

TRANSAMERICA INDEXED UNIVERSAL LIFE

CAP RATE CHANGES WITHDRAWAL FEE ELIMINATION (IUL09 ONLY) LOAN CHARGE CHANGES (IUL09 ONLY)

SUMMARY

Cap Rate Changes

Beginning September 24, 2022, we're adjusting the cap rates for our Indexed Universal Life (IUL) suite of products. These adjustments are necessary to best position our IUL policies for supportable caps in this economic environment and ensure we are providing long term value to our customers.

Cap rates apply to the index account segments as of the beginning date and apply for the full segment period. An index account value is equal to the sum of the values of the index account segments, plus any values from pending transactions that may apply to any given segment. This value may include net premiums, loan repayments, transfers, and excess index interest, if any, as allocated to the index account(s).

Withdrawal Fee Elimination

Beginning September 24, 2022, the \$25 fee currently charged for withdrawals for *Financial Foundation IUL*[®] (IUL09) will be eliminated.

Changes to Loan Charges – Years 11+

The loan charge for FFIUL (IUL09) in years 11+ will be 2% for all new and existing loans.

FREQUENTLY ASKED QUESTIONS

Q1. What is changing?

A. The IUL cap will be reduced for IUL01 – IUL08 in force policies (products not currently being marketed). The IUL cap will also be reduced for *Financial Foundation IUL*[®] (IUL09) on all in force and new business going forward.

Q2. When is the change effective?

A. Beginning September 24, 2022, the cap rates will be reduced for IUL01 – IUL09. New rates are effective on all new segments created or renewing on or after September 24, 2022. See the **Fund Changes by Product chart on page 4** for all the details.

Q3. Why are caps changing now?

A. Persistently low interest rates and market volatility have resulted in negative impacts to our portfolio yield and hedging costs. Recent short-term interest rate increases are not enough to overcome those negative impacts, and these changes will allow us to stay competitive and maintain a strong financial position.

Q4. Will the cap changes affect the maximum illustrative rate?

A. No, there will be no change to the maximum illustrative rate.

Q5. What is the benefit of the Index Account Monthly Charge (IAMC), and how does it impact the cap changes?

A. The IAMC annualized charge is used to supplement the hedge budget for the caps. This charge allows us to maintain very competitive caps despite our need to lower them due to the long term, lower interest rate environment.

Q6. Are there any other changes to our IUL Products?

A. Yes. Also, effective September 24, 2022, the following changes will take place for our currently sold FFIUL (IUL09) **ONLY**:

1. The current \$25 withdrawal fee for FFIUL (IUL09) will be eliminated for withdrawals processed on or after September 24, 2022.
2. The loan charge for FFIUL (IUL09) policies in years 11+ will now be 2.0% for all new and existing loans.

Q7. How does the loan charge change on FFIUL impact my client?

A. Moving forward, if your client takes a preferred loan against the cost basis of the policy, the interest charged and interest credited on that loan will now be at the same rate. As a reminder, preferred loans start in the 11th policy year, so this change will not impact any loans taken during the first ten years of the policy.

Q8. How will my client know that the \$25 Withdrawal Fee has been eliminated?

A. An insert will be included in the policy owner's next annual statement mailing, advising them that this fee has been eliminated.

Q9. What else is impacted by the cap change?

A. Since the change includes our currently marketed FFIUL NY (IUL09NY) product, a new Statement of Understanding (SOU) form will be required for policies written in New York. The transition rules speak specifically to the handling of IUL09NY policies and the updated SOU form.

Q10. Where can I find the new cap rates?

A. The new rates can be found on the agent portals:

- ANI
- TA ANI
- TransACT
- TLIC.com/TFLIC.com, Fixed Account Rates at a Glance (WFG only)

Q11. Will each segment have the same cap?

A. No, segments may have a different cap rate depending on the start date. The new reduced cap rate is effective September 24, 2022, for segments that start (new or renewing) on or after September 24, 2022.

For example, if the statement period is 7/12/2022 to 7/12/2023, and monthly segments begin on the 12th of each month, the segments that start 10/12/2022 and thereafter will have the new reduced rates. The segments that began on 7/12/2022, 8/12/2022, and 9/12/2022 will receive the previous cap rate until they renew in 2023.

Q12. Who should I call if I have additional questions not addressed here?

A. Please call your Sales Desk with any questions.

Q13. How will my client know that their cap rates are changing?

A. The policy owner's Annual Policy Statement will include the updated cap rates.

Q14. My client has additional questions and would like to contact Transamerica directly. Which number should they call?

A. Policyholders can call our Customer Contact Center at 800-852-4678, weekdays 9 a.m. – 7 p.m. ET.

NEW BUSINESS TRANSITION RULES

In force IUL policies:

- For impacted products (see **Fund Changes by Product chart on page 4**), new and renewing segments generated on or after September 24, 2022, will have the new cap rate.
- The current \$25 withdrawal fee for IUL09/IUL09NY will be eliminated for withdrawals processed on or after September 24, 2022.
- The loan charge for IUL09/IUL09NY policies in years 11+ will now be 2.0% for all new and existing loans.

Pending IUL applications for FFIUL (IUL09) only:

- Contracts printed/issued on or before September 23, 2022, will have the old cap rates. New and renewing segments generated on or after September 24, 2022, will have the new cap rate.
- Contracts printed/issued on or after September 24, 2022, will have the new cap rates.
 - Includes new submissions
 - Includes in flight pending applications

NY Statement of Understanding form for FFIUL (IUL09NY) only:

- The existing AG09NY0122 form will be replaced with the new AG09NY0922 form on September 24, 2022.
- The new form (AG09NY0922) will be available through iGO e-App® and on tflic.com on September 24, 2022.
- Pending applications signed on or before September 23, 2022, do not require the new form. Applications signed on or after September 24, 2022, must have the new form prior to print or issue.

FUND CHANGES BY PRODUCT

CHANGING FROM (CURRENT)			CHANGING TO (NEW)		
PRODUCT and FUND	CAP	FLOOR	PRODUCT and FUND	CAP	FLOOR
EIUL01 (1980 CSO FEIUL) S&P	8%	1%	EIUL01 (1980 CSO FEIUL) S&P	6.75%	No Change
EIUL01 (1980 CSO FEIUL) S&P NY	8%	1%	EIUL01 (1980 CSO FEIUL) S&P NY	6.75%	No Change
EIUL02 (2001 CSO FIUL) S&P	8%	1%	EIUL02 (2001 CSO FIUL) S&P	6.75%	No Change
EIUL02 (2001 CSO FIUL) S&P NY	8%	1%	EIUL02 (2001 CSO FIUL) S&P NY	6.75%	No Change
IUL03 (FGIUL) Global	9%	1%	IUL03 (FGIUL) Global	7.50%	No Change
IUL03 (FGIUL) Global NY	9%	1%	IUL03 (FGIUL) Global NY	7.50%	No Change
IUL04 (FIUL II) S&P	11.50%	1%	IUL04 (FIUL II) S&P	10%	No Change
IUL04 (FIUL II) S&P NY	11.50%	1%	IUL04 (FIUL II) S&P NY	10%	No Change
IUL05 (FGIUL II) Global	12.25%	1%	IUL05 (FGIUL II) Global	10%	No Change
IUL05 (FGIUL II) Global NY	12.25%	1%	IUL05 (FGIUL II) Global NY	10%	No Change
IUL06 (2001 CSO FFIUL) S&P	11.75%	0.75%	IUL06 (2001 CSO FFIUL) S&P	10%	No Change
IUL06 (2001 CSO FFIUL) Global	13%	0.75%	IUL06 (2001 CSO FFIUL) Global	11%	No Change
IUL06 (2001 CSO FFIUL) S&P NY	11.75%	0.75%	IUL06 (2001 CSO FFIUL) S&P NY	10%	No Change
IUL06 (2001 CSO FFIUL) Global NY	13%	0.75%	IUL06 (2001 CSO FFIUL) Global NY	11%	No Change
IUL08 (TransNavigator) S&P	8.50%	0%	IUL08 (TransNavigator) S&P	7.25%	No Change
IUL08 (TransNavigator) S&P Plus	13%	0%	IUL08 (TransNavigator) S&P Plus	10.75%	No Change
IUL08 (TransNavigator) Global	10%	0%	IUL08 (TransNavigator) Global	8.25%	No Change
IUL08 (TransNavigator) Global Plus	16%	0%	IUL08 (TransNavigator) Global Plus	13%	No Change
IUL09 (2017 CSO FFIUL) S&P	13.75%	0.75%	IUL09 (2017 CSO FFIUL) S&P	12%	No Change
IUL09 (2017 CSO FFIUL) Global	15%	0.75%	IUL09 (2017 CSO FFIUL) Global	13%	No Change
IUL09 (2017 CSO FFIUL) S&P NY	13.75%	0.75%	IUL09 (2017 CSO FFIUL) S&P NY	12%	No Change
IUL09 (2017 CSO FFIUL) Global NY	15%	0.75%	IUL09 (2017 CSO FFIUL) Global NY	13%	No Change

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