Bringing Value to You

Opportunity for meaningful growth

Protection of funds from market losses

Tax-free funds in retirement

Death benefit

Flexibility as you save and access your funds

You know you should be saving assets for retirement.

But do you know all your options for doing so?

We believe how you save is just as important as how much you save. And we want to help you access an approach that benefits you.

Our goal is to provide you with a retirement savings option that delivers the important benefits listed here.

This brochure will help you understand the value of these benefits and how this approach can help deliver them.

As always, we're here to answer any questions you have.

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The Importance of How You Accumulate

	Traditional 401(k) or Traditional IRA	Roth 401 (k) or Roth IRA
Growth	Many options, typically mutual funds. Account value can fluctuate with market volatility and may be subject to losses, including loss of principal.	Many options, typically mutual funds. Account value can fluctuate with market volatility and may be subject to losses, including loss of principal.
Taxes paid on contributions	deferred (tax-qualified funds)	upfront (non-qualified funds)
Taxes on account growth	entire account value	none
Tax penalties on funds withdrawn before 59 ½	10% tax penalty	10% tax penalty on earnings only
Mandatory withdrawals at 70 ½	yes	no
Limits on annual contribution?	yes	yes
Death benefit	account value (less taxes)	account value

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An Alternative Approach

While life insurance provides a death benefit for your heirs, certain kinds of life insurance can also be used to accumulate money that, through loans, you can use as income in retirement. One such type is a permanent, flexible kind of life insurance called Indexed Universal Life, an IUL. Qualifying for an IUL policy depends on your age and health.

This brochure outlines the features and benefits of Indexed Universal Life. Here are the basics.

Death Benefit	IUL delivers a death benefit to your family, above and beyond the account value of your policy.
Growth	The “index” in an Index Universal Life policy refers to how your cash value can grow and how the indexed portion of your assets is credited annually.
Taxes	With an IUL, your policy premiums are paid with after-tax dollars. Your cash value within the account grows income-tax-free in most cases, and you generally won’t pay income tax on loans you take from your policy in retirement.
Flexibility	Through policy loans, an IUL can deliver the flexibility to access your money when you need it in retirement.

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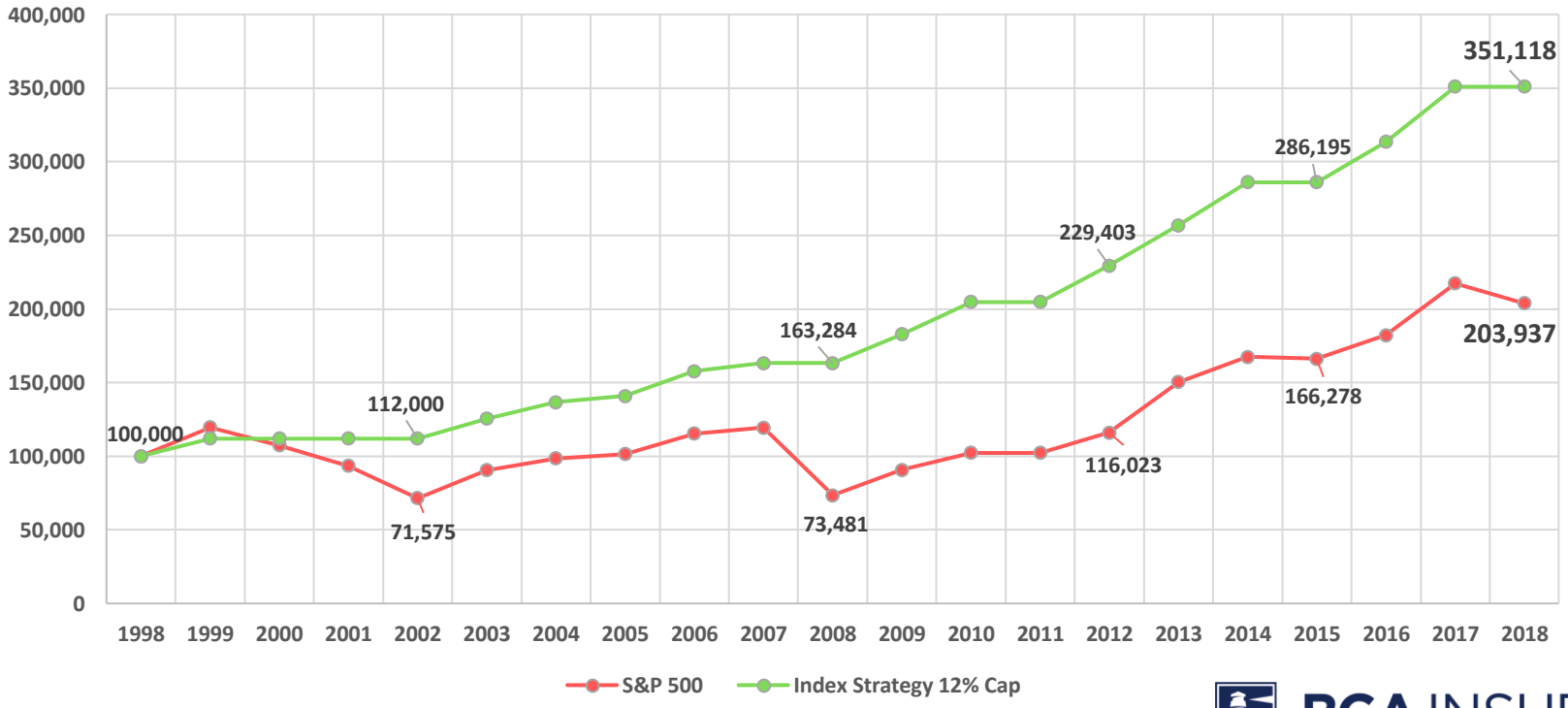
How Funds Grow with Indexing

Growth potential is one important consideration for your retirement assets. Protection? That's one too. An IUL can address both of these concerns through the power of indexing. It's a method that enables policy holders to participate in a portion of the potential rise in the value of a stock market index, while being protected from a potential drop in the index's value. There are many different kinds of indices. As an example, a common indexing method uses the S&P 500 with a cap and a floor. Below is a comparison of a $100,000 investment in stocks reflected by the movement of the S&P total return (red line) and the interest credited under an indexing method using the S&P 500 with a 12% cap (green line):



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Protection with Indexing

No one can predict the future, so we can't know exactly how a product with the all features and benefits outlined in this brochure will perform. However, we want you to understand a range of potential performances that could be delivered through this recommended approach.

Below are four examples of how an indexing method using the S&P 500, with a hypothetical cap of 12% and a floor of 0% interest credited, may have performed in various 10-year periods. These samples can show you a potential range of results that you could experience.

1997 – 2006	6.8%
2000 – 2009	4.9%
2003 – 2012	7.2%
2006 – 2015	7.1%
2009 – 2018	7.7%

The Benefits of Tax-Free Income

When it comes to retirement assets, on factor consider is your tax liability. Retirement assets can grow in vehicles that are taxable, tax-deferred, or potentially even tax-free. Over the past few decades, many common strategies have led to a taxable income stream in retirement, including traditional 401(k) and IRA investments. On the other hand, Roth 401(k)s and Roth IRAs have allowed savers to pay the taxes before purchase and withdraw their initial assets and earned interest tax-free in retirement.

Here's the difference between saving with tax-deferred accumulation and tax-free accumulation:

Tax-Deferred Accumulation

- Funds are not taxed at the time of contribution.
- Instead, both contributions and all associated accumulation are taxed when withdrawn in retirement (pre-tax, qualified vehicles).

Tax-Free Accumulation

- Funds are taxed at the time of contribution.
- Funds accumulate tax-free.
- When funs are withdrawn in retirement, no income tax is due (after-tax, non-qualified vehicles).

Taxes: the Cost of Paying Later

Because tax-deferred accounts require participants to ultimately pay income tax on contributions and accumulation, the overall tax projected to be paid is an important consideration. Below is an example of a tax-deferred account, like an IRA. It shows the taxes deferred at the time of contribution and the taxes owed at the time of withdrawal.

For this example, we've assumed an individual in the 25% tax bracket contributes $10,000 annually for 15 years with a 7% net annual growth rate into a tax-deferred asset, like a 401(k) or an IRA.

Saving Assets	Contributions: $10,000 annually for 15 years	Tax Deferral: $2,500 in taxes deferred annually	Totals: $150,000 contributions, $268,880 account value	**$37, 500 in taxes deferred**
Spending Assets	Withdrawals: $20,250 annually for 30 years	Tax Liability: $5,063 in taxes each year	Totals: $607,500 withdrawals over 30 years	**$151,890 in taxes paid**

Which would you prefer?

Tax-Deferred (401(k)/IRA): Avoid $37,500 in taxes while saving but pay $151,890 in taxes during retirement

or

Tax-Free (IUL/Roth) Pay $37,500 in taxes while saving, but avoid a larger tax amount in retirement

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A Self-Completing Approach

Death benefit protection is an important factor when using Indexed Universal Life to also accumulate assets for retirement. Through the policy's death benefit, your retirement income strategy becomes self-completing: if you do not make it to retirement age and have kept your IUL policy in force, your spouse and family receive a death benefit, which can offset the ongoing retirement contributions of the deceased spouse.

IUL Policy

1) Policy holder dies prematurely before retirement.

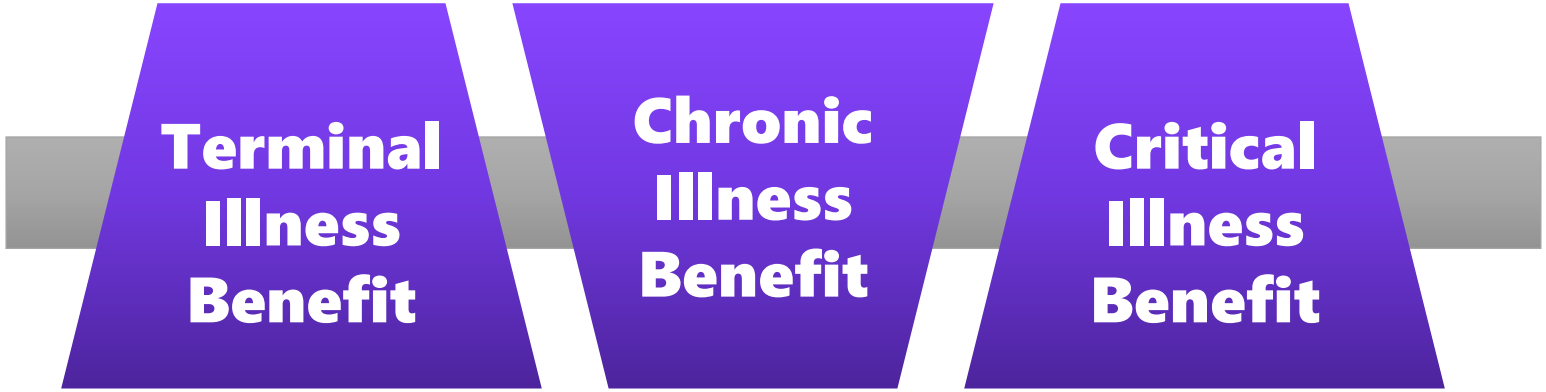
2) Death benefit above cash value, generally paid income tax-free, to heirs.

3) If spouse is still living, the death benefit could provide means to fund retirement needs without ongoing contributions of deceased spouse.

Living Benefits

An additional way policy holders can use their Indexed Universal Life policies is to help offset the medical costs associated with aging. Where available, an IUL can provide valuable living benefits through an accelerated benefits rider, which comes with an additional premium. If you experience a qualifying health event while the policy and rider are in force, a portion of the death benefit can be distributed for you to use while living. Instead of our benefits being limited to your account value, you can access portions of the higher-value IL death benefit to help cover your medical costs or other living expenses. And because this money is considered an acceleration of the death benefit, you generally receive it income-tax-free.

Some additional riders that are available for purchase with your IUL policy include:



Flexibility for Your Money

An IUL policy can deliver the flexibility to access your money when you need it, through policy loans. This is important, as it can be challenging to predict when and how you'll need to ass the money you've accumulated. An IUL can help address this concern flexibility like:

No IRS penalty to access funds before age 59½

If you want to retire early, you can take policy loans without penalty.

Ability to use funds for college education

You an also use policy loans to cover college expenses for your children.

No IRS requirement to withdraw funds at age 70½

Taxes have already been paid on the premiums.

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Bringing It All Together

Potential for Accumulation

Your assets can be linked to a market index. If that index increases in value, your policy will be credited with a portion of that increase each year.

Principal Protection

If the value of the index falls, funds linked to that index are protected by a floor of 0% interest. You do not lose money to stock market volatility.

Tax Advantages

Principal and accumulation in the policy's cash value, if accessed through policy loans, are generally not subject to income tax.

Self-Completing

Heirs receive a death benefit when the policy holder dies while the policy's in force. Heirs receive full death benefit, minus any outstanding policy loans and interest.

Flexibility

No tax penalties for early distribution of cash value through policy loans. With a living benefits rider, portion of the death benefit can be used for qualifying health events.

Policy Structure and Use

1) You purchase a life insurance policy to cover your entire life. As long as there is cash value to pay the policy expenses, through interest credited or premiums paid, the policy will continue.

2) The policy's cash value has the potential to grow, connected to any increase in the value of the linked index, as described in your life insurance policy contract. Your cash value is not exposed directly to the stock market.

3) Mortality and expense fees are deducted from your cash value. As long as there is cash value to pay the next deductions for mortality and expenses, the policy will continue.

4) During your retirement years, you can borrow from the policy cash value to supplement your income as needed. The loan amount is not subject to income tax.

5) When you die, your death benefit will first go to pay off the outstanding loans you have borrowed from the policy (and any unpaid interest). The remainder of the death benefit will be paid to your heirs, income tax-free.