

# First Protective Bulletin

October 27, 2020

## Update to AG49-A Effective Date for IUL illustrations

The National Association of Insurance Commissioners (NAIC) has moved back the effective date of AG49-A to December 14, 2020. After this date, all illustrations for new IUL business must comply with the new guidelines. However, each carrier has their own transition rules so please refer to them before submitting an IUL application. Apps submitted after the deadline will require new illustrations, with no exceptions.

## What is AG49-A?

AG49-A is an update to the existing AG46 guideline that is applicable to illustrations for all Indexed UL products. The two main goals of AG49-A are:

- To ensure that multipliers, bonuses and buy-up caps with an associated charge do not improve illustrated values. It does not prohibit products from having these features and it does not impact their performance, but it limits what values can be shown in an illustration.
- Reduce the limit on indexed interest credited to participating policy loans from 1.00% to 0.50% above the illustrated loan charge.

Several carriers have already updated their products and their illustrations. Some have retained the multipliers and bonuses while other have eliminated them. We will continue to monitor the progress and keep you informed as each carrier announces their changes.

