

2020 IUL Product Updates

Life insurers across the industry are making changes to adapt to new regulatory illustration guidelines, which limit the way bonuses are illustrated on IUL products.

What does that mean for National Life Group's IULs and for you?

New illustration regulation requires changes to how current bonuses and loans can be illustrated. As such, we are taking extra care to ensure that our IULs continue to illustrate competitively and optimally. Our living benefits and general product features that make up our core value proposition will remain unchanged.

- Nothing changes for existing in-force policies. Updates apply only to new business and in-force illustrations for NL and LSW IUL policy applications signed and dated on or after 12/12/20
- We have identified enhancements that will allow you to illustrate competitive performance under the new limitations and in consideration of your clients' current market outlooks

What is changing?

Product Features

- Nothing changes for in-force policies
- FlexLife's current bonus structure will be replaced with a fixed persistency bonus, optimizing illustrated values for your client under the new regulation
- New PeakLife policies will offer your clients the flexibility to choose their bonus features, selecting from the current Enhancer Bonus designs or the new fixed persistency bonus design

Illustration System

- Nothing changes for in-force illustrations for IUL policies issued with an **application signed and dated 12/11/20 or earlier**. New industry regulations will limit illustrated performance for the current Enhancer Bonus designs for policy applications signed and submitted on or after 12/12/20
- For Participating loans, the maximum difference between the illustrated loan rate and illustrated rate credited to loan balances will be limited to 0.50%. Actual loan features will remain unchanged
- The Credit Suisse Balanced Trend index will become the new default strategy, offering your clients the largest fixed bonus for both FlexLife and PeakLife

How should you plan for success?

New product features and illustrations will be available beginning 12/12/20. We have supplied transition rules to help you prepare applications for any pending new business.

- The final day to run new business IUL illustrations with current product bonus features is 12/11/20
- For new cases, IUL policy applications must be signed and dated on or before 12/11/20 in order to illustrate current bonus features, otherwise new illustrations will be required with the application
- All cases will follow the standard issue and payment procedure
- New product features will be available on eApp on 12/12/20
- Old product versions will no longer be available after 12/11/20
- All saved illustrations will be automatically converted to the new rules on 12/12/20