



Nationwide®

Indexed universal life insurance | [Quick reference](#)

**Protection and
growth potential
for the future**

Be sure to choose a product that meets long-term life insurance needs, especially if personal situations change — for example, marriage, birth of a child or job promotion. Weigh the costs of the policy, and understand that life insurance has fees and charges that vary with sex, health, age and tobacco use. Riders that customize a policy to fit individual needs usually carry an additional charge. All guarantees and benefits of the insurance policy are subject to the claims-paying ability of the issuing insurance company.

Indexed universal life insurance policies are not stock market investments, do not directly participate in any stock or equity investments, and do not receive dividends or capital gains. Past index performance is no indication of future crediting rates. Also, be aware that interest crediting fluctuations can lead to the need for additional premium in your policy.

- Not a deposit • Not FDIC or NCUSIF insured
- Not guaranteed by the institution
- Not insured by any federal government agency • May lose value

Helping you protect the future

When you need both life insurance protection and growth potential, it can be challenging to find a planning strategy that fits the bill.

That's why there's indexed universal life insurance. With its wide range of features, including indexed interest strategies, it's designed to help protect your family members today and enhance your growth potential for the future.



Protect your loved ones. Boost your growth potential.

Whether you're concerned about protecting your family members or building cash value to supplement your income, indexed universal life (IUL) insurance can help. It's a type of fixed life insurance that offers:

- Permanent death benefit protection
- Income tax-free death benefits
- Tax-deferred cash value growth
- Income tax-free access to cash

Traditional universal life insurance policies earn a fixed interest rate determined by the insurance company. But for IUL, the performance of market indices determines the interest credited to your policy.

IUL is fixed life insurance, not a security. Your growth potential is limited via a participation rate and a cap or spread rate. Policy funds are kept in the insurer's general account and never invested in the stock market.

Making IUL work for you

Because IUL offers you both cost-efficient death benefit protection and the potential for cash value accumulation, you can use it to help meet a variety of planning needs, including:

Family protection

Replace an existing term policy or supplement employer-sponsored life insurance so the people who matter most to you have the permanent protection they need.

Legacy or estate planning

The death benefit helps you efficiently pass wealth on to loved ones or a favorite charity.

Supplemental retirement planning

This product gives you the opportunity for tax-advantaged accumulation, which you can access via policy withdrawals and loans to help supplement your retirement income.

Supplemental savings

By accessing the policy's potential cash value via withdrawals and loans, you can use it to help cover future expenses such as a college education, a wedding or starting a business.

Loans and withdrawals will reduce the death benefit. Most distributions will be taxed on a first-in/first-out basis, as long as the contract is not a modified endowment contract (MEC) according to Section 7702A of the Internal Revenue Code. Loans from a MEC are generally taxable and subject to a 10% tax penalty if taken before age 59½. If the policy lapses with a loan outstanding, it will be treated as a distribution, and some or all of the amount may be taxable.

Understanding IUL

Here are some key terms you should know if you and your insurance professional decide that IUL is a good fit for your needs:

Cap rate

The maximum percentage of reference index performance that can be used to calculate the index segment interest rate.

Floor rate

A guaranteed minimum interest rate that protects you from loss regardless of what happens in the market. Because the interest rate cannot go below this, it is called a “floor rate.”

Index performance

The percentage change of the underlying index from the index segment start date to segment maturity.

Index segment

Created when the allocated cash value is moved from the fixed interest strategy or a maturing segment into the indexed interest strategy on the sweep date.

Index segment interest period

The period of time between the sweep date on which the segment was created and the date of the segment’s maturity — usually 1 to 2 years.

Index segment interest rate

The rate credited to the index segment at its maturity. It’s calculated based on the performance of the index and the participation, floor, and cap or spread rates.

Indexed interest strategy

One or more indexed allocation options credited with interest based on the performance of its reference index. Multiple strategies with various cap rates or reference indexes may be available.

Participation rate

The percentage of the reference index performance used to help calculate the strategy's interest crediting rate. For example, if the participation rate is 100%, then 100% of the actual performance will be used, subject to any cap or spread rates.

Persistency credit

An additional credit or cost reduction applied to a policy if certain premium payment requirements are met in a timely manner.

Reference index

A market index, such as the S&P 500®, Nasdaq-100® or Dow Jones Industrial Average®, that is measured and used to help determine the interest rate credited for an indexed interest strategy.

Spread rate

A percentage deducted from the index performance rate when no cap rate applies. For example, an index performance of 20% minus a spread rate of 10% results in a 10% interest rate credited for an uncapped indexed interest strategy.

Sweep date

The date when premium is moved (through a sweep) from the fixed account into an indexed interest strategy. In many cases, the sweep date is the 15th of the month.



Call your insurance professional today.

Indexed universal life insurance may just be the product you've been looking for.



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This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

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