

How an index account works

In addition to **death benefit protection**, indexed universal life insurance provides the potential to earn cash value growth through either a fixed account, an index account that protects you from losses, or a combination of both. With an index account, interest is credited based on how a financial index performs. The minimum interest rate is zero (a floor) that protects against loss. There is also a maximum that would limit growth (a cap) and participation rate (portion of the index change used in the calculation of the index credit). The money in the policy is not directly invested in any index or the stock market. Here's an example of how the index account works in simple terms.

Rules of the game: If the index account were a game of football and the football team an index selection in a life insurance policy, here's how the rules would change:

- **It's always first down.**
- **You won't lose yards (*the floor*).**
- **You can gain a maximum of 10 yards per play (*the cap*).**

Take a look at what happens with these "new rules" in the play-by-play below!

The play-by-play: Pick your favorite quarterback. His team has the ball and is starting out on the 23-yard line.



Under "**NORMAL RULES**," the team would have gained a total of 16 yards and the ball would have been spotted at the 39-yard line. However, with the "**NEW RULES**," the team gained 27 yards and the ball is spotted squarely at the 50, which is an extra 11 yards downfield!

What does this mean for you?

Imagine if the football team was an index selection in an indexed universal life insurance policy. The maximum 10 yards that the football team gained represents the cap rate, and the fact that the team never lost any yards represents the floor. Each play is a year and the yardage gains are locked in interest crediting!

Talk to your North American financial professional for details on how you can put an indexed universal life insurance policy to work for you.

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Indexed Universal Life insurance products are not an investment in the "market" or in the applicable index and are subject to all policy fees and charges normally associated with most universal life insurance.

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