



# Instant Decision IUL

## CLIENT BROCHURE

Policy Series 336





You know you need life insurance protection.

*But what if your life insurance could give you more?*

You work hard to give the very best to your family, making sure all their needs are met and they are protected in every way possible.

You've probably purchased insurance to protect your home, your health, or your cars, but have you protected your family's most important asset? The financial stability your income gives to your family.

Life insurance can provide protection for your family's way of life now and when you're no longer there. Your family deserves financial security ... and the freedom that comes with life insurance coverage.



## What is Indexed Universal Life?

An Indexed Universal Life (IUL) insurance policy combines the security of permanent life insurance with the potential for cash value growth linked to the performance of a major market index, such as the S&P 500<sup>®</sup>. IULs provide the opportunity for the accumulation of cash value. The innovative design of an IUL not only ensures a death benefit for beneficiaries but also allows you the potential to enhance your financial future by leveraging the positive movements of the stock market. It's a strategic and customizable financial solution if you are seeking permanent life insurance coverage with the added potential for long-term financial growth.

### Life Insurance Protection

With an IUL, you have valuable life insurance coverage and cash value that has the potential to grow over time that you can use throughout your life. If you pass away, your policy can provide for your loved ones by helping to replace your income.

### Growth Protection

Your premiums can do more than simply provide death benefit protection. Unlike term insurance, indexed universal life insurance offers tax-deferred cash value growth with two separate interest accounts. You can allocate premiums to the Declared Interest Account or the Indexed Interest Account.

***Declared Interest Account:*** Premiums allocated to the Declared Interest Account earn an interest rate declared by the company, guaranteed to be no less than 2%.

***Indexed Interest Account:*** Premiums allocated to the Indexed Interest Account earn interest based on the performance of the S&P 500<sup>®</sup> Index.

### Living Benefits

Traditional life insurance protects your loved ones after you're gone. An IUL does that, and it can also provide benefits while you are still living.

# Instant Decision IUL

Everyone has choices to make, and protecting the financial future of your loved ones with life insurance should be an easy decision. Americo's Instant Decision IUL, an indexed universal life insurance policy, can provide a simple solution to fit your needs and the application process is fast and simple.

## Key Benefits:

- ▶ Death benefit for life, as long as premium payments cover the monthly deductions.
- ▶ An income tax-free death benefit to your beneficiary.
- ▶ Two interest account options: a Declared Interest Account and an Indexed Interest Account with earnings based on the performance of the S&P 500® Index.
- ▶ Potential to accumulate a cash value.
- ▶ Living benefits for Critical, Chronic, and Terminal illness included at no additional cost.
- ▶ Simplified application process that doesn't require lengthy medical questions or exams – *it's instant decision!*

## How Does Instant Decision IUL Work?

The death benefit provides your loved ones the financial security they'll need when you're gone. The Accumulation Value can grow as you pay your premiums, providing you with additional security and the opportunity to withdraw or borrow money from your account for any reason while you're living.

Your life insurance coverage can last a lifetime. Your premium payments and interest credits grow the cash surrender value. As long as the cash surrender value is enough to cover your insurance costs, your policy will continue to provide death benefit protection.

Because Instant Decision IUL is an indexed universal life product, you can allocate some or all of your premiums to an accumulation account that is based on the performance of the S&P 500®. Your indexed account options allow you to take advantage of market-based growth potential, but unlike investing directly into the stock market, your policy will never lose value due to poor index performance.



## 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.

# 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 an 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.*



# Access Your Money

## Access to Cash

Should you need to access cash, you may withdraw funds from your Cash Surrender Value once a year after the first policy year. When you take a withdrawal, your death benefit will be permanently reduced by the amount of the withdrawal. Withdrawals and full surrenders may be subject to surrender penalties during the first 15 policy years.

## Policy Loans

Should you need to access cash, you may borrow funds from your Cash Surrender Value once a year. When you take a loan, the cash value used to calculate your cash value accumulation interest may be impacted depending on the loan type. The death benefit payable will be less any active loans plus loan interest accrued at the time of death. Loan interest is charged in arrears at a declared rate no more than 8%. Policy loan availability is limited by the cash surrender value and other factors. Policy loans can be repaid while the policy is in force.

# Living Benefit Riders

If you are diagnosed with a critical, chronic, or terminal illness, Living Benefit Riders may give you access to early (accelerated) payout of the policy death benefits. The best thing is, these Living Benefits are included at no additional cost. Having access to this money could make an important difference in the quality of your life and the lives of your loved ones.

## Critical Illness Rider (Series 2195)

You may receive a lump-sum benefit if you are diagnosed with a qualifying critical illness such as invasive cancer, stroke, or heart attack.

## Chronic Illness Rider (Series 2196)

In the event of a catastrophic health crisis where you are unable to perform two activities of daily living in a 90-day period, this rider may pay you a lump-sum benefit to help cover medical treatments and other expenses.

## Terminal Illness Rider (Series 2197)

You may receive a lump-sum benefit if you are diagnosed with a qualifying terminal illness where death is expected in 12 months or less. The money can be used for any reason.

*Important Note: Requested Acceleration amounts will be reduced by a flat administrative charge and also an actuarial discount, based on the insured's life expectancy at the time of the request. Calculated benefits may result in no payment to the Owner.*

## How does it work?

A 40-year-old healthy male purchases an IUL policy. At age 43 he is diagnosed with cancer. He has to take time off work for treatment. Expenses and medical bills begin to accumulate. After completing treatment, his medical bills total over \$75,000.

The IUL policy he purchased included the Living Benefit Riders at no additional cost. He requested in writing the Accelerated Benefit for the full \$100,000 face amount. His conditions qualified him for the Critical Illness Accelerated Death Benefit Rider and he received

**\$79,206**

and can use this lump-sum benefit however he chooses.



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<sup>1</sup>Amerigo Life, Inc. is a holding company and is not responsible for the financial condition or contractual obligations of its affiliate insurance companies.

<sup>2</sup>"Admitted Assets, Top Life Writers-2022," A.M. Best Co., as of July 2023.

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