting period</b> (known as an index segment) begins at that time.

## ONE-YEAR INDEX SEGMENT



<sup>1</sup> Premiums paid on the third Friday of the month are deposited directly into the indexed account.



1. A premium is paid.
2. A premium charge is deducted.
3. The premium earns fixed interest, calculated and credited daily, in the interim account.
4. A monthly charge may be deducted.
5. On the third Friday of the month, dollars reallocate to an indexed account. We record the closing value of the tracked index. (Premiums paid on the third Friday of the month go directly to the indexed account.)
6. Whenever a regular premium is paid, a new index segment is created on the third Friday of the month (immediately following the payment). Above, you'll see **monthly**, **quarterly** and **semiannual** examples for a one-year index segment. Monthly charges are always deducted.
7. At the end of the segment term, index credits are calculated (could be one or two years, depending on the indexed account).
8. Index credits are applied on the third Friday of the month after the index segment anniversary. Crediting is based on the beginning and ending value of the index after one or two years, depending on the indexed account.
9. A new index segment begins.

<sup>1</sup>Two-year index crediting not available in the state of New York.

It is important to note that should the index have 0% growth or decline, policy owners bear the risk that no index credit will be given to the account.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

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