

How Does the Cash Value Grow?

With Instant Decision IUL, you have a choice of two interest rate crediting options that will determine how you earn interest. Your premium can be allocated between a Declared Interest Account and an Indexed Interest Account that guarantees the rate will never go below a specified minimum. It's important to know that your decision isn't permanent, you have the flexibility to change your allocation among interest rate crediting options on each Index anniversary.

Indexed Interest Account

With an Indexed Interest Account, at the end of each 1-year period, we determine the Indexed Crediting Amount, which depends on the performance of the Indexed Method you choose. There are two Indexing Methods available:

- ▶ 1-year Point-to-Point with Participation Rate
- ▶ 1-year Point-to-Point with Cap

You choose which method you would like to allocate your premiums to.

Your account earns interest based on the changes in the S&P 500® Index from the beginning of 1-year period to the end. When the index performance is positive, at the end of the year, your account is credited the interest based on the index performance. When indexed account performance is zero or negative at the end of the year, your account won't lose value because of it, guaranteed.

At the end of each year, your credited interest is locked in and won't be at risk if index performance is poor in the future. You can keep your policy values in the same accounts or move all or some of your policy values to any of the available indexed or declared account if you like.

How Does Interest Crediting Work?

Americo's Instant Decision IUL uses the Point-to-Point method to determine the index rate. The indexed crediting rate applied is the index rate multiplied by the declared Participation Rate or limited by a Cap.

The resulting percentage is the interest rate used to credit interest to the indexed account at the end of the year-long crediting period. The Point-to-Point method utilizes an annual reset feature which means that yearly interest earnings are locked in and subsequent index value are recalculated each year.

Point-to-Point Method: The Index Credited Amount under a Point-to-Point Indexing Method is calculated based upon the percentage change of the Index Value from the beginning of an Index Period to the end of the Index Period, the Index Rate.

Factors Used to Determine Your Rate

Participation Rate: The Participation Rate is declared in advance of each year-long index period and will be guaranteed for the year. The Participation Rate is the percentage of the index rate that will be used in determining the index crediting rate.

Cap: A Cap is the maximum percentage of interest credited to an indexed account during any year-long interest period. It is declared in advance and guaranteed for each year-long index period.