

Product Update

May 2020 Index Account Changes

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As a result of current economic conditions, low interest rates have caused a reduction in hedge budgets; and significant increases in market volatility have caused hedge costs to increase such that IUL index account parameters need to be adjusted. These are unique times and market conditions, which have caused index account changes to happen more frequently and at a higher magnitude than normal. We strive to balance financial discipline and impacts to the index accounts, and the upside they can offer.

The most significant changes have been made to the spread of the Uncapped Account available on IAUL and SIUL. The hedge costs for this account have increased more substantially given the spikes in volatility. We remain committed to offering your clients quality solutions, and in this environment, the safety benefits of the Floor of 0% on all index accounts are more evident than in recent times.

The new spreads and caps for impacted index accounts will be effective for index segments starting **May 15, 2020**. Please see below for the complete list of Index Account Changes. If you have additional questions regarding the changes, please refer to the [FAQs](#).

A letter will be sent to policy owners when there are changes to index accounts, informing them of the new cap or spread and that the future segments will be impacted. The letter also indicates that these changes may result in different values than were shown in their most recent illustration and how they can request a current illustration.

If you would like more information or to obtain a new business illustration, please contact the national sales desk at **1-800-800-2738 Option 1**

Product Version, Account; Index cap or spread	April 2020	May 2020	Change	New Max Illustrated Rate
IAUL				
IAUL (February 2018), S&P 500 Index Account; Cap	9.50%	8.75%	-0.75	5.55%
IAUL (February 2018), S&P 500 Index Account with Multiplier; cap	7.75%	7.25%	-0.50	4.74%
IAUL (February 2018), S&P 500 Uncapped Index Account; spread	5.00%	11.75%	+6.75	4.56%
IAUL (August/December 2016), S&P 500 Index Account; Cap	9.50%	9.00%	-0.50	5.67%
IAUL (August/December 2016), S&P 500 Index Account with Multiplier; cap	8.00%	7.50%	-0.50	4.88%

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IAUL (August/December 2016), S&P 500 Uncapped Index Account; Spread	5.00%	11.75%	+6.75	4.56%
IAUL (January 2015), S&P 500 Index Account; Cap	9.00%	8.50%	-0.50	5.42%
IAUL (October 2013)*, S&P 500 Index Account; Cap	10.25%	9.50%	-0.75	5.92%
IAUL (April 2012)*, S&P 500 Index Account; Cap	10.25%	9.50%	-0.75	5.92%
SIUL				
SIUL (January 2019), S&P 500 Index Account; Cap	9.50%	8.75%	-0.75	5.55%
SIUL (January 2019), S&P 500 Index Account with Multiplier; cap	7.75%	7.25%	-0.50	4.74%
SIUL (January 2019), S&P 500 Uncapped Index Account; spread	5.00%	11.75%	+6.75	4.56%
SIUL (January 2016) S&P 500 Index Account; Cap	9.00%	8.50%	-0.50	5.42%
Founders Plus				
Founders Plus (May 2019), Plus 100 Account; Cap	8.75%	8.25%	-0.50	5.28%
Founders Plus (December 2017), Plus 100 Account; Cap	8.75%	8.25%	-0.50	5.28%
Founders Plus (August/December 2016), Plus 100 Account; Cap	8.25%	8.00%	-0.25	5.15%
Founders Plus (August/December 2016), Plus 50 Account; Cap	5.25%	4.75%	-0.50	4.75%
Founders Plus (2015), Plus 100 Account; Cap	7.00%	6.75%	-0.25	4.45%
Founders Plus (2015), Plus 50 Account; Cap	5.25%	4.75%	-0.50	4.36%
Founders Plus (January 2014), Plus Account, Cap	5.25%	4.75%	-0.50	4.75%
Custom Premier II				
Custom Premier II (May 2019), S&P 500 Index Account; Cap	7.00%	6.75%	-0.25	4.74%

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