



What they're not telling you about those higher illustrated rates

While a higher illustrated rate sounds great in theory, what other carriers may not openly disclose is that those higher rates may be masking a cost structure that can weigh down an IUL policy's cash accumulation potential.

One way to demonstrate the impact of policy charges on the cash accumulation potential of an IUL product is to compare the Gross Illustrated Rate with the Net Illustrated Rate. The Net Illustrated Rate includes the impact of policy charges. Even as more competitors enter the IUL marketplace, our Lifetime Builder product maintains more of its accumulation potential than most of the industry:

Company	Product	Gross Illustrated Rate	Net Illustrated Rate	Percent Lost
Aviva	Lifetime Builder III	8.70%	7.85%	10%
North American Life	Builder IUL	8.40%	7.56%	10%
Penn Mutual Life	Accumulation Builder II IUL	8.36%	7.26%	13%
Allianz Life of North America	Allianz Life Pro+	9.25%	7.85%	15%
Minnesota Life	Eclipse Indexed Life	8.81%	7.34%	17%
Life Insurance Co. of the SW	FlexLife IUL	8.30%	6.81%	18%
John Hancock	JH Indexed IUL	8.58%	6.78%	21%
Axa	Athena IUL	8.38%	6.15%	27%
ING "Security Life of Denver"	ING IUL-Global Plus	10.00%	7.04%	30%
Pacific Life	Pacific Indexed Accumulator III	9.50%	6.14%	35%

Source: Competitive comparison using carrier's best illustrated rate for maximum illustrated retirement income, Male 45 Best Risk Class, premiums of \$10K for 20 years, minimum Non-MEC death benefit switching from option 2 (increasing) to option 1 (level) at age 65, solving for max income from age 65 to 100, targeting \$10K at age 100. Competitor information is current and accurate to the best of our knowledge as of October 26, 2011. Net illustrated rate determined at the end of year 20 and equals the interest rate that accumulates the premiums to the illustrated cash value. The data shown is taken from various company illustrations. All rates and values are not guaranteed. The comparison cannot be used with the public.

Understanding this impact can help you determine the risk/reward profile of an IUL product: The larger the difference between the gross and net rates, the more risky the product can be for your client.

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This information is not intended to be a comprehensive evaluation or comparison of different products. It is intended to provide comparative information on specific aspects of similar products. Product features and rates are subject to change.

This comparison isolates features of the product depicted. Customers should always consider all features and limitations of products they are considering.

Availability of products and features vary by state.

Lifetime Builder III [2ECG10] (NY version available) is issued by Aviva Life and Annuity Company, West Des Moines, IA.