

AG49-A: Beyond Multipliers

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Crump Life Insurance Services



Crump Market Share Summary*

	2016	% UL Only	2017	% UL Only	2018	% UL Only	2019	% UL Only	Q3'20	% UL Only
UL	75%		71%		69%		69%		60%	
	<i>GUL</i>	48%	<i>GUL</i>	38%	<i>GUL</i>	31%	<i>GUL</i>	25%	<i>GUL</i>	22%
	<i>IUL</i>	32%	<i>IUL</i>	39%	<i>IUL</i>	51%	<i>IUL</i>	62%	<i>IUL</i>	66%
	<i>CAUL</i>	18%	<i>CAUL</i>	23%	<i>CAUL</i>	16%	<i>CAUL</i>	12%	<i>CAUL</i>	8%
WL	10%		12%		8%		6%		7%	
VUL	15%		17%		24%		24%		33%	



*Excluding Term and COLI

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Crump Top 10 IUL Products

2016	2017	2018	2019	Q3'20
Prudential Founders Plus IUL	John Hancock Protection IUL	John Hancock Protection IUL	John Hancock Protection IUL	John Hancock Protection IUL
Lincoln LifeReserve IUL Accumulator	Prudential Founders Plus IUL	Pacific Life Discovery Xelerator IUL	John Hancock Accumulation IUL	Lincoln WealthAccumulate IUL
John Hancock Protection IUL	Prudential Advantage IUL	Principal IUL Accumulation	<i>Lincoln WealthAccumulate IUL</i>	John Hancock Protection <u>SIUL</u>
<i>Lincoln WealthAdvantage IUL</i>	Lincoln WealthAdvantage IUL	Prudential Founders Plus IUL	Prudential Founders Plus IUL	John Hancock Accumulation IUL
Nationwide YourLife IUL Accumulator	<i>Pacific Life Discovery Xelerator IUL</i>	Prudential Advantage IUL	<i>Accordia Lifetime Builder Elite IUL</i>	Pacific Life Discovery Xelerator IUL
Accordia Lifetime Builder IUL	Nationwide YourLife IUL Accumulator	<i>John Hancock Accumulation IUL</i>	<u>John Hancock Protection SIUL</u>	Accordia Lifetime Builder Elite IUL
Protective Indexed Choice IUL	Accordia Lifetime Builder IUL	Lincoln WealthAdvantage IUL	Pacific Life Discovery Xelerator IUL	Prudential Founders Plus IUL
<i>John Hancock Accumulation IUL</i>	<i>Principal IUL Accumulation</i>	<i>Penn Mutual Accumulation Builder Select IUL</i>	<i>Symetra Accumulator IUL</i>	<i>Allianz Life Pro+ Advantage IUL</i>
Securian Eclipse IUL	<i>AXA Bright Life Grow IUL</i>	<u><i>John Hancock Protection SIUL</i></u>	Prudential Advantage IUL	<u><i>Prudential Survivorship IUL</i></u>
<i>Prudential Advantage IUL</i>	<u><i>Prudential Survivorship Index UL</i></u>	Nationwide YourLife IUL Accumulator	Nationwide IUL Accumulator	<i>Equitable Bright Life Protect IUL</i>

Income Solve Case Study

Carrier	Product	Income Solve @ <i>Mild</i>	Income Solve @ <i>Medium</i>	Income Solve @ <i>Hot</i>	Target
AIG	Max Accumulator+ IUL	\$23,394	\$23,394	\$29,894	\$4,731
Allianz	Life Pro+ Advantage	\$15,265	\$25,700	\$26,550	\$3,783
Equitable	BrightLife Grow	\$23,040	\$25,350	\$26,352	\$4,239
Global Atlantic	Global Accumulator IUL	\$23,986	\$32,207	\$42,131	\$4,400
John Hancock	Accumulation IUL 20 (Silver)	\$18,673	\$26,411	\$26,878	\$4,545
Lincoln	WealthAccumulate IUL	\$20,936	\$22,837	\$38,081	\$5,115
Mutual of Omaha	Income Advantage IUL	\$18,287	\$28,793	\$30,373	\$4,372
Nationwide	IUL Accumulator II	\$24,100	\$25,839	\$31,712	\$4,497
North American	Builder Plus IUL 2	\$18,109	\$29,284	\$30,799	\$4,085
Pacific Life	Discovery Xelerator 2 (40%)	\$21,918	\$23,957	\$22,584	\$4,506
Penn Mutual	Accumulation Builder Flex	\$21,891	\$28,503	\$32,042	\$4,828
Principal	IUL Accumulation II	\$23,192	\$27,979	\$30,596	\$4,548
Prudential	Index Advantage UL	\$22,139	\$24,834	n/a	\$4,888
Securian	Eclipse Accumulator	\$22,453	\$26,675	\$27,490	\$3,574
Symetra	Accumulator IUL 2.0	\$22,276	\$27,754	\$32,775	\$4,415
Transamerica	Financial Foundation IUL	\$8,289	\$30,285	n/a	\$4,246
		\$20,497	\$26,863	\$30,590	\$4,423

How Does IUL Compare?

"Before & After"

- 2017 CSO Mortality Tables
- Principles-Based Reserves

Product Type	Product	Illustrated Interest Rate	Max Income for 20 Yrs
WL	MassMutual WL Legacy 65	6.40%	\$19,865
VUL	Lincoln Asset Edge	8.00% (7.40%)	\$37,117
IUL	Mild	5.00%	\$21,863
(Composite)	Medium	6.56%	\$31,931
	Hot	6.83%	\$35,358

Product Type	Product	Illustrated Interest Rate	Max Income for 20 Yrs
WL	MassMutual WL Legacy 65	6.20%	\$19,475
VUL	Lincoln Asset Edge	8.00% (7.44%)	\$36,221
IUL	Mild	5.00%	\$20,497
(Composite)	Medium	5.92%	\$26,863
	Hot	6.23%	\$30,590

Premium Solve Case Study

Carrier	Product	Premium Solve @ <i>Mild</i>	Premium Solve @ <i>Medium</i>	Premium Solve @ <i>Hot</i>	Guaranteed Premium	Guaranteed Years	Target
AIG	Value+ Protector IUL	\$13,047	\$13,047	n/a	\$14,686	39 / 39 / -- / 45	\$14,840
Equitable	IUL Protect	\$13,905	\$13,181	n/a	\$10,661	35 / 35 / -- / 35	\$14,190
Global Atlantic	Lifetime Foundation Elite	\$11,373	\$10,687	n/a	\$10,770	35 / 35 / -- / 35	\$15,000
John Hancock	Protection IUL 20 (Silver)	\$13,322	\$10,691	\$10,233	n/a	31 / 29 / 28 / --	\$14,523
Lincoln	WealthPreserve IUL	\$13,919	\$13,133	\$12,313	\$10,788	35 / 35 / 35 / 35	\$14,990
Mutual of Omaha	Life Protection Advantage IUL	\$12,746	\$11,368	n/a	\$10,770	30 / 30 / -- / 30	\$13,060
Nationwide	IUL Protector II	\$12,791	\$12,289	\$10,883	\$13,245	35 / 35 / 27 / 65	\$13,913
North American	Protection Builder IUL	\$16,165	\$14,625	n/a	\$15,957	65 / 65 / -- / 65	\$14,930
Principal	IUL Flex II	\$13,910	\$12,192	n/a	\$9,903	25 / 25 / -- / 25	\$15,360
Protective	Indexed Choice UL	\$12,250	\$11,519	n/a	\$13,682	35 / 31 / -- / 50	\$14,330
Prudential	Founders Plus UL	\$15,015	\$15,015	n/a	\$20,900	39 / 39 / -- / 66	\$14,900
Securian	Eclipse Protector II	\$19,277	\$18,468	n/a	\$14,249	66 / 66 / -- / 66	\$14,440
Symetra	Protector IUL 1.0	\$11,267	\$10,989	\$9,885	\$18,404	35 / 34 / 32 / 65	\$15,004
		\$13,768	\$12,862	\$10,829			\$13,534



How Does IUL Compare?

Carrier	Product	Premium NLG	CV Yr 20	CV Yr 30	DB Yr 20	DB Yr 30	
AIG	Value+ Protector IUL @4.65%	\$13,047	39 Yrs	\$294,633	\$519,617	\$1,000,000	\$1,000,000
AIG	Secure Lifetime GUL 3 @2.0%	\$14,021	66 Yrs	\$140,211	\$153,102	\$1,000,000	\$1,000,000
John Hancock	Protection IUL 20 (Silver) @7.25%	\$10,691	29 Yrs	\$145,328	\$295,964	\$1,000,000	\$1,000,000
John Hancock	Protection UL (Silver) @4.55%	\$11,130	35 Yrs	\$123,615	\$233,753	\$1,000,000	\$1,000,000
Lincoln	WealthPreserve IUL @5.39%	\$13,133	35 Yrs	\$309,516	\$554,296	\$1,000,000	\$1,000,000
Lincoln	LifeGuarantee UL @2.0%	\$17,069	66 Yrs	\$51,072	\$0	\$1,000,000	\$1,000,000
Nationwide	IUL Protector II @5.28%	\$12,289	35 Yrs	\$247,321	\$448,924	\$1,000,000	\$1,000,000
Nationwide	YourLife No-Lapse GUL II @1.0%	\$13,045	65 Yrs	\$0	\$0	\$1,000,000	\$1,000,000
Principal	IUL Flex II @5.92%	\$12,192	25 Yrs	\$269,396	\$487,057	\$1,000,000	\$1,000,000
Principal	UL Protector V @2.0%	\$13,000	66 Yrs	\$0	\$0	\$1,000,000	\$1,000,000
Protective	Indexed Choice UL @5.41%	\$11,519	31 Yrs	\$269,036	\$477,356	\$1,000,000	\$1,000,000
Protective	Lifetime Assurance UL @2.5%	\$12,828	66 Yrs	\$64,140	\$96,210	\$1,000,000	\$1,000,000
Symetra	Protector IUL 1.0 @5.14%	\$10,989	34 Yrs	\$280,272	\$514,676	\$1,000,000	\$1,000,000
Symetra	UL-G 7.0 @2.0%	\$15,033	65 Yrs	\$189,126	\$161,222	\$1,000,000	\$1,000,000



Product Changes; Premium / Face Amount Limits

Carrier	Product
AIG	Secure Lifetime GUL 3 - ~15% increase, \$500k \$1.5mm premium; Platinum Choice VUL 2 - ~15% increase, \$1mm premium
Lincoln	LifeGuarantee UL - ~20% increase; LifeGuarantee Survivorship UL - ~20% increase; VULone, SVULone - ~16% increases, \$500k premium
Nationwide	NLG UL II - 5% to 10% increase, \$1mm premium / \$10mm face amount; IUL Protector II & Survivorship IUL w/ ELNG Rider to A120 - \$1mm premium / \$10mm face amount IUL Accumulator II, IUL Protector II & Survivorship IUL w/ ELNG Rider to A90 - \$25mm face amount
North American	Custom Guarantee UL Gen. 9, Protection Builder IUL with Premium Guarantee Rider - 15% to 20% increases, \$100k \$250k premium; Smart Builder, Builder Plus IUL 2, Protection Builder IUL without Premium Guarantee Rider - \$1mm premium
Pacific Life	PL Promise GUL - 4% to 14% increase; \$2.5mm \$3.5mm face amount
Penn Mutual	Guaranteed Protection UL - 10% to 20% increase; All Products - \$1mm premium
Principal	UL Protector V 4% to 14% increase; SUL Protector III - 11% to 12% increases; All UL, SUL, IUL, and VUL products (except Executive VUL III) - \$1mm premium
Protective	Advantage Choice UL - \$500k premium; Lifetime Assurance UL, Indexed Choice UL, Custom Choice UL, ProClassic II UL - \$1mm premium
Prudential	UL Protector - 8% to 12% increase Withdrawn; VUL Protector - ~11% increase All Single Life products (except Founders Plus UL and Essential UL) - 8x Target Yrs 1 - 3; All Survivorship products - 10x Target Yrs 1 - 3; Large case review threshold \$1M;
Symetra	UL-G - ~20% increase

AG 49 – What’s Next?

NAIC Group Puts IUL Illustration ‘Multipliers’ Under Microscope

🕒 February 12, 2019

By [John Hilton](#)



State insurance regulators debated risk and reward and how much of the former consumers should take on in pursuit of the latter when purchasing indexed universal life products.

A National Association of Insurance Commissioners' subgroup revealed the depths of members' disagreement during its first conference call Tuesday on IUL illustrations.

The IUL illustration subgroup has a 2019 charge to "provide recommendations for modifications to AG 49 to the Life Actuarial (A) Task Force." The issue involves IUL multipliers, which did not exist when AG 49 was adopted in 2015.

AG 49-A

- Effective date ~~11/25/20~~ **12/14/20**
- Not retroactive to Inforce policies
- Products with Multipliers will illustrate no better than those without multipliers
- Applies to persistency bonuses, buy-up accounts, indexed multipliers, etc.
- Maximum participating or variable loan spread reduced from 100bps to 50bps, inclusive of all persistency bonuses, buy-up accounts, indexed multipliers, etc.
- Impacts illustrations only; no impact whatsoever on the underlying product features and benefits

AG49 vs AG49-A

	AG49 Rate	"Illustrated" Rate	Multiplier	Implied Rate
AG49 (Current)	6.00%	6.00%	-	6.00%
	6.00%	6.00%	15.00%	6.90%
	6.00%	6.00%	20.00%	7.20%
	6.00%	6.00%	25.00%	7.50%
AG49-A (12/14/2020)	6.00%	6.00%	-	6.00%
	6.00%	6.00%	15.00%	6.00%
	6.00%	6.00%	20.00%	6.00%
	6.00%	6.00%	25.00%	6.00%
	6.00%	5.00%	-	5.00%
	6.00%	5.00%	15.00%	5.75%
	6.00%	5.00%	20.00%	6.00%
	6.00%	5.00%	25.00%	6.00%

Wing Night



SMILIN'

- SALT AND VINEGAR**
It's all in the name.
- LEMON PEPPER**
Citrus zest with black pepper.
- CHIPOTLE BBQ**
The roasted chipotle pepper and BBQ flavors.
- BUFFALO**
Classic heat and soothing buttery flavor.
- DESERT HEAT**
Smoky, sweet and chili pepper flavors.

TRY ONE, OR TRY THEM ALL.

Pick a favorite for today, then a new favorite tomorrow. With 12 sauces and five dry seasonings to choose from, the possibilities are endless.

SCREAMIN'

PARMESAN
Roasted garlic and parmesan with Romano cheese.

MEDIUM
Classic wing sauce. Comfortably hot.

HONEY BBQ
A sweet, sassy sauce. Savor the flavor.

SPICY GARLIC
A tasty, spicy, garlic-y good sauce.

ASIAN ZING
Sweet heat. A chili pepper, soy and ginger sauce.

JERK
Tropical spices and a spicy sauce.

MANGO HABANERO
Feel the burn, savor the sweet. Two sensations, one sauce.

AG49 vs AG49-A

Select Allocations		Your Chosen Allocations		Historical Averages			
Annual point-to-point with a cap	% allocated	Current cap/ par.rate	10 years	15 years	20 years	25 years	
S&P 500® Index	0%	8.25% / 100%	5.71%	5.32%	4.79%	5.48%	
Blended Index	34%	13.00% / 100%	6.70%	6.82%	6.06%	7.42%	
Annual point-to-point with a participation rate	% allocated	Current par.rate					
Bloomberg US Dynamic Balance II ER Index	33%	150.00%	9.99%	8.12%	N/A	N/A	
PIMCO Tactical Balance ER Index	33%	150.00%	9.05%	7.82%	N/A	N/A	
Bonused Allocations		Your Chosen Allocations		Historical Averages			
Annual point-to-point with a cap	% allocated	Current cap/ par.rate	10 years	15 years	20 years	25 years	
S&P 500® Index	0%	8.25% / 100%	5.71%	5.32%	4.79%	5.48%	
Blended Index	0%	13.50% / 100%	6.79%	6.92%	6.16%	7.59%	
Annual point-to-point with a participation rate	% allocated	Current par.rate					
Bloomberg US Dynamic Balance II ER Index	0%	155.00%	10.31%	8.38%	N/A	N/A	
PIMCO Tactical Balance ER Index	0%	155.00%	9.34%	8.08%	N/A	N/A	
Monthly sum with a cap	% allocated	Current cap/ par.rate					
S&P 500® Index	0%	3.00% / 100%	7.51%	6.16%	5.59%	6.83%	
Nasdaq-100® Index	0%	3.00% / 100%	7.16%	6.34%	5.84%	6.51%	
Trigger Method	% allocated	Current trigger interest rate					
S&P 500® Index	0%	6.25%	4.34%	4.55%	4.02%	4.46%	

AG49 vs AG49-A

Index Returns 0%

Indexed Account	Cap Rate	Guaranteed Multiplier	Index Performance Charge	Segment Growth Rate	Crediting Rate	Crediting Rate minus Index Performance Charge
Select Capped	10%	5%	0%	0%	0%	0%
Capped	10%	45%	1.98%	0%	0%	-1.98%
Enhanced Capped	10%	106%	4.98%	0%	0%	-4.98%

Index Returns 5%

Indexed Account	Cap Rate	Guaranteed Multiplier	Index Performance Charge	Segment Growth Rate	Crediting Rate	Crediting Rate minus Index Performance Charge
Select Capped	10%	5%	0%	5%	5.25%	5.25%
Capped	10%	45%	1.98%	5%	7.25%	5.27%
Enhanced Capped	10%	106%	4.98%	5%	10.30%	5.32%

Index Returns 20%

Indexed Account	Cap Rate	Guaranteed Multiplier	Index Performance Charge	Segment Growth Rate	Crediting Rate	Crediting Rate minus Index Performance Charge
Select Capped	10%	5%	0%	10%	10.50%	10.50%
Capped	10%	45%	1.98%	10%	14.50%	12.52%
Enhanced Capped	10%	106%	4.98%	10%	20.60%	15.62%

Cookies 'n Cream or Rocky Road?



S&P 500 Index Options

- | | |
|-----------------|-----------------------------------|
| Lincoln | • S&P 500 Point-to-Point w/ Cap |
| Mutual of Omaha | • S&P 500 Point-to-Point High Par |
| Principal | • S&P 500 Point-to-Point High Cap |
| Protective | • S&P 500 Point-to-Point Uncapped |
| Prudential | |

Non-S&P 500 Index Options

Allianz

Equitable

Global Atlantic

John Hancock

Securian

- Nasdaq-100 Monthly Sum w/ Cap
- Russell 2000 Point-to-Point w/ Cap
- MSCI EAFE Point-to-Point w/ Cap
- Hang Seng Point-to-Point w/Cap
- EURO STOXX 50 Point-to-Point w/ Cap



“Blended” Index Options

Allianz
Nationwide
Pacific Life
Securian
Transamerica

- Blended Point-to-Point w/ Cap: DJIA, Bloomberg Barclays US Aggregate Bond, Euro Stoxx 50, Russell 2000 (35%, 35%, 20%, 10%)
- Multi-Index Monthly Average : S&P 500, DJIA, NASDAQ 100 (50%, 30%, 20%)*
- International Index Point-to-Point w/ Cap: Euro Stoxx 50, Hang Seng, MSCI Emerging Markets (Average)
- Rainbow Point-to-Point w/ Cap: S&P 500, S&P 500 Low Volatility, Euro Stoxx 50 (50%, 30%, 20%)*
- Global Index* Point-to-Point w/ Cap: S&P 500, Euro Stoxx 50 (50% / 30)* Hang Seng (20%)



Proprietary Index Options

AIG

Allianz

Global Atlantic

Symetra

- Merrill Lynch Strategic Balanced Index Point-to-Point (S&P 500, Merrill Lynch 10 Yr US Treasury)
- PIMCO Global Optima Index Point-to-Point (global equity and US bond markets)
- Bloomberg US Dynamic Balance Index / ER Point-to-Point (S&P 500, Barclays US Bond)
- PIMCO Tactical Balanced Index / ER Point-to-Point (S&P 500, PIMCO Synthetic Bond Index)
- BlackRock Diversa Volatility Control Point-to-Point
- JPMorgan ETF Efficiente 5 Index Point-to-Point



VULs with IUL-style Index Options



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Diversify your client's retirement portfolio by adding *Lincoln AssetEdge*® VUL. It offers protection plus significant growth opportunities for retirement planning through:

- Financial security for clients' loved ones, with added protection for up to 20 years if they can't make a premium payment¹
- Growth opportunity through 75+ investment options and four indexed accounts



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VULs with IUL-style Index Options

- Equitable VUL Legacy, VUL Optimizer (S&P 500 P-t-P w/ Cap)
- John Hancock Accumulation VUL, Accumulation SVUL (S&P 500 P-t-P w/ Cap, High Par)
- Lincoln AssetEdge VUL*, AssetEdge Exec VUL* (S&P 500 P-t-P w/ Cap: Conserve, Balance, Perform, Perform Plus)
- Nationwide VUL Protector, VUL Accumulator (S&P 500 P-t-P w/ Cap, Uncapped, Multi-Index Monthly Average)
- Pacific Life Pacific Select VUL 2 (S&P 500 P-t-P w/ Cap, High Par, Uncapped)
- Prudential Custom Premier II VUL (S&P 500 P-t-P w/ Cap)
- Securian / Minnesota Life VUL Defender, Premier VUL (S&P 500 P-t-P w/ Cap, High Par, High Cap, Low Volatility Index Uncapped)



It's Not What You Say...

