



Cap rate changes to indexed options in Nationwide® IUL and VUL products

Effective January 15, 2022

Nationwide is committed to carefully managing our life product portfolio to remain the strong, stable carrier insurance professionals and their clients have always relied on. To keep that commitment — and in response to persistently low interest rates and increased cost of hedging — we are decreasing the cap rate on indexed interest strategies in our IUL and VUL products. No changes apply to any spread, participation or floor rates.

We could avoid cap rate decreases by charging more for our products from the start, but our philosophy is to keep costs low. While this necessitates adjusting cap rates periodically, low costs are a better value for the customer and provide greater transparency.

Important dates

- **December 3, 2021:** Life illustration software will be updated with new cap rates and new maximum illustrative rates.
- **December 15, 2021:** Segments created on this date will receive the old cap rates; policies must be in force and premium and/or transfer instructions received at Nationwide no later than this date to receive the old rates.
- **December 16, 2021:** Illustrations must be run on the updated software (version 4.26).
- **January 15, 2022:** Segments created on this date or later will be subject to the new cap rates.
- **February 28, 2022:** Policies must be funded and in force in order to use a matching illustration run on the previous version of the illustration software.

Please keep in mind

1. The cap rate changes apply to all in-force policies and new business, as well as new premium, transfers (including DCA) and reallocations of matured segments.
2. Illustrations run on or after December 3, 2021, will be subject to new maximum illustrative rates. These rates will be available in the illustration software on December 3, 2021.
 - a. Illustrations run on the prior software version and received before December 16, 2021, will still be accepted for policies placed in force after that date, but they must match the offer and be funded by February 28, 2022.
 - b. Any illustration, including revised illustrations, received on or after December 16, 2021, must be run in the updated version of the illustration software (4.26).
3. Policyholders will see the revised cap rates starting December 16, 2021, if they access their policy information online.

Cap rates changing in our currently marketed products

Nationwide IUL Accumulator II 2020, Nationwide IUL Protector II 2020 and Survivorship IUL 2020	Old cap rate	New cap rate	Maximum illus. rate
S&P 500® Point-to-Point	9.50%	9.00%	5.70%
S&P 500® Point-to-Point High Cap	12.50%	11.00%	6.66%
Multi-Index Monthly Average	11.00%	9.50%	5.70%
Multi-Index Monthly Average High Cap	20.00%	13.00%	6.77%
Nationwide YourLife IUL Accumulator and Nationwide YourLife IUL Protector (New York only)			
S&P 500® Point-to-Point	9.50%	8.50%	5.44%
Multi-Index Monthly Average	11.00%	9.25%	5.44%
Nationwide VUL Accumulator and Nationwide VUL Protector			
S&P 500® Point-to-Point	8.50%	7.50%	5.19%
Multi-Index Monthly Average	10.50%	9.00%	5.90%

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Cap rates changing in products closed to new sales

Nationwide IUL Accumulator II and Nationwide IUL Protector II (2018)	Old cap rate	New cap rate	Maximum illus. rate
S&P 500® Point-to-Point	7.50%	6.00%	4.03%
S&P 500® Point-to-Point High Cap	10.00%	9.00%	5.70%
S&P 500® Point-to-Point with 50% Advanced Multiplier	8.25%	7.25%	4.76%
Multi-Index Monthly Average	8.75%	7.00%	4.03%
Multi-Index Monthly Average High Cap	15.00%	10.50%	5.70%
Multi-Index Monthly Average with 50% Advanced Multiplier	9.75%	8.25%	4.76%

Nationwide YourLife IUL Accumulator and Nationwide YourLife IUL Protector (2015) Sold outside of New York			
S&P 500® Point-to-Point (Available only in Accumulator product)	8.50%	7.50%	4.90%
S&P 500® Point-to-Point with 15% Multiplier	7.00%	6.00%	4.63%
Multi-Index Monthly Average (Available only in Accumulator product)	10.50%	9.00%	4.90%
Multi-Index Monthly Average with 15% Multiplier	8.50%	7.00%	4.90%
MSCI EAFE Point-to-Point (Available only in Accumulator product)	11.50%	11.00%	4.90%

Nationwide YourLife IUL (2011)			
S&P 500® Point-to-Point	8.50%	7.50%	4.90%
Multi-Index Monthly Average	10.50%	9.00%	4.90%

Nationwide Survivorship IUL (2018)			
S&P 500® Point-to-Point	7.50%	6.00%	4.03%
S&P 500® Point-to-Point High Cap	10.00%	9.00%	5.70%
Multi-Index Monthly Average	8.75%	7.00%	4.03%
Multi-Index Monthly Average High Cap	15.00%	10.50%	5.70%

The duration of all indexed interest strategies is one year.

What is not changing

- **No change** to any spread, participation or floor rates
- **No change** to our low-cost structure
- **No change** to cost of insurance (COI) rates on in-force policies
- **No change** to our guaranteed Multipliers, available in our IUL products introduced in 2015 and 2018
- **No change** to our guaranteed Nationwide IUL Rewards Program® or Nationwide VUL Rewards Program®
- **No change** to our cash indemnity Long-term Care Rider II with benefits that can be used for home care

Nationwide's history of strong IUL solutions

For our first IUL, launched in 2011, the annual average crediting rate for the Multi-index Monthly Average strategy is **8.66%**; for our core S&P 500® strategy it's **8.48%**. Both are well above the maximum illustrative rate of any of our IUL products. While past performance is no guarantee of future performance, these rates help demonstrate the value of our IUL solutions.

Why IUL now

IUL offers growth potential through participation in the market without being in the market, while providing protection against negative crediting rates with a guaranteed 0% floor rate. Unlike whole life and current assumption universal life, the interest rate in IUL is based on the market – and not left solely to the discretion of the life insurance carrier.

Your partnership is very much appreciated as we implement these changes. If you have questions about them, please call us.

Life Insurance Solutions Center **1-800-321-6064**

Brokerage General Agents Solutions Center **1-888-767-7373**

Nationwide Financial Network® Solutions Center **1-877-223-0795**



Life insurance is issued by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio. The general distributor is Nationwide Investment Services Corporation, member FINRA. Guarantees are subject to the claims-paying ability of the issuing insurer.

Indexed universal life insurance policies are not stock market investments, do not directly participate in any stock or equity investments, and do not receive dividend or capital gains participation. Past performance of an index is no indication of future crediting rates.

As your clients' personal situations change (e.g., marriage, birth of a child or job promotion), so will their life insurance needs. Take care to ensure this product is suitable for their long-term life insurance needs. They should weigh any associated costs before making a purchase. Life insurance has fees and charges that vary with sex, health, age and tobacco use. Riders that customize a policy to fit individual needs usually carry an additional charge.

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