IUL Lock-In & Reset

AGENT QUICK START GUIDE

Caps, Floors, Participation & Annual Reset

A practical advisor education guide for demonstrating how the same historical S&P; 500 price-index movement can produce different accumulation patterns when one side receives the full annual market gain or loss and the IUL side applies participation, cap, floor, and annual lock-in/reset mechanics.

Set the period. Run the sequence. Make the mechanics visible.

Training use | Caps & floors | Historical sequence | Annual lock-in/reset

Agent Quick Start Guide | Educational comparison tool

How to Use This Manual

Use this guide in the same order you would use the application with a client: establish the facts, build the case, explain the result, validate the calculations when needed, and document the presentation.

Field / Feature	What it means / how to use it
1. Set the Historical Period	Enter the starting value, start year, timeline, and ending year when using a custom period.
2. Set the IUL Crediting Assumptions	Enter the participation rate, cap, and floor to be demonstrated.
3. Calculate the Comparison	Build the year-by-year Market Account and IUL crediting paths using the same historical S&P; 500 price returns.
4. Run the Demonstration	Use Next, Previous, or Auto Play to show gains, losses, capped years, floored years, and the annual reset.
5. Review & Explain the Result	Use ending values, the growth graph, and the year-by-year ledger to reinforce the mechanics without presenting the tool as a policy illustration.

TriQuest USA

1. Set the Historical Period & Crediting Assumptions

FIELD	WHAT IT CONTROLS
Starting Value	Beginning amount used on both sides of the comparison. Default: $100,000.
Start Year	First historical S&P 500 price-return year. Default: 2006.
Timeline	Choose 5 Years, 10 Years, or Custom. Default: 10 Years.
End Year	Used when Custom is selected; otherwise the app calculates it from the timeline.
IUL Cap	Maximum credited rate for a positive index year. Default: 12.00%.
IUL Floor	Minimum credited rate for the year. Default: 0.00%.
Participation Rate	Percentage of the index movement applied before the cap and floor. Default: 100.00%.

2. Calculate the Comparison

Select **CALCULATE COMPARISON**. The application builds the year-by-year comparison and prepares the demonstration, results, graph, and ledger.

WHAT THE TWO BUCKETS REPRESENT

MARKET ACCOUNT (gold): receives the full S&P 500 price gain or loss for the selected year.

INDEXED UNIVERSAL LIFE (green): positive movement is subject to the participation rate and cap; negative movement is limited by the selected floor. The credited result becomes the next year's starting value.

3. Run the Year-by-Year Demonstration

- **Use Next** to advance one year at a time. This is best when you want to stop and discuss a specific year.
- **Use Auto Play** for a continuous presentation. Slow, Normal, and Fast control the pace.
- **Use Previous** to revisit a year and reinforce the comparison.
- Watch the S&P 500 PRICE RETURN, the crediting-result message, and the dollar values inside both buckets.

TriQuest USA

How to Tell the Story

1	**Start with the same dollars**	"Both sides begin with the same $100,000. We are going to apply the same historical S&P 500 price movement to both sides."
2	**Let the market move**	"The Market Account receives the full annual gain or loss."
3	**Apply IUL crediting**	"On the IUL side, the participation rate is applied first, then the result is limited by the cap and floor."
4	**Focus on a down year**	"Notice what happens in a negative index year. The market account takes the loss; the IUL side is limited by the selected floor."
5	**Explain the reset**	"The credited IUL value becomes the starting point for the next annual period. The next year begins from that new locked-in value."
6	**Finish with the evidence**	"Now compare the ending values, then look at the graph and the year-by-year ledger to see how the difference developed."

What to Review in See the Result

- Market Ending Value - the ending value after receiving the full historical price return each year.
- IUL Ending Value - the ending value after applying the selected participation rate, cap, and floor each year.
- Ending Difference - the dollar difference between the two ending values.
- Growth Graph - a visual summary of how the two paths developed over the selected period.
- Year-by-Year Comparison Ledger - the audit trail showing beginning values, annual returns/credits, ending values, and the crediting result.

BEST PRACTICE

Do not rush immediately to the ending number. The educational value is in letting the client see the sequence year by year - especially how a large market decline changes the amount available to participate in the recovery that follows.

TriQuest USA

Agent Use Checklist

- ☐ Confirm the Starting Value and historical period you want to demonstrate.
- ☐ Confirm the IUL Cap, IUL Floor, and Participation Rate assumptions.
- ☐ Select CALCULATE COMPARISON.
- ☐ Walk through several years manually before using Auto Play.
- ☐ Pause on negative years and capped years to explain what happened.
- ☐ Review Market Ending Value, IUL Ending Value, and Ending Difference.
- ☐ Use the graph to reinforce the visual story.
- ☐ Use the ledger when the client wants to see the year-by-year math.
- ☐ Remind the client that this is an educational comparison, not a policy illustration.

Important: What This Tool Does Not Show

EDUCATIONAL COMPARISON ONLY

The application demonstrates how the same annual S&P 500 price-index movement can produce different accumulation patterns when one side receives the full index change and the other applies an annual participation rate, cap, and floor. It is not an insurance illustration and does not include policy charges, cost of insurance, expenses, loans, dividends, bonuses, or other policy features.

Keep the Client Conversation Simple

The objective is not to prove that one strategy always wins. The objective is to make the mechanics visible: full market gains and losses on one side, versus capped/floored annual index crediting with a reset on the other. Once the client understands the mechanics, move to the appropriate carrier illustration and full product discussion when evaluating an actual policy.

TRIQUEST USA

IUL Lock-In & Reset | Agent Training Resource