

# How to Calculate the Indexed Interest Rate

To determine the Index Rate, the annual Point-to-Point method compares the closing values of the S&P 500 Index at the beginning and the end of each 1-year period [(ending value - beginning value)/beginning value]. The Net Index Rate applied to the indexed account will be determined by adjusting the Index Rate by the current Participation Rate or Cap.

The Participation Rate and Cap are declared in advance of each year-long index period and will be guaranteed for the year-long index period. The Participation Rate is the percentage of the index rate that will be used in determining the Net Index Rate. A Cap is the maximum Net Index Rate that may be applied to a indexed account.

Here is an example of how two different Index Crediting Options determine the Indexed Interest Rate.

Point-to-Point with Cap	
Beginning Account Value	\$10,000
Insurance Costs	\$500
Cap	12%
Beginning Index Value	1,000
Ending Index Value	1,200
Index Growth Rate	20%
Indexed Interest Crediting Rate	12%
Ending Account Value	\$11,200

Point-to-Point with Participation Rate	
Beginning Account Value	\$10,000
Insurance Costs	\$500
Participation Rate	75%
Beginning Index Value	1,000
Ending Index Value	1,200
Indexed Growth Rate	20%
Indexed Interest Crediting Rate (20%*75%):	15%
Ending Participation Account Value:	\$11,500

*Assumes a beginning Participation Account value of \$10,500, no adjustments for monthly deductions.  
All examples shown are hypothetical and intended only for illustrative, educational purposes.*

