



Our new face amount solves offer your clients greater confidence and flexibility.

**We make it simpler to determine appropriate
face amounts for over-funded cases.**

New 7702 and 7702A rates allow for more premium and lower face amounts with minimum non-MEC life insurance designs, and now Nationwide® has made it easier to fine-tune solutions that fit your clients' needs.

Using the two new face amount solves inside Nationwide Life Illustrator enables you to help provide clients the confidence that comes with higher death benefits and the flexibility, if they choose, to increase their premiums in the future.



Nationwide®



The situation*

Eric, 45, has a rewarding career launching small biotech firms and helping them grow. He's married with two children, both of whom will be heading to college. He and his family moved to a new house as his business grew, and they still have 10 years to pay on their mortgage.

Eric wants the confidence of knowing that his family, home and kids' college tuition are protected by a sizable death benefit. He also wants the flexibility to increase premiums for more tax-free income potential when he retires. He currently is able to contribute \$25,000 annually to fund the policy.

* This is a hypothetical example. Actual results may vary.

#1 — New minimum non-MEC face amount solve

Minimum non-MEC was once the most common face amount solve. But under the new regulations, a minimum non-MEC face amount solve means Eric's family will have 40% less insurance protection. While his income will increase, the new coverage does not meet his protection goals.

	Min Non-MEC Old 7702 Rates	Min Non-MEC New 7702 Rates	Difference \$	Difference %
Face amount	\$672,754	\$404,941	-\$267,813	-40%
Premium paid	\$25,000	\$25,000	Same	Same
Max level premium	\$25,000	\$25,000	Same	Same
Est. annual income	\$67,452	\$71,040	\$3,588	+5%
Target premium	\$12,008	\$7,228	-\$4,780	-40%

Outcome

Much lower face amount; slightly more annual income potential

-40%

Lower death benefit

+5%

Extra annual income

+\$72K

More income over 20 years

All scenarios use Nationwide IUL Accumulator II 2020, pay to 65, PNT, GPT, switch from increasing to level DB in year 18, income from ages 66 to 85, illustrated at 5.96%.



#2 — Balanced solve

This solve gives Eric the flexibility to contribute more to his policy in future years to boost the amount of tax-free income he can receive in retirement without sacrificing any death benefit he would have obtained under former 7702 limits.

	Min Non-MEC New 7702 Rates	Balanced Solve New 7702 Rates	Difference \$	Difference %
Face amount	\$404,941	\$672,754	\$267,813	+66%
Premium paid	\$25,000	\$25,000	Same	Same
Max level premium	\$25,000	\$41,366	\$16,366	+65%
Est. annual income	\$71,040	\$67,452	-\$3,588	-5%
Target premium	\$7,228	\$12,008	\$4,780	+66%

Outcome

Much greater face amount; opportunity to significantly increase premiums in the future

66%

More death
benefit coverage

-5%

Less annual
estimated income

\$16K

Additional premium that
can be put in annually

An additional \$16,336 in annual premium could substantially increase future income.

#3 — Death benefit percentage step-up

With this solve, Eric is able to increase his death benefit beyond the new minimum non-MEC face amount by a percentage he selects. In this case, 25% was used to keep the annual premium at \$25,000.

	Min Non-MEC New 7702 Rates	DB % Step-Up Above New 7702 Rates	Difference \$	Difference %
Face amount	\$404,941	\$506,176	\$101,235	+25%
Premium paid	\$25,000	\$25,000	Same	Same
Max level premium	25,000	\$31,156	\$6,156	+25%
Estimated annual income	\$71,040	\$70,152	-\$888	-1%
Target premium	\$7,228	\$9,035	\$1,807	+25%

Outcome

More face amount to meet client needs; opportunity to increase premiums in the future

25%

More death benefit

-1%

Less annual
estimated income

\$6K

Additional premium that
can be put in annually

An additional \$6,156 in annual premium could substantially increase future income.



We've enhanced our illustration systems to help you zero in on a face amount solve that will better serve your clients.

Balanced Solve

Death Benefit Percentage Step-Up



Face amount and premium

Face Amount

Total Specified Amount Option
Section 7702
Reduce Specified Amount?
Death Benefit Option

Balanced Solve ▼

Solve

Minimum Non-MEC

Balanced Solve

MEC Face Amount

Guideline

Target



Face amount and premium

Face Amount

Total Specified Amount Option
Increase Initial DB by X%
Section 7702

Minimum Non-MEC ▼

25.00%

GPT ▼





Help clients protect their loved ones and have the flexibility to increase premiums for more income potential.

Try our new face amount solves when the standard minimum non-MEC face amount solves no longer fit. Or contact your Nationwide wholesaler to discuss how to apply our solutions to your next case.



**The recommended amount of insurance should
be appropriate for the client's needs.**



Nationwide®
is on your side

• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution • Not insured by any federal government agency • May lose value

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