

- S&P 500
- Annual Point-to-Point
- 100% Participation
- 0% Floor
- The individual carrier’s index account cap

If a carrier does not offer a “Benchmark Index Account”, they must create a hypothetical one, using their current expense structure, in order to determine their “Benchmark Index Account” rate. In doing this, other factors may be considered, such as positive floors, high/low participation, and different segment lengths. This will result in the possibility that two carriers may publish the same cap, but arrive at slightly different maximum illustrated rates.

With the exception of Indexed Account B (S&P 500, Annual Point-to-Point, 140% Par), Minnesota Life/Securian Life will continue to use the 30 year look-back methodology to determine the illustrated rates, subject to the new maximum rates. For Indexed Account B, the “Benchmark Index Account” methodology will be applied in order to create an appropriate relation to Indexed Account A (S&P 500, Annual Point-to-Point, 100% Par).

Based on this, effective September 1, 2015, the new maximum illustrated rate will be the lesser of the 30 year look-back, or the new, applied, “Benchmark Index Account”.

At this same time, in advance of the March 1, 2016 deadline, Minnesota Life/ Securian Life will update the Alternative Illustrated Rate to reflect AG49 requirements. **The new Alternative Illustrated Rate will be equal to the base products’ Current Fixed Account Crediting Rate.**

Finally, unrelated to AG49, **effective August 22, 2015, participating indexed or variable loans may no longer be illustrated within the first five policy years.**

What are the new maximum illustrated rates?

For IUL policies, where the initial premium is applied on, or after, September 1, 2015, the following maximum illustrated rates apply:

Product/Index Account	Cap	Current Max. Illustrated Rate	New Max. Illustrated Rate
Eclipse, Omega Builder IUL & Eclipse Survivor			
Indexed Account A: S&P 500 – 100% Participation	13%	8.44%	7.26%
Indexed Account B: S&P 500 – 140% Participation	7.50%	7.22%	6.65%
Indexed Account D: S&P 500 3 Year – 140% Participation	32%	8.98%	7.26%
Indexed Account E: Blended – 100% Participation	17%	9.00%	7.26%
Indexed Account F: Euro STOXX 50 – 100% Participation	14%	8.39%	7.26%
Indexed Loan Account: Blended Index - 100% Participation	17%	9.00%	7.26%
Eclipse Protector & Eclipse Survivor Pro			
Indexed Account A: S&P 500 – 100% Participation	10%	6.72%	6.03%
Indexed Account B: S&P 500 – 140% Participation	6%	5.91%	5.47%

Indexed Account D: S&P 500 3 Year – 140% Participation	27%	7.91%	6.03%
Indexed Account E: Blended – 100% Participation	14%	8.43%	6.03%
Indexed Account F: Euro STOXX 50 – 100% Participation	11%	6.91%	6.03%

What is the transition period in order to use pre-AG49 rates?

- The new AG49 compliant maximum illustrated rate will be required on all NAIC Signed Illustrations for contracts where the Initial Premium is applied on, or after 9/1/2015.
- After this date, if the illustration received for an application is not AG49 compliant, a new NAIC Signed Illustration will be required.

What other illustration changes will occur?

As previously mentioned, AG49 has two separate implementation dates, addressing different requirements. Minnesota Life/Securian Life will implement all changes per AG49, with the exception of the Alternative Illustrate Rate.

- September 1, 2015
 - Requires the use of a “Benchmark Index Account” and the setting of new maximum illustrated rates.
- March 1, 2016
 - The Alternative Illustrated Rate cannot exceed the base products’ Fixed Crediting Rate.
 - Note: Minnesota Life/Securian Life has chosen to adopt this requirement effective August 22, 2015, ahead of the March deadline.
 - If the illustration includes a participating (variable or index) loan, the illustrated rate credited to the loan balance may not exceed the illustrated loan charge by more than 100 basis points. The result is that policies will be limited to 1% arbitrage, or leverage.
 - The addition of a new table showing the minimum and maximum of the geometric average annual credited rates calculated.
 - And finally, the Historical Index Performance Report will become part of the base ledger and no longer an optional report.

As the March 1, 2016 implementation date approaches, look for more information about these changes, and additional illustration design enhancements to better position IUL as a life insurance solution.

Minnesota Life/Securian Life believes these changes represent positive industry steps in providing a more consistent experience for our advisors and consumers. Delivering on our promises is a core value of our organization and this new regulation supports our mission in offering competitive products, which are both financially prudent and help protect our clients’ hopes and dreams.