Filing at a Glance

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Created By: Ute Luedtke-Ahrens
Corresponding Filing Tracking Number:

Dear Commissioner Bradford:

Zurich American Life Insurance Company wishes to file the attached marketing materials, designed for use with Flexible Premium Adjustable Life Insurance Policies with Index-Linked Options.

The Marketing Materials provided with this submission consist of the following documents:

A1-20515-A, Comparing Index UL Products
A1-20550-A, Zurich – Your EDGE in a Changing World

The attached materials are slide presentations and are submitted in two ways: 1) The actual slide presentation, 2) Slide presentation including the speaker's script that accompanies each presentation.

We are filing form number A1-20515-A and A1-20550-A bracketed to be used in multiple settings. We are enclosing the Statement of Variable Language under the Supporting Documentation tab.

Thank you for your consideration of our filing. Please do not hesitate to contact me should you have any questions. Your prompt review and approval of these forms is greatly appreciated.
Sincerely,
Zurich

Ute Luedtke-Ahrens
Product Development Consultant

Company and Contact

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Filing Company Information

Zurich American Life Insurance Company	CoCode: 90557	State of Domicile: Illinois
1400 American Lane	Group Code: 212	Company Type: Life and Annuity
Schaumburg, IL 60196	Group Name: Zurich North America	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-3050975	

Filing Fees

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Fee Amount:	$100.00
Retaliatory?	No
Fee Explanation:	Filing of advertising material $50.00 per form and company 2 x 50 = 100

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Donna Lambert	02/02/2012	02/02/2012

Disposition

Disposition Date: 02/02/2012
Implementation Date: 02/02/2012
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Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Filed	Yes
Supporting Document	Application	Filed	Yes
Supporting Document	Statement of Variability	Filed	Yes
Form	Comparing Index UL Products	Filed	Yes
Form	Zurich Your EDGE in a Changing Workd	Filed	Yes

Form Schedule

Lead Form Number: A1-20515-A

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Filed 02/02/2012	A1-20515-A	Advertising	Comparing Index UL Products	Initial		0.000	Comparing Index Universal Life Products - 2011 12 05 (incl notes).pdf Comparing Index Universal Life Products - 2011 12 05(Bracketed).pdf
Filed 02/02/2012	A1-20550-A	Advertising	Zurich Your EDGE in a Changing Workd	Initial		0.000	FR Pinnacle - 2012 01 04 (incl notes).pdf FR Pinnacle - 2012 01 04 (bracketed).pdf

ZURICH

Comparing Index UL Products

Presented by
Affluent Markets Group
Zurich American Life Insurance Company
January 2012

Peter Mordin, Regional Vice President
Farah Rehman, Director of Advanced Sales & Marketing

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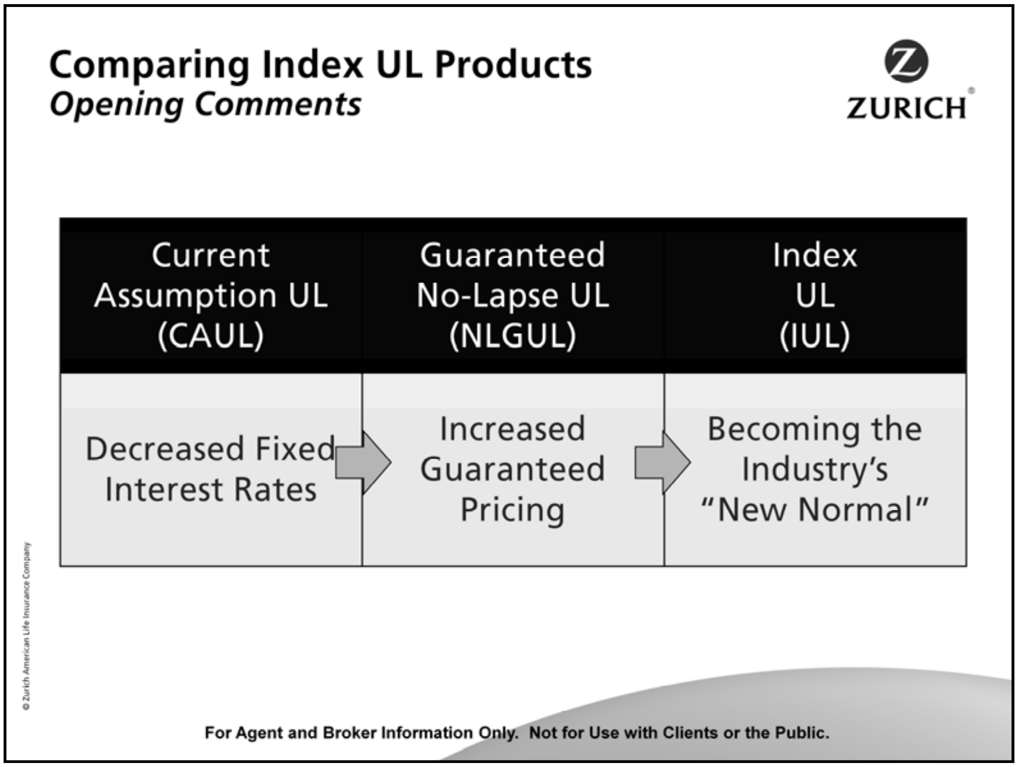
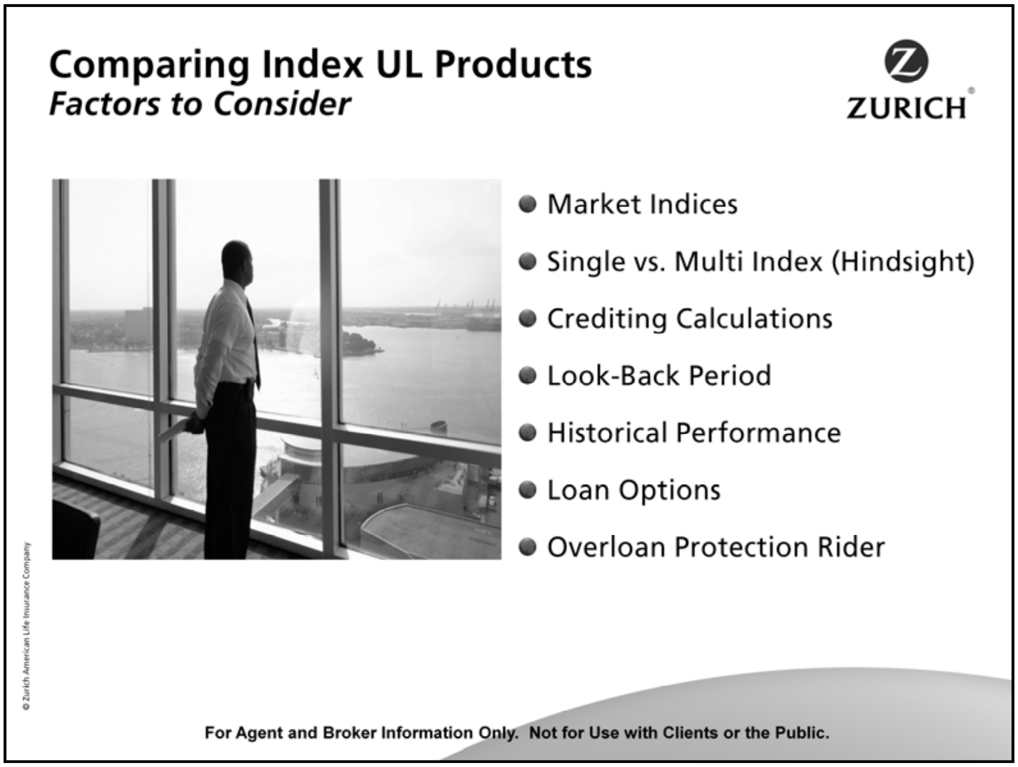
Introductions, bios



It is clear to many industry observers that index interest UL products are in the process of becoming the industry's "new normal" as they are taking measurable market share from the more traditional guaranteed no-lapse UL and fixed interest current assumption UL product segments. Today, more and more mainstream brokers and advisors are taking a serious look, often for the first time, at the merits of index interest UL.

Over the recent past, no-lapse guarantee UL products were very popular. These products guarantee pricing, very attractive long-term IRRs at death but little-to-no long-term cash surrender value. Prior to the popularity of no-lapse guarantee UL products, fixed interest current assumption UL products were very popular. All of this changed when the economy entered this period of now sustained low interest rates. As a direct result, the industry's no-lapse guarantee UL pricing has increased numerous times as the carriers attempted to protect their margins. The low interest rates also impacted the attractiveness of fixed interest current assumption UL.

Another factor driving consumer interest in index interest UL products: the very clear consumer preference for long-term, tax-advantaged cash value build-up. This trend seems to have resulted from the financial crisis that started late in the last decade. Increasingly, index interest UL, and its cash value growth potential, is getting a closer examination by brokers and consumers for both death benefit AND cash accumulation applications.



Unfortunately, while it was easy to compare No Lapse Guarantee UL products and Current Assumption Products by using a standard illustration, Index UL products are far more complicated. With No Lapse Guarantee UL products, since the guaranteed premium and death benefit were the primary focus, it was reasonable to mainly compare guaranteed premiums between products. Current Assumption UL products had some uncertainty in premiums, but since the interest credited was a declared rate that was generally based on the same types of bonds from carrier to carrier, it was still reasonable to compare the default illustrated premiums and cash values.

Then enters Index UL. With varying market indices, index account allocation choices, look-back periods, year-end calculations, and loan options that are represented only with a hypothetical illustrated interest crediting rate (which, by the way, varies by time periods, frequencies, and days of the month) that attempts to project premiums and cash values, it's impossible to compare one IUL product to another by just looking at their default illustrations.

That's why with Index UL, we have to dig a little deeper. By comparing the various factors listed on this slide, you and your clients can better compare Index ULs that are based more on substance, and less on hypothetical illustrations. We'll go through each of these factors in today's presentation.

Market Indices in Index UL
How Important is Diversity?

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		Product								
		1	2	3	4	5	6	7	8	9
Domestic	S&P 500	●	●	●	●	●	●	●	●	●
	Nasdaq-100						●			
	DJIA						●			
	DJ UBS commodities									●
	Russell 2000									●
Global	DJ Eurostoxx 50					●		●	●	
	DJ Global - Ex U.S.				●					
	Hang Seng					●		●	●	
	MSCI Emerging Markets					●				●
	MSCI EAFE									●

Let's start with Market Indices. What are some factors that a sales professional should consider when deciding which market index is well suited for use in an index UL product?

At the outset of our discussion, let's be mindful that we are talking about an interest rate crediting methodology inside of a permanent, cash value life insurance policy. By its very nature, a permanent cash value life insurance product is a long-term proposition. Therefore, a policy's internal mechanics, including its interest crediting rate, should be built to deliver the long-term performance that the consumer and the sales professional expects.

Before we dive into the various combinations of indices that may be available, let's take a look at which indices are offered in IUL products. Out of nine carriers, including Zurich, all nine have an index account that uses the S&P 500 Index. Six carriers also offer other indices in addition to the S&P 500 in order to provide more diversification.

For example – Zurich IUL, product #9, offers access to both domestic and global indices: the S&P 500, DJ UBS Commodity, Russell 2000, the MSCI Emerging Markets and the MSCI EAFE.

The first question is - does the large cap exposure of the S&P 500 product provide your client enough diversification? If you and your client believe that it does, all nine of the IUL products that we are comparing offer a single index account based on the S&P 500.

But for clients who appreciate the value of diversification, through some combination of developed and emerging economies, large and small cap companies, domestic and global exposure, the first three products would be eliminated from consideration.

Single Index or Multi Index Account
How Important is Hindsight?

ZURICH

		Product								
		1	2	3	4	5	6	7	8	9
Domestic	S&P 500	●	●	●	●	●	●	●	●	●
	Nasdaq-100						●			
	DJIA						●			
	DJ UBS commodities									●
	Russell 2000									●
Global	DJ Eurostoxx 50					●		●	●	
	DJ Global - Ex U.S.				●					
	Hang Seng					●		●	●	
	MSCI Emerging Markets					●				●
	MSCI EAFE									●

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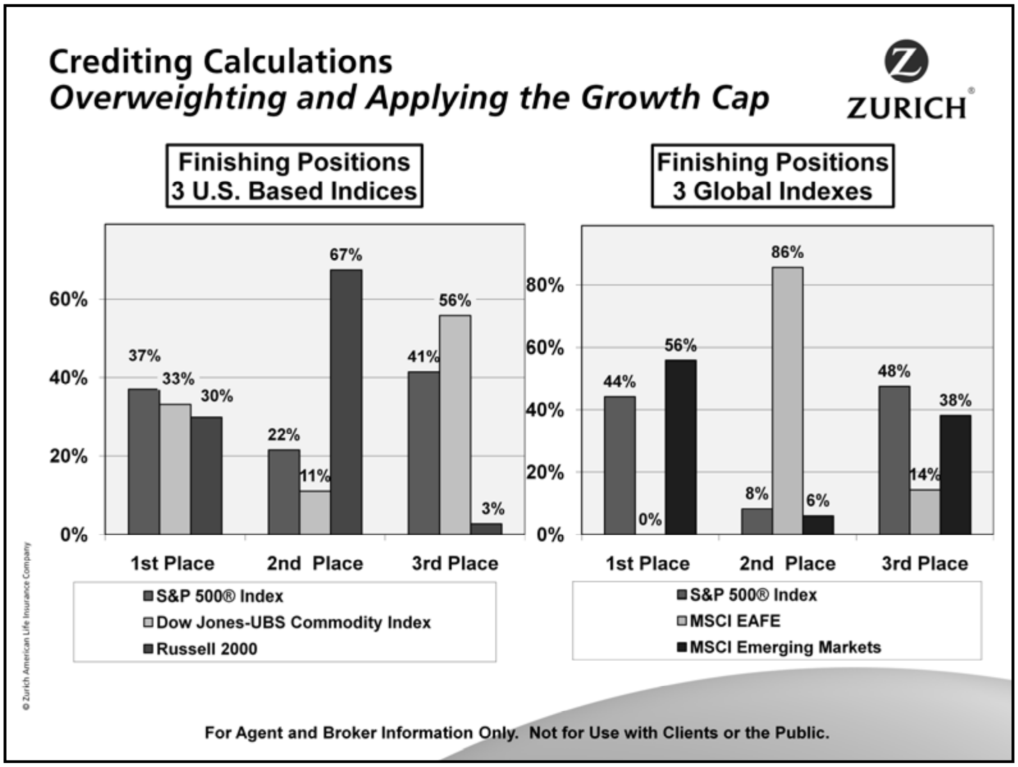
Now let's assume for a second that you and your client are interested in strong diversification. The next issue is – how important is hindsight? As previously mentioned, all Index UL products are hindsight products. For example, when looking at a 1 Year, Point to Point account – on the crediting date, the carrier looks at what the value of the index was exactly one year before the crediting date and compares that to the value of the index on the crediting date. But because we've decided to diversify beyond the S&P 500 Index, the client and agent have taken on the burden of deciding which index to allocate to. Should it be an equal distribution to all available indices? Products #4 offers two indices, but each is in its own Index Account. This requires your client to guess which of the two will perform better, or allocate to both equally.

If this is a concern for you and your clients and, then a Multi-Index Account helps remove some of the burden of forecasting which index will outperform the others. Products 6 through 9 offer Multi-Index Accounts where three market indices are included in one account. This offers diversification and remove the burden of guessing which index will outperform the others.

This product feature is important when comparing Index UL products. It does not mean that Single Index Accounts should never be chosen, but it's critical that you and your clients discuss their comfort level with choosing how much to allocate to each index.



Let's look at an example of why "hindsight" in a multi index account may be beneficial.

The chart on the left reflects the finishing positions of three U.S. based indices. The chart on the right reflects the finishing positions of three global indices. The basic takeaway from these two charts is that over the past twenty years, there was significant and unpredictable variability in any given year as to which of the three indices finished the year in the #1, #2 or #3 price performance position.

Let's take a quick look at the chart on the left. This chart shows how frequently each of the three indices' price performances finished in either the 1st, 2nd or 3rd position at the end of one year period over the last twenty years. For example, the S&P 500 Index displayed in blue finished in the #1 one-year position 37% of the time over the last twenty years. Another example: the Dow Jones-UBS Commodity Index displayed in gold finished in the #1 position over a one-year period 33% of the time over the last twenty years. Looking at the data another way, the Russell 2000 Index finished in either the #1 or the #2 position over a one-year period 97% of the time.

The most immediate conclusion from this data is that over the past twenty years there has been a high degree of variability as to which of the three indices finished in either the #1, the #2 or the #3 position at the end of any given year. When I look at the S&P 500 Index in blue, I see a very solid single index performer finishing #1 37% of the time and finishing either #1 or #2 59% of the time. However, you can't ignore the strong performances of the Dow Jones-UBS Commodity Index and the Russell 2000 Index. The question has always been and continues to be : Which index will be the #1 performer over the next twelve months? Few people have the predictive power to consistently answer that question.

So the challenge seems to be to create an index interest account that is comprised of several indices that accentuates each year's #1 performing underlying index, that de-emphasizes each year's #3 underlying index AND does not require the client or the sales professional to predict the future at the beginning of every year. Which leads us to our next component of an Index UL Account's crediting methodology – the combination of hindsight and overweighting.

[NEXT PAGE]

Crediting Calculations
Overweighting and Applying the Growth Cap

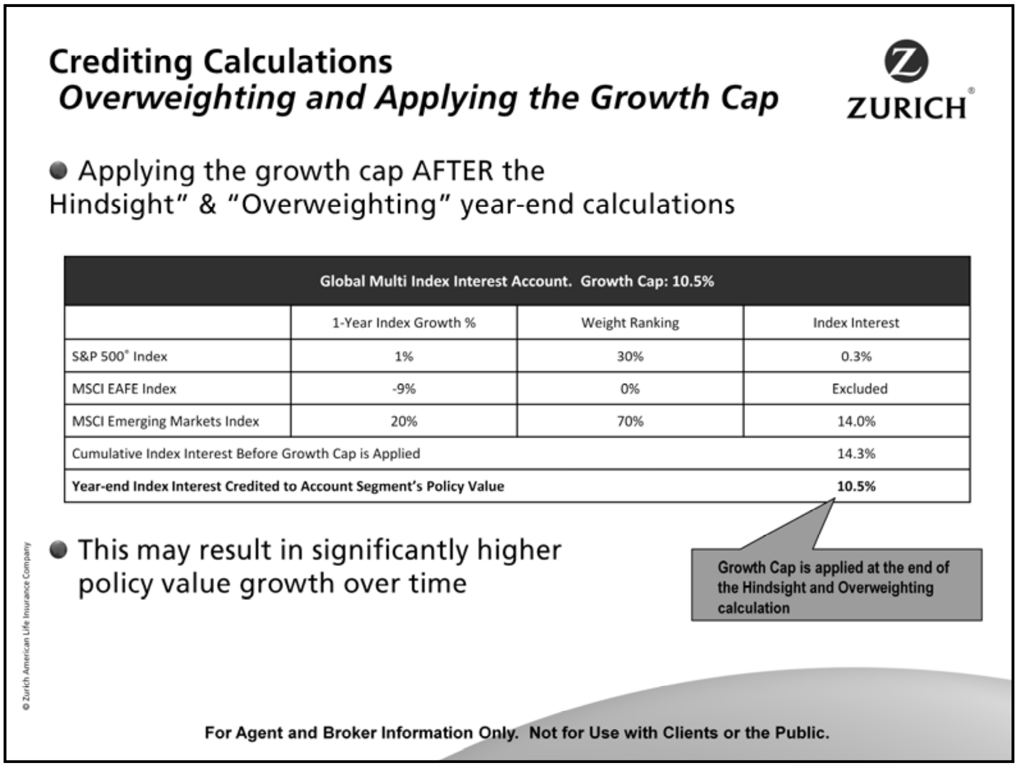
ZURICH

	Product								
	1	2	3	4	5	6	7	8	9
Best Performing Index					33%	50%	75%	75%	70%
Second Performing Index					33%	30%	25%	25%	30%
Worst Performing Index					33%	20%	0%	0%	0%

Let’s assume you and your client like the “hindsight” ability of a Multi-Index Account. Instead of just taking the average of the returns in all three indices to calculate the crediting rate, some products will actually give you the “best of the best.” This truly removes the burden of deciding which index will outperform the others, because the best performing index is automatically credited more. Product #5 weights each index, regardless of performance, equally using a true average. Product #6 has some overweighting, but the worst performing index still receives 20% of the weighting.

If you and your client want the advantage of the hindsight and overweighting combination, then products 7, 8 and 9 offer the strongest overweighting.

Another critical factor that you and your clients should be aware of are when the cap rates are actually applied. If the cap rates are applied to each individual index, versus the total calculated return, this could greatly change the crediting rate.



Crediting Calculations
Overweighting and Applying the Growth Cap

ZURICH

- Applying the growth cap AFTER the Hindsight" & "Overweighting" year-end calculations

Global Multi Index Interest Account. Growth Cap: 10.5%			
	1-Year Index Growth %	Weight Ranking	Index Interest
S&P 500® Index	1%	30%	0.3%
MSCI EAFE Index	-9%	0%	Excluded
MSCI Emerging Markets Index	20%	70%	14.0%
Cumulative Index Interest Before Growth Cap is Applied			14.3%
Year-end Index Interest Credited to Account Segment's Policy Value			**10.5%**

- This may result in significantly higher policy value growth over time

Growth Cap is applied at the end of the Hindsight and Overweighting calculation

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The general concept of a GROWTH CAP is quite simple. At the end of the year, an index's point-to-point performance is measured. If the index performance is positive, the policy values will be increased at the end of the year by a percentage equal to the index's percentage growth less any guaranteed interest that may have been previously credited during the year. However, if the index's annual growth is in excess of the currently declared GROWTH CAP, the adjustment to the policy value at the end of the year will be limited, or capped, by the GROWTH CAP.

That's the general concept of a GROWTH CAP. But as previously mentioned, not all policies' GROWTH CAPs work the same way. Let's take a look at the hypothetical case study reflected on the slide, using Zurich's IUL as an example.

The case study on this slide assumes that the S&P 500 Index , the MSCI EAFE Index and the MSCI Emerging Markets Index grew a positive 1%, a negative 9% and positive 20% respectively. You can see that the annual returns of these three indices are fully included in the HINDSIGHT and OVERWEIGHTING formula. It is only after the HINDSIGHT and OVERWEIGHTING methodology is applied that the Account's current GROWTH CAP of 10.5% is applied. In this hypothetical example, the Zurich Global Index Interest Account segment policy value will receive an index interest credit of 10.5% at the end of the year.

Let's go to the next slide and see how another product's GROWTH CAP might be applied to a similar situation.

Crediting Calculations
Overweighting and Applying the Growth Cap

ZURICH

- Applying the Growth Cap BEFORE the final year-end index interest crediting calculation

Non-Zurich Multi Index Interest Account With Equal Index Weighting. Growth Cap: 13%				
	1-Year Index Growth %	Growth Cap Applied to Individual Indices	Weight Ranking	Index Interest
Index #1	1%	1%	33.3%	0.3%
Index #2	-9%	-9%	33.3%	0.0%
Index #3	20%	**13%**	33.3%	4.3%
Year-end Index Interest Credited to Account Segment's Policy Value				**4.6%**

Some Index UL products apply the Growth Cap to the individual indices before the final interest crediting calculation

- This practice can significantly limit the end-of-year index interest that is credited to policy value

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This slide shows how some other carriers may apply their GROWTH CAPs on their multi index accounts. The case facts are the same as we used on the previous slide. This product's three indices one-year point-to-point performances were identical to the Zurich indices we just saw on the prior slide: Index #1, Index #2 and Index #3 grew a positive 1%, a negative 9% and positive 20% respectively. Just to make the case study more interesting, I am also assuming that this product has a higher growth cap of 13% versus the 10.5% growth cap that we just saw on the previous slide.

Let's look at how this carrier applies its GROWTH CAP.

As indicated, the three indices' annual performances were identical to the three on the previous slide. But there the similarities stop. Focus for a moment on Index #3's 20% performance. See how this 20% performance is capped by the 13% GROWTH CAP before the other two indices' performances are considered.

In addition, this product equally weights its three indices' annual performance at the end of the year on a one-third, one-third, one-third basis. That is, this product does not have the benefit of the HINDSIGHT and OVERWEIGHTING mechanism.

Bottom line: assuming the same indices and performances, the growth caps, floors and overweighting mechanism make a significant difference in what the index interest rate will be.

It's clear to see that not all GROWTH CAPs are created equal. Let's take a quick look at the next slide to compare the two products' case study results.

Crediting Calculations
Overweighting and Applying the Growth Cap

ZURICH

- Growth Cap applied AFTER the "Hindsight" & "Overweighting" year-end calculations

Global Multi Index Interest Account. Growth Cap: 10.5%			
	1-Year Index Growth %	Weight Ranking	Index Interest
S&P 500® Index	1%	30%	0.3%
MSCI EAFE Index	-9%	0%	Excluded
MSCI Emerging Markets Index	20%	70%	14.0%
Cumulative Index Interest Before Growth Cap is Applied			14.3%
Year-end Index Interest Credited to Account Segment's Policy Value			**10.5%**

The One Year Difference
Zurich 10.5%
Competitor 4.6%

- Growth Cap applied BEFORE the final year-end index interest crediting calculation

Non-Zurich Multi Index Interest Account With Equal Index Weighting. Growth Cap: 13%				
	1-Year Index Growth %	Growth Cap Applied to Individual Indices	Weight Ranking	Index Interest
Index #1	1%	1%	33.3%	0.3%
Index #2	-9%	-9%	33.3%	0.0%
Index #3	20%	**13%**	33.3%	4.3%
Year-end Index Interest Credited to Account Segment's Policy Value				**4.6%**

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This slide brings the two charts from the two previous slides so that we can readily compare - side by side - the index interest crediting performances between two methodologies.

As you can see, in this one-year case study period, the overweighting and growth cap application after the year-end calculations result in a rate of 10.5% versus a 4.6% index interest credit without these features.

Length of Look-back period
One Year, Two Year, Five Year…?

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	Product								
	1	2	3	4	5	6	7	8	9
Best Performing Index					33%	50%	75%	75%	70%
Second Performing Index					33%	30%	25%	25%	30%
Worst Performing Index					33%	20%	0%	0%	0%

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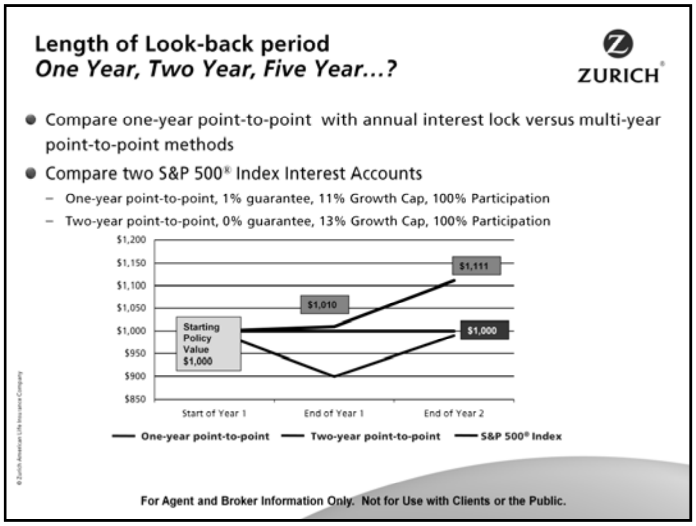
The last factor in crediting methodologies that is important to consider is the length of the look-back period. Products 7 and 8, in their overweighting, point to point multi-index accounts use a 5 year look-back period. Zurich (Product 9) uses a 1 Year look-back period.

The advantage of a 5 Year Look-Back period is lower volatility, since it is a point to point calculation that looks at the value of the indices five years ago and calculates the growth.

But there are advantages to using a One Year look-back as well, which we'll take a look at on the next slide.



For simplicity, let’s use a two-year case study instead of the five-year. The case study examines the two policies’ S&P 500 Index Interest Accounts each with a 1% guarantee and an 11% or greater Growth Cap.

Let’s assume that a Index UL policyholder allocates $1000 of Policy Value to the policy’s S&P 500 Index Interest Account with its ONE-YEAR point-to-point crediting methodology and 1% annual guarantee. Let’s further assume that another policyholder allocates $1000 of Policy Value to his or her policy’s S&P 500 account with its TWO-YEAR point-to-point crediting methodology and 0% guarantee.

We’ll further assume that both policies are starting year-one with $1000 of policy values in their respective S&P 500 Index accounts. For purposes of this hypothetical case study, let’s also assume that no policy fees or loads that will be deducted from either of the policies’ accounts during the case study period.

The blue line on the slide reflects the performance of the S&P 500 Index (excluding dividends) over the two-year case study period. At the end of Year 1, assume that the S&P 500 Index declined by 10% over the prior twelve months. In year two, the S&P 500 Index increased by 10% over the preceding 12 months. However, at the end of year two, the S&P 500 Index did not quite return to its starting point at the beginning of year one

Let’s now look at the performance of the One-Year point-to-point product as reflected by the green line. The policy value started at $1,000 at the beginning of year one. Given that the S&P 500 Index declined 10% in year one, the Zurich policy values received 1% guaranteed interest at the end of year one and increased to $1,010.

The two-year point to point product, depicted on the chart by the red line, did not receive any index interest crediting at the End of Year 1 given that its S&P 500 account has a two-year point-to-point structure

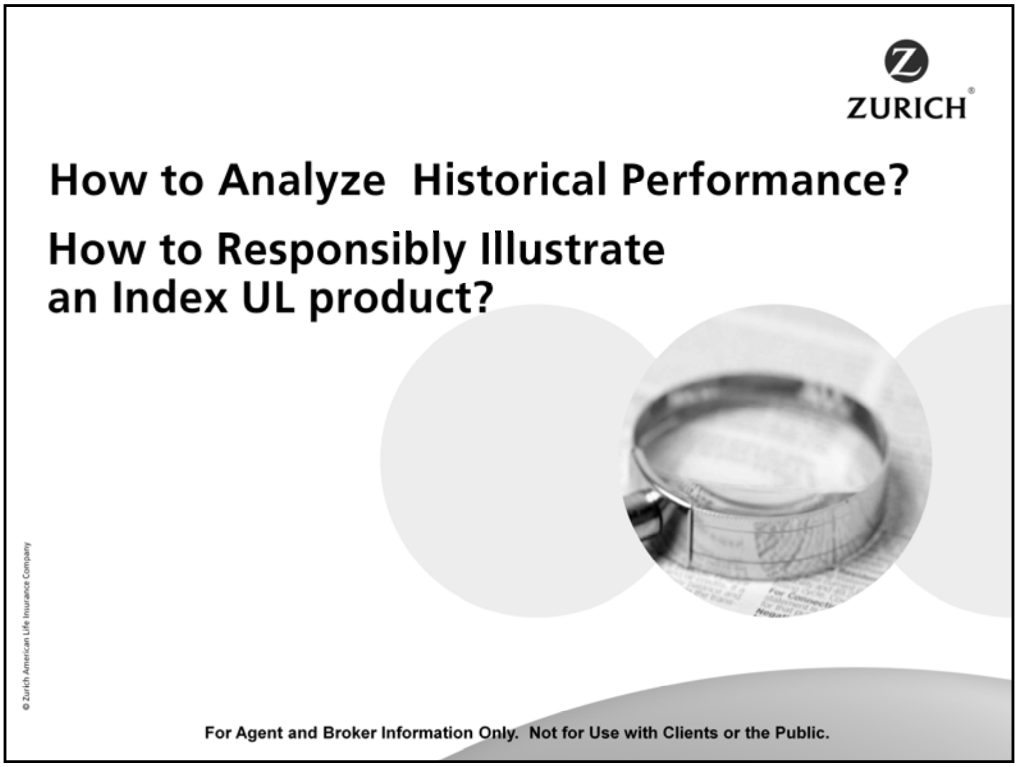
Now, let’s fast forward to the End of Year 2 and assume that the S&P 500 Index increased 10% over the preceding twelve months.

The One-Year Point to Point policy’s End of Year 2 cash values will increase by 10% to $1,111.

The two-year point to point policy, may also be eligible to receive an index interest credit at the End of Year 2. However, the S&P 500 Index actually declined over the two-year period. Therefore, this policy is not eligible for a S&P 500 Index-based adjustment and will only receive its 0% guarantee interest rate. Net result, at the end of year two, the policy value of the policy will be unchanged at $1,000.

Comparing the two policies’ End of Year 2 policy value account balances, the one year point-to-point product’s policy values increased over 11% versus the two year point-to-point product’s in just two years time.

One last comment and question on this slide. This slide compared a one-year point-to-point crediting methodology to a two-year point-to-point crediting methodology. As mentioned on the previous slide, some products offer an even longer point-to-point period such as a five-year point-to point period. When compared to a competing product with a the point-to-point period that is two years or longer, the one-year point to point methodology has greater potential to capture the upside of the indices volatility (especially today) and providing a floor for the downside of the volatility. Five year accounts do reduce the volatility by waiting five years to do a calculation, but it also provides for a lost opportunity when the indices have large swings during the five year period.



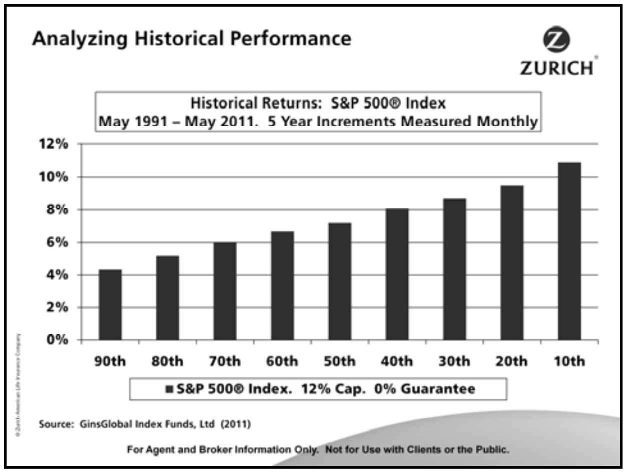
Now that we've gone over the major factors that drive a crediting methodology, let's move on to how those methodologies are reflected in the most common client presentation tool – the illustration.

Unlike Current Assumption UL, other than for the guaranteed minimums, we have no idea what an Index UL will actually credit, even in the first year since we have to wait to see what the value of the chosen indices is on the actual crediting date. For IUL products, carriers choose hypothetical illustrative interest crediting rates to project premiums, cash values and distributions in an illustration. Now you would think, since most carriers use historical performance, that the default hypothetical rate would reflect an "apples to apples" comparison between IUL products and is a reasonable assumption in an IUL illustration.

But these hypothetical rates are rarely indicative of how the index accounts will actually perform and are typically based on different time periods and frequencies (daily versus monthly for example).

Let's get into the topic of how to analyze the historical performance of a market index, or combination of market indices, so that we can give some guidance as to how to responsibly illustrate a new index interest UL sales illustration.

[NEXT PAGE]

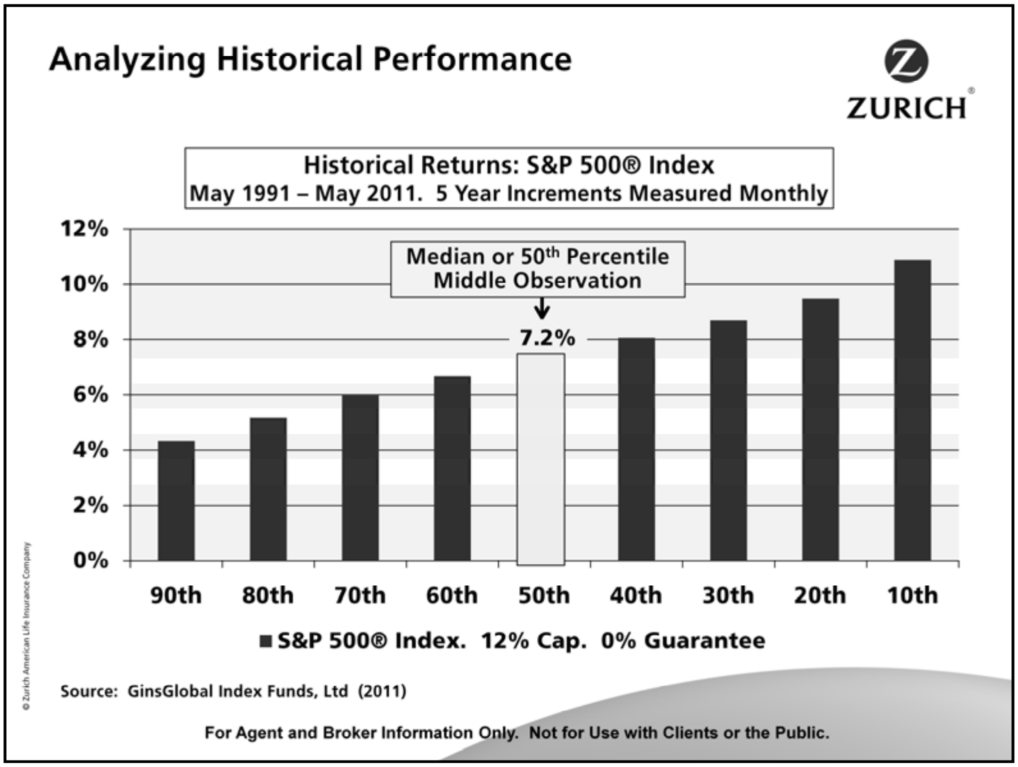


Let's take a look at a typical single index that is readily available in many of today's index UL products: the index is the S&P 500 Index. The S&P 500 Index account displayed on the slide has an assumed 12% growth cap, credits on a one-year point-to-point basis, has a 100% participation rate and a 0% annual interest rate guarantee.

As the slide title indicates, we are measuring rolling five-year increments of time on a monthly basis. Why are we measuring the data this way? Let's break it down. A twenty year study period is sufficiently long to draw inferences from the data. Second, we are measuring rolling five-year periods of time on a monthly basis. For example, consider that our data started on May 1, 1991. Our first five-year period of time would be from May 1st 1991 to April 30th 1996. Our second five-year period of time would be from June 1st 1991 through May 31st 1996 and so on. We continue to capture information this way all the way through the five-year period that ends on April 30th 2011. The data from these rolling five-year increments of time are collected as a group, analyzed and graphically displayed as you see on the slide.

Why measure rolling five-year increments of time versus let's say longer increments of time such as rolling 10 year increments or 20 year increments? Or shorter periods of time such as rolling one-year increments of time? In my opinion, using five-year increment of time typically is more conservative than one-year increments of time and also allows us to capture the effect of annual minimum floor returns, such as 0 or 1%. It is wise to be conservative when using historical data to project future performance. Ten-year and twenty-year increments of time often don't result in enough observations to be statistically valid. Importantly, a five-year model synchs up well with a long-term buy & hold proposition such as permanent cash value life insurance. Also note that we are measuring our five-year increments on a MONTHLY basis. Why monthly? Because the majority of the industry's index UL products only permit Policy Values to be transferred into an index interest account on a monthly basis.

Remember, when comparing the merits of any index interest account from any carrier, be certain to always use the same study period duration, the same rolling increments of time and the same frequency. I recommend use of at least a twenty-year study period and rolling five-year increments of time measured monthly.



The first observation you want to make is to determine the MEDIAN value, or the middle observation of the data that you are studying. Regarding our specific S&P 500 Index study, the median value is a compound annual average return of 7.2% and is displayed in yellow. This median value is also often called the 50th percentile, that is, 50% of the observed index rates of return were greater than the 7.2% median and 50% of the observed index rates of return were less than 7.2%.

Remember my advice of using the same study methodology when you compare the performances of any two index interest accounts, even two S&P 500 index accounts that on the surface seem to be near equals. Using different study methodologies will not result in an apple-to-apple comparison. Today, many non-Zurich carriers seem to analyze their S&P 500 Index accounts using a typically more aggressive one-year rolling periods of time. One-year periods of time normally will result in a higher median rate than a five-year period of time study. The 7.2% median number on the slide is based on five-year rolling periods of time. Again, I recommend using a more conservative approach in analyzing historical data particularly if you are going to use the historical data to project future policy account performance.

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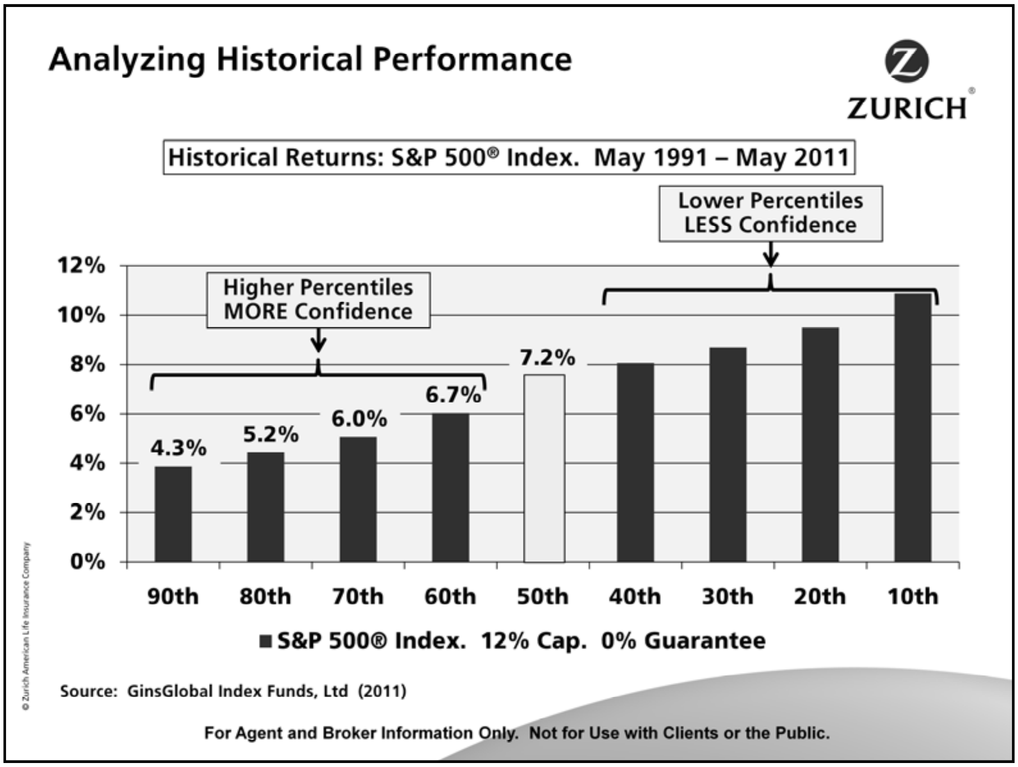

The next observation you want to make is to see how the rest of the historical data is distributed on either side of the median. Remember, 50% of the time the historical index returns were higher than the 7.2% compounded annual average return median, this is displayed on the slide to the right of the median in yellow. Similarly, 50% of the time the historical index returns were lower than the 7.2% median – this is displayed on the left hand side of the yellow median.

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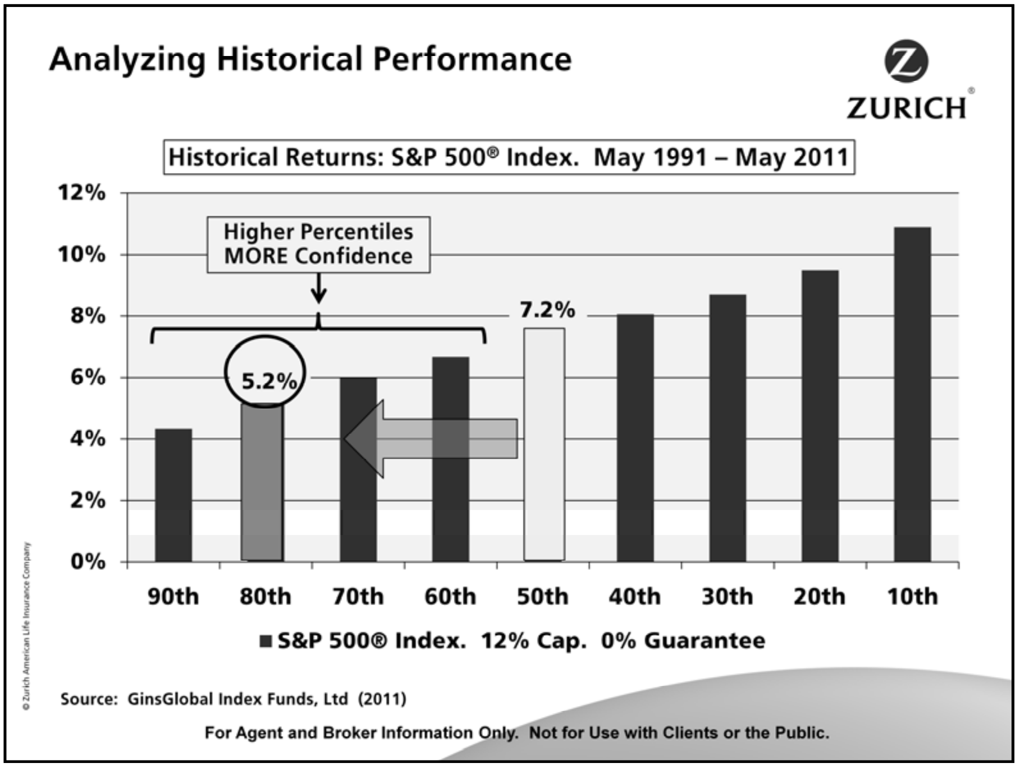

Let's focus on the LEFT HAND SIDE of the 7.2% median. The chart indicates that the LEFT HAND SIDE is associated with HIGHER PERCENTILES and MORE CONFIDENCE.

Let's be mindful that our industry is using analyses of historical index performance to somehow illustrate future index interest performance. This is OK if done responsibly and properly disclosed to the consumer. Remember the sage advice, "Past performance is not necessarily indicative of future results'. The question on the table today is how to responsibly use historical data when illustrating future index UL account performance. If we are compelled to look at historical index performance data, and we are, then it is responsible to rigorously stress test that data to determine what index UL illustration rate is appropriate.

My opinion is that the life insurance sales professional should rigorously stress test the historical data . I do not recommend that a sales professional merely chop off X number of basis points – for example 200 basis points – from the carrier's suggested illustration rate and call it a day. This practice, would unfairly disadvantage indices that are constructed differently.

Our recommendation is to look to the LEFT HAND SIDE of the median, select a high confidence percentile that you are comfortable with, and use the historical rate of return associated with that high confidence percentile when illustrating an index UL product. For example, look at the 5.2% historical rate of return highlighted in green that is associated with this study's 80th percentile. This 5.2% value indicates that 80% of the observed index rates of return were greater than 5.2% and that 20% of the observed index rates of return were less than 5.2%. Using this stress tested 5.2% rate when illustrating an index UL's hypothetical future performance will give the sales professional MORE CONFIDENCE in presenting the illustration to a prospective client.

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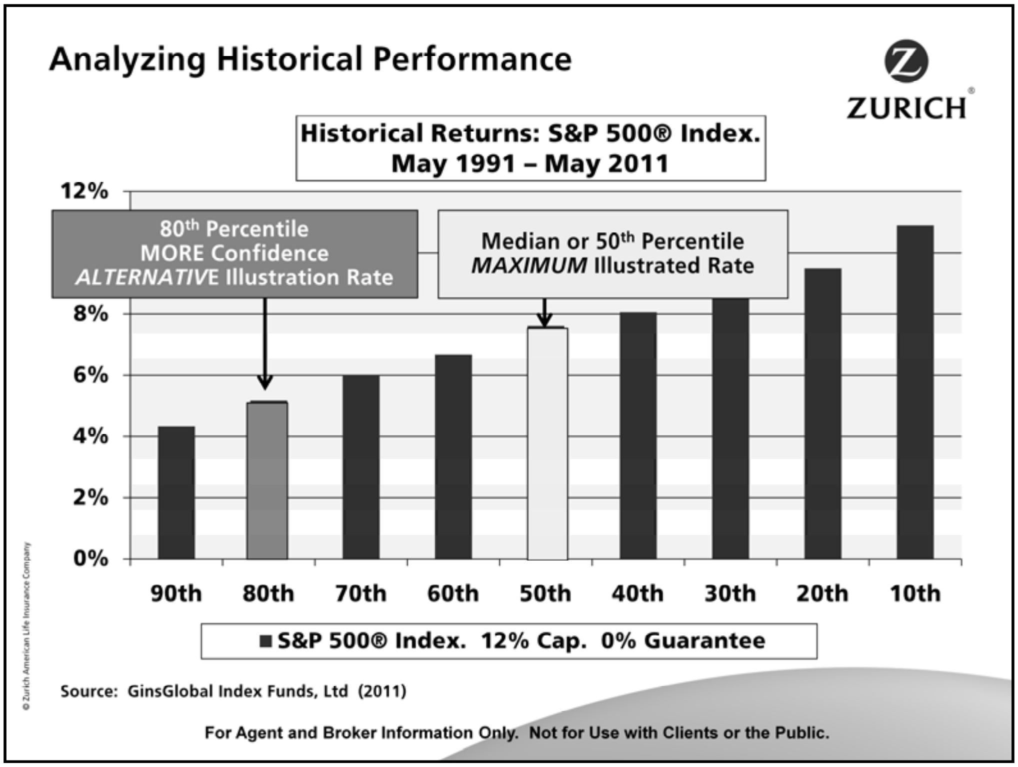

Let's summarize our discussion regarding how to analyze a market index's historical performance and how to use that analysis to responsibly illustrate an index interest UL product.

First make certain that all of your analyses are apple-to-apple comparisons. Use the same long-term study period duration such as twenty years. Make certain that your study also employs appropriate increments of time such as my recommended five-year rolling periods of time.

The first observation you want to make is to determine the MEDIAN, or the middle observation. Remember, 50% of the historical study's observations were greater than the median and 50% of the observations were less than the median. This middle historical number, if used in an index UL sales illustration, should ALWAYS be accompanied with a stress tested alternative illustrated rate.

You have to stress test historical data if you are to be positioned to responsibly illustrate a forward looking new index UL product to a consumer. Remember, go to the LEFT HAND SIDE of the median, select as your illustration rate a higher percentile historical rate - such as rate associated with the 80th percentile – and be more confident in selling and servicing index interest UL products.

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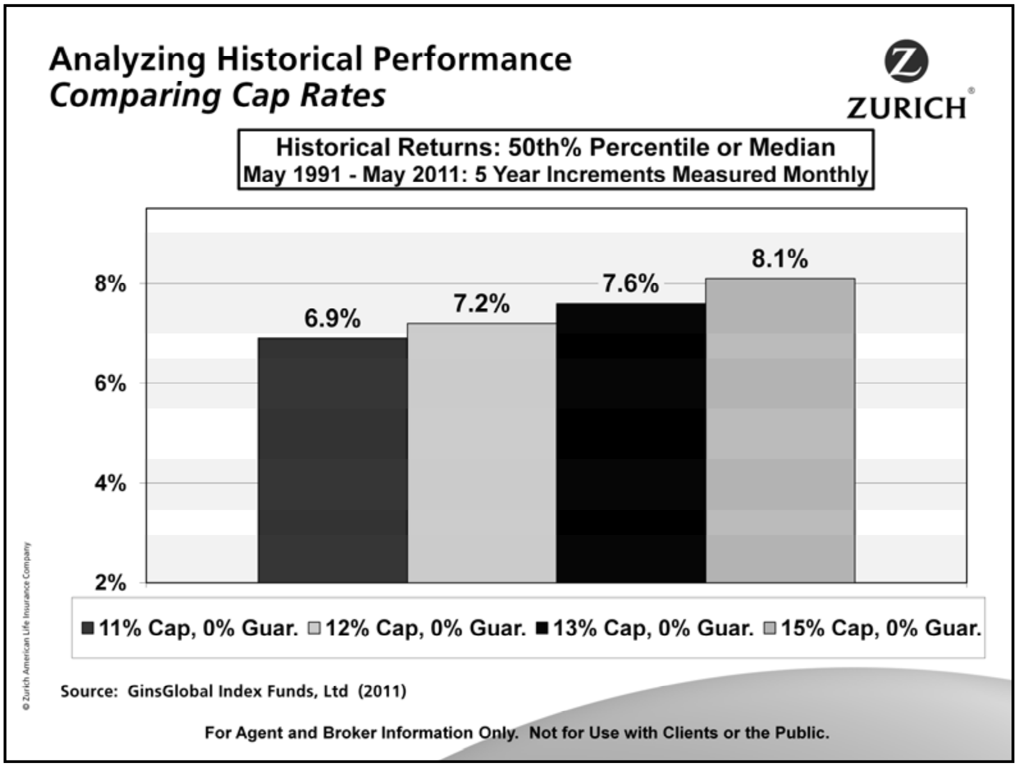

We've seen a couple of carriers offer cap rates on their index accounts that are higher than peers in the industry. Some choose to compare IUL products based on cap rates, which is really not enough of a factor to base a decision on.

This slide shows four different non-Zurich S&P 500 Index account models that are offered by a number of carriers today. All four models have these similar characteristics: a one-year point to point design, a 100% participation rate, and a 0% annual interest rate guarantee. All four models have different growth caps. Going from left to right, the model shown in red has an 11% growth cap; the model in gold has a 12% growth cap; the model in dark blue has a 13% growth cap; and finally the light blue model on the far right has a growth cap of 15%.

For the sake of consistency, which we have stressed is critical in comparing IUL products, we used the exact same historical study discipline as in the previous slides: a long-term twenty year study period focused on five-year increments of time measured monthly.

The actual rates of return displayed on this slide for each of the four indices are the accounts' median values. When you observe the four median numbers displayed from left to right, the median values increase as the index accounts growth caps increase.

This observation is not surprising. All other factors being equal, you should expect the median historical return to increase as the index account's growth cap increases.

However, there are several other factors that a life insurance sales professional will want to consider. All of the historical studies that the industry uses in setting index UL illustration rates – including our studies - assume that the growth cap is fixed throughout the long-term study period. It is likely that this assumption will not hold over a long period of time. All other factors being equal, an index account with a 15% growth cap is more expensive for a carrier to support over time than is an index account with an 11% growth cap. Additional important reasons to rigorously stress test the historical index return data associated with the index interest accounts you consider.

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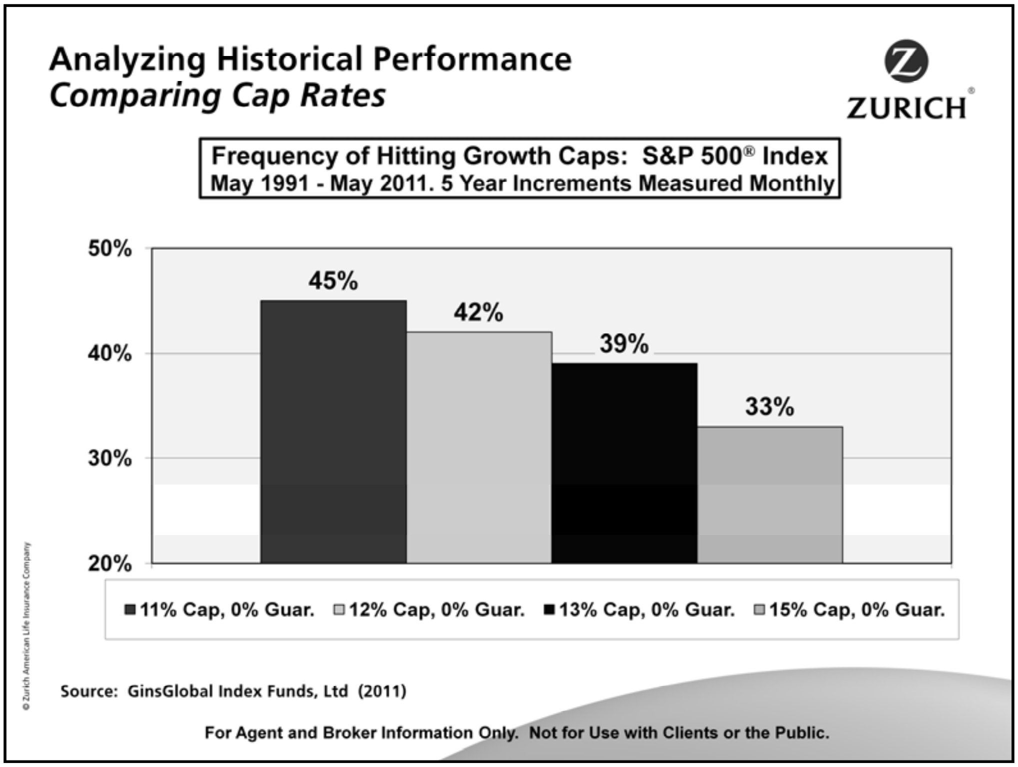
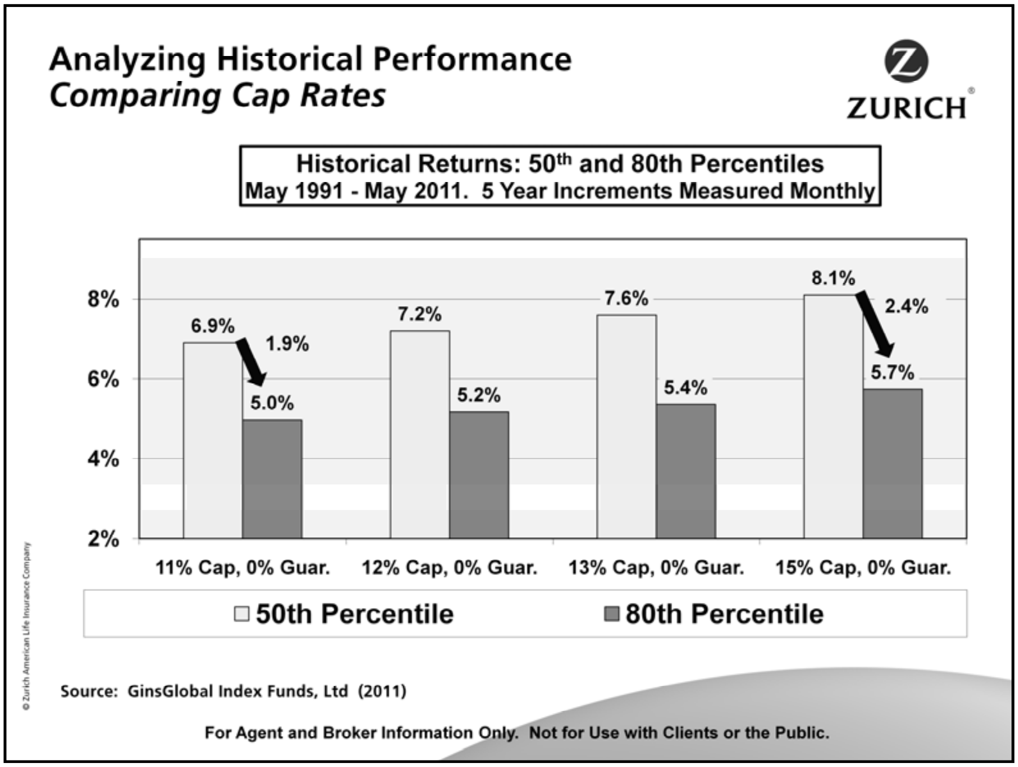


This slide has some information that may be new to you. It shows how frequently the four higher cap S&P 500 Index accounts actually reached their current growth caps over our twenty-year study period.

It's not surprising that a lower growth cap account such as the 11% growth cap account in red would actually hit its growth cap more frequently – 45% of the time during our study period – versus a higher growth cap account such as the 15% growth cap account in light blue that only hit its growth 33% of the time over the same period.

But will this Frequency of Hitting Growth Caps slide impact the index accounts' median and stress tested higher confidence historical returns?

This chart will have only a marginal impact on historical median returns of the four S&P 500 Index accounts'. However, as you move to the more stress tested left hand side, you should see the Frequency of Hitting Growth Caps reality have some impact.



This next S&P 500 Index slide is very interesting. It displays the four higher cap Index accounts at both their median historical return levels in yellow and their stress tested, higher confidence historical return levels in green.

We should expect the stress tested values displayed in green to be lower than the corresponding median values in yellow. The extent of the percentage drop from median to the stress-tested 80^{th} percentile ranges from 1.9% with the 11% growth cap account on the left to 2.4% with the 15% growth cap account on the right. The extent of the drop associated with the stress test may surprise, even alarm some of our guests. Remember the wise man's sage advice. If you are going to use historical results to project future illustrated results, the well advised sales professional will illustrate stress tested values – it may be the difference between a sound sales ledger that performs as illustrated over time and a ledger that may only be a dream.

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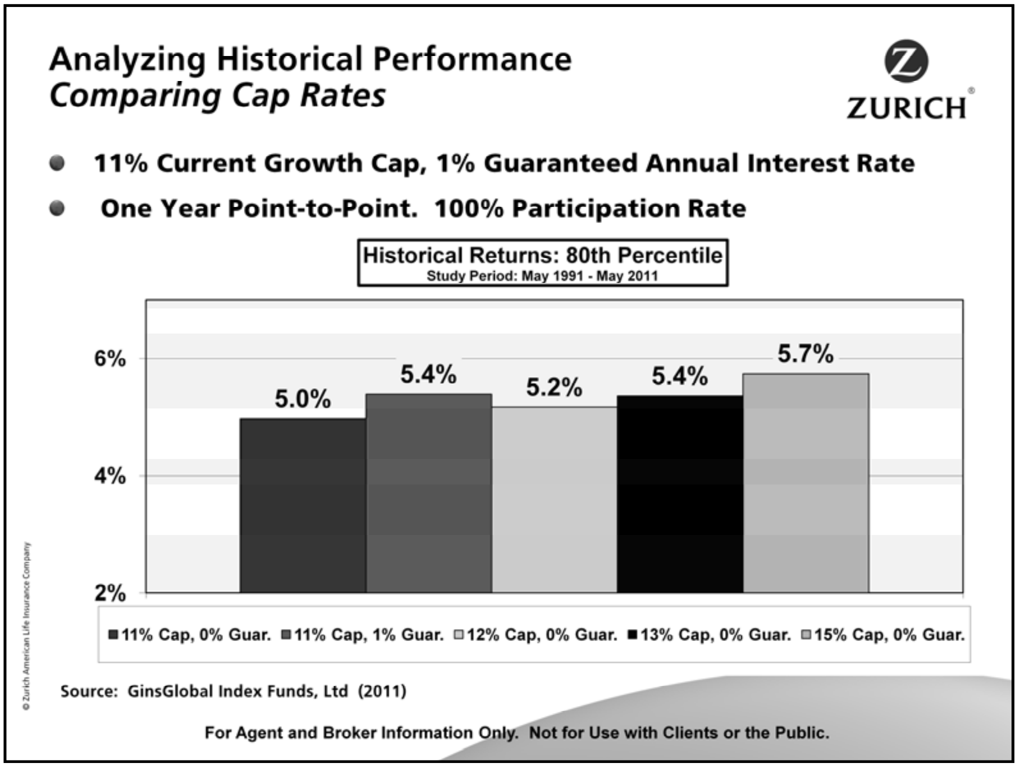

This slide reflects Zurich's conclusion after we conducted the S&P 500 Index study we just reviewed with you. The Zurich S&P 500 Index Interest Account, with an 11% cap is displayed in blue and has been inserted into the four non-Zurich S&P 500 Index accounts that we have been discussing.

The Zurich S&P 500 Index Interest Account has a current growth cap of 11%, a one-year point-to-point and 100% participation rate design. Importantly, it also has a guaranteed 1% annual interest rate. Let's look briefly at the stress-tested 80th percentile values that are displayed on the slide.

The solid Zurich account performance is driven by its guaranteed 1% annual interest rates. Over any long period of time such as our twenty year study, there are annual periods when the S&P 500 Index annual performance will be less than 1%. In these periods, locking in the Zurich account's guaranteed 1% annual interest rate makes a difference.

It is also interesting to note that the 11% growth cap with the 1% guaranteed annual interest rate, surpasses the 12% growth cap account and equals the 13% growth cap account's stress-tested performance.

One last comment on the Zurich product's S&P 500 Index account. My Zurich colleagues and I see the S&P 500 Index account as a basic, have-to-have product feature. We believe there is little-to-no sustainable differentiation possible in index accounts based on the S&P 500 Index. But as previously mentioned, some sales professionals and some consumers may have a preference for periods of time for a single index account that is based solely on the price performance of large cap domestic U.S. equities. For these individuals, the Single Index Account based on the S&P 500 is a solid account option.

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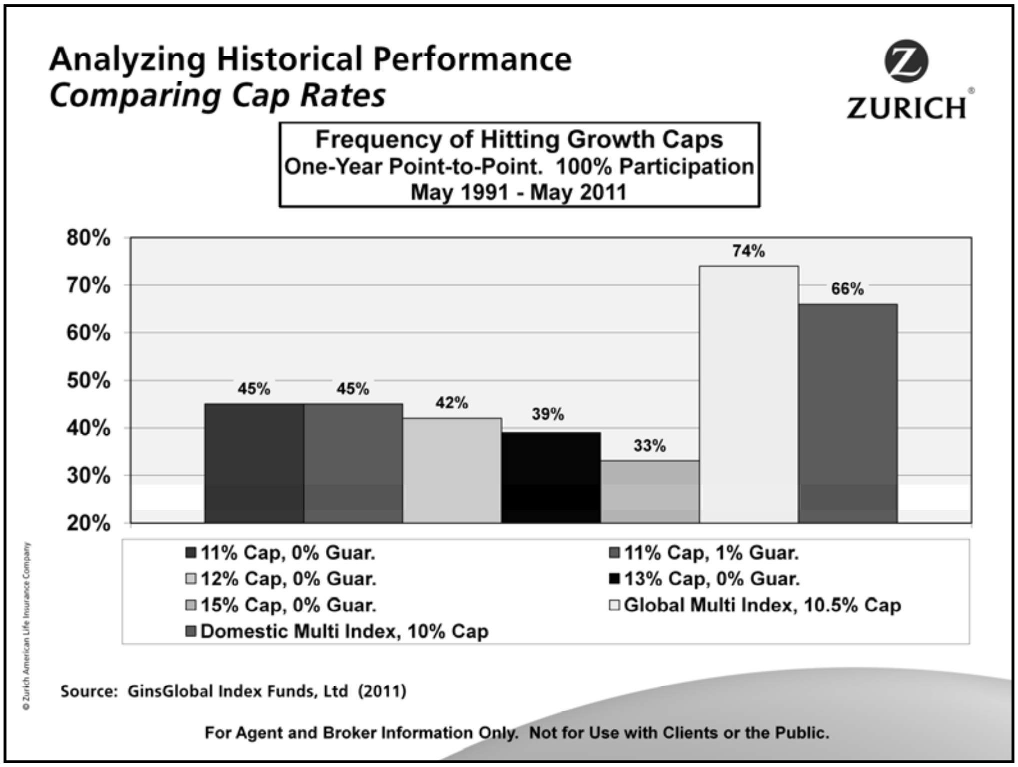
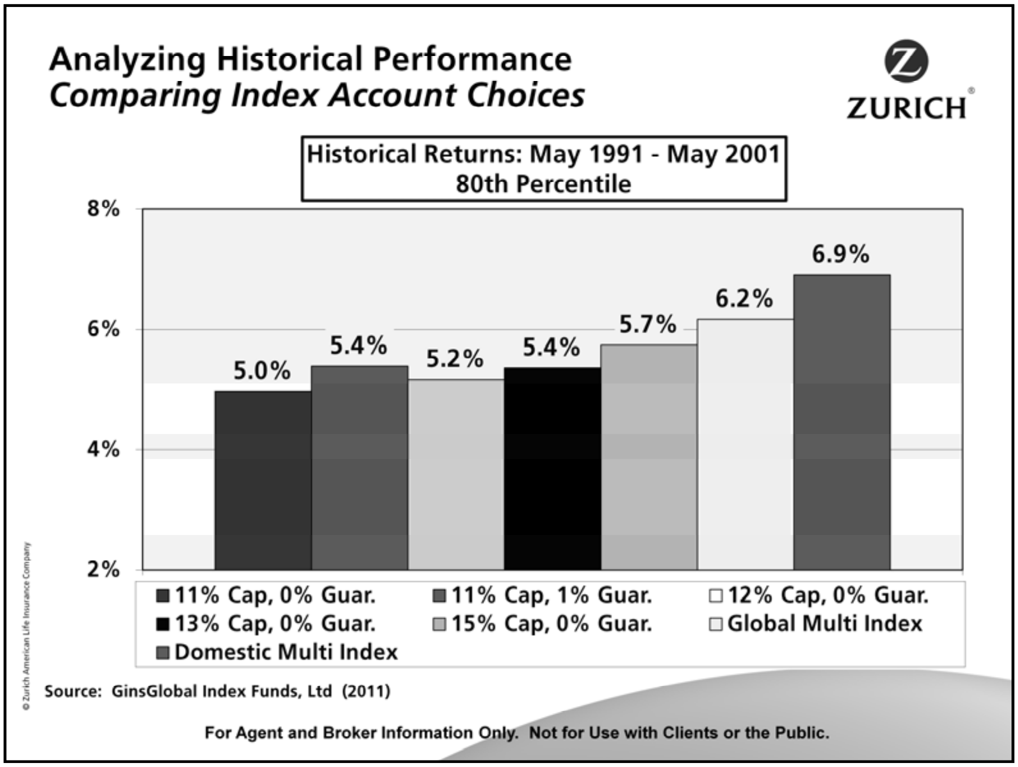


Now let's pull into the conversation the Multi-Index Accounts. On the slide, you will find seven index interest accounts: 5 Single Index S&P 500 Accounts and 2 Multi-Index Accounts.

This slide brings some important perspective to an index interest account's growth cap. As mentioned previously, many sales professionals just getting familiar with the subject of Index UL think that all things considered, the higher the cap, the better the expected performance.

And that may be true to a certain extent. However, I am generally a bit wary of the sustainability of growth caps that are substantially higher than what other quality carriers are offering on their index accounts with the same underlying index. In addition, if a growth cap is set so high that it is rarely ever hit, it may have more marketing value than real performance value.

The slide we are looking at gives some strong credibility to the growth caps on the Zurich Index UL's two multi index accounts displayed in yellow and green on the slide's right hand side. An index UL account's growth cap is just one part of the story. As we have demonstrated today using real numbers over a long period of time, concepts such as multi indices, and hindsight and overweighting can make a remarkable difference in the performance of a client's index UL policy.



One last slide on analyzing historical performance. On this chart, all seven accounts are displayed using their stress tested 80th percentile historical results.

The relative stress tested performances of the two Zurich multi index accounts displayed on the right hand side of the slide are outstanding, but not surprising at all. The 6.2% and 6.9% stress tested performances of Zurich's Global Multi Index and Domestic Multi Index accounts compares very favorably to the 5.7% performance of an aggressive 15% growth cap S&P 500 Index account, even though the caps are lower.

Compounded over time, the difference that diversification, hindsight and overweighting makes in policy values and policy distributions could be very, very significant.

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Loan Options

Variable, Indexed or Fixed?

Using the
Overloan Protection Rider

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Loan Options
Overview

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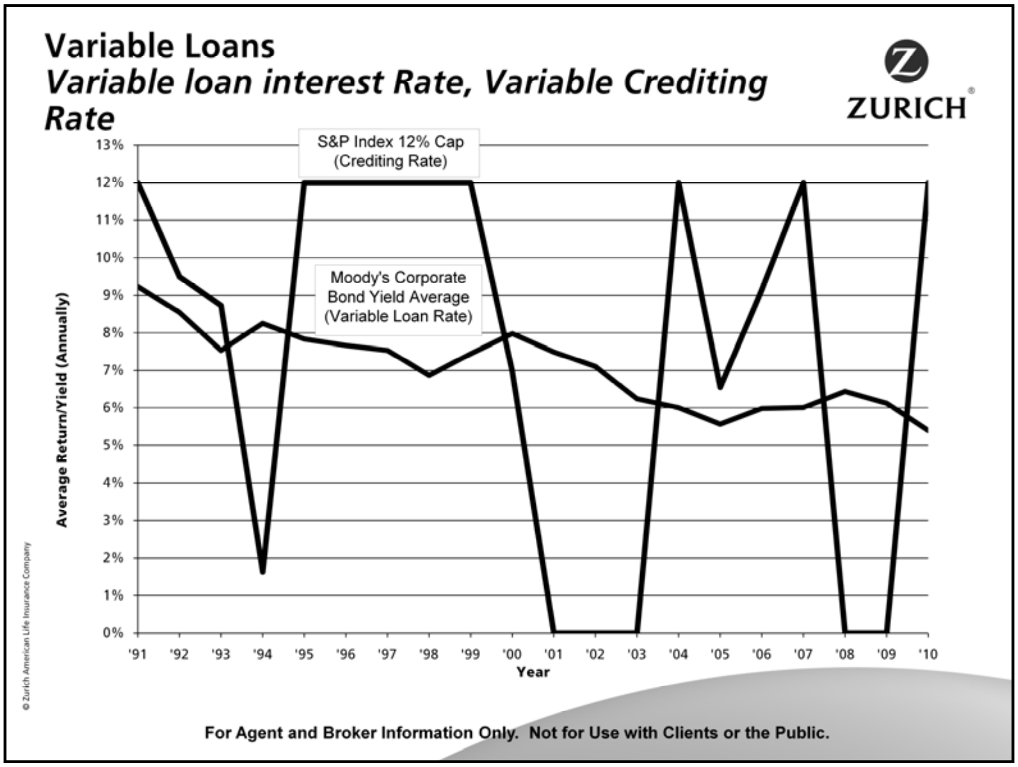
	Loan Interest Rate	Loan Crediting Rate
Fixed	Fixed	Fixed
Indexed	Fixed	Variable, based on Index Account Performance
Variable	Variable, typically based on Moody's Corporate Bond Yield Average	Variable, based on Index Account Performance

Over the past few years, there has been increased interest in variable and indexed loans. Just as a refresher, let's take a look at the kinds of loan options that an Index UL may offer. Many Index UL products offer fixed loans, or traditional loans, that fix the loan interest rate and the loan crediting rate. Typically, after the 10th year, the spread between this loan interest rate and loan crediting rate is minimal or 0%. These are the least volatile of the three loan options, as the client knows exactly what both the loan interest rate and loan crediting rate will be.

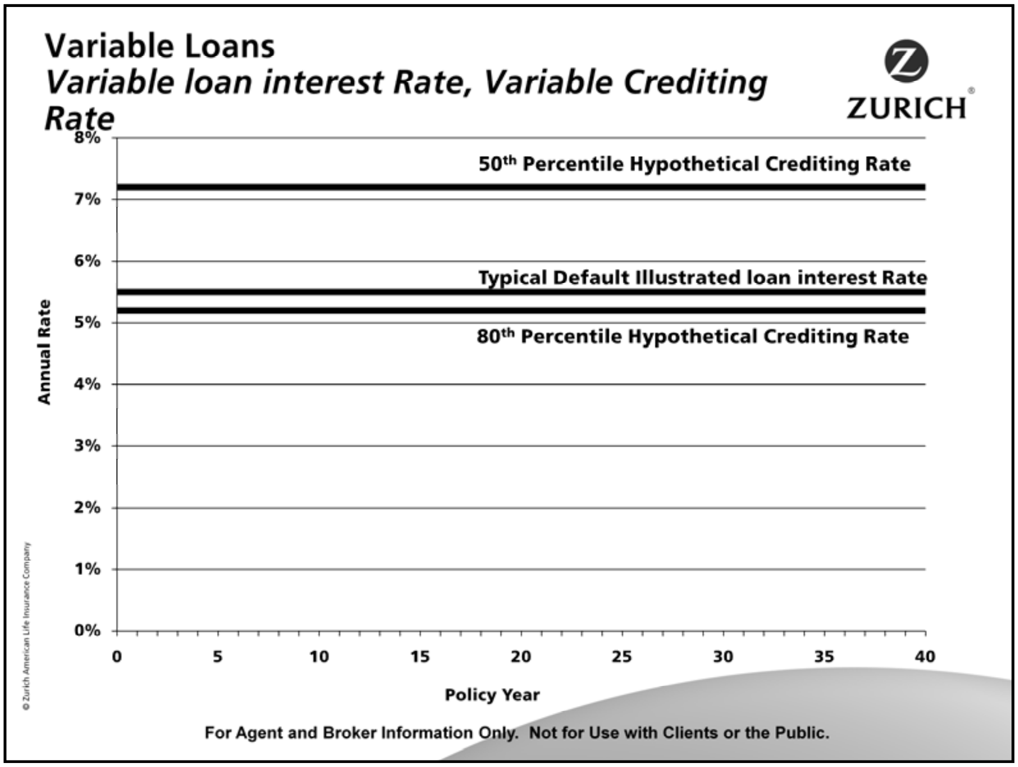
Indexed Loans are slightly different. The loan interest rate is still fixed, although it's usually set higher than a fixed or preferred loan. However, the crediting rate on loaned amounts are variable and depend on the index accounts' performance.

Lastly, Variable Loans are typically the most volatile of the three. The loan interest rate typically can change as often as annually, and is typically based on the Moody's Corporate Bond Yield Average. Similar to Indexed Loans, the crediting rate is based on the index accounts' performance.



Since variable loans are the most complicated of the three, we'll start with looking at them. Most variable loan interest rates are based on the Moody's Corporate Bond Yield Average, with some specification of what the minimum and maximum rate will be within a contract. The policy language usually states what these minimum and maximum rates are. Some go as high as 10%, others are lower (7.50% or 8%). The appeal of variable loans is that the loaned amount stays in the index account instead of being switched to a fixed account. When loan interest rates are low, and the index account is performing well, this creates arbitrage that is beneficial to the client.

But again, using historical performance, there are many periods of time over the past twenty years where the return on an S&P 500 Index Account is well below the Moody's Corporate Bond Yield Average. This creates a significant negative spread and can cause significant loan interest charges. The result is typically vastly different from the illustration that projected a positive 1.50% spread forever.

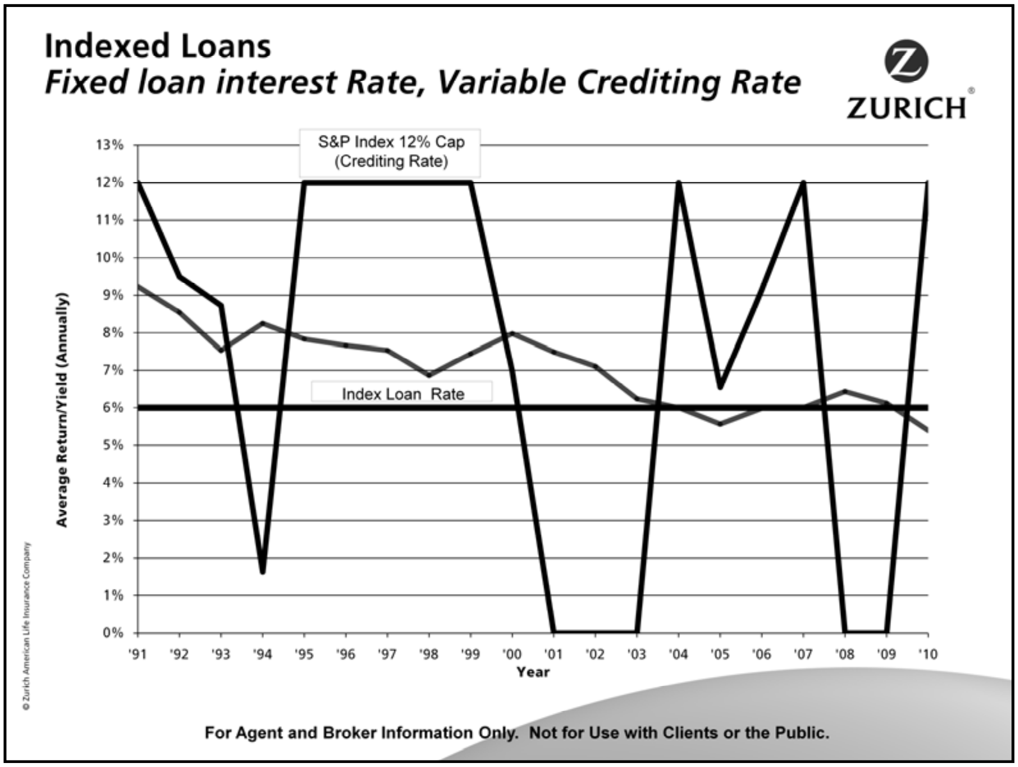


Carriers that illustrate variable loans typically illustrate the loan interest rate at whatever the current rate is (approximately 5.50%). As previously mentioned, the default illustrative crediting rate is usually the average return over the same period. For S&P 500 only products, this default hypothetical rate is usually around 7%.

That means when distributions are illustrated using variable loans, they are essentially showing making 1.50% on loaned funds, consistently, throughout the life of the policy. What happens if we use the 80th percentile number instead of the default hypothetical? In this case, the 80th percentile rate for a 12% cap, 0% floor S&P 500 Index Account would be 5.20%. If we use the current loan interest rate of 5.50%, and the 80th percentile hypothetical crediting rate of 5.20%, there is already a negative spread of 30 basis points, versus the 1.50% of positive spread that is typically illustrated and sold.

One comment that we hear from many advisors is “If the variable loans are not performing well and not creating the positive projected arbitrage, the client can just switch back to traditional loans.” This is true. Many allows for a switch from variable loans to traditional loans. However, it is critical that you and your client read the policy provisions provided in the actual contract, as almost every carrier limits the ability to switch from one to the other. Many limit the client to only being able to switch from variable loans to standard loans once during the life of the policy. One carrier even requires that the loan balance be completely paid off before the client can switch from variable to standard loans.

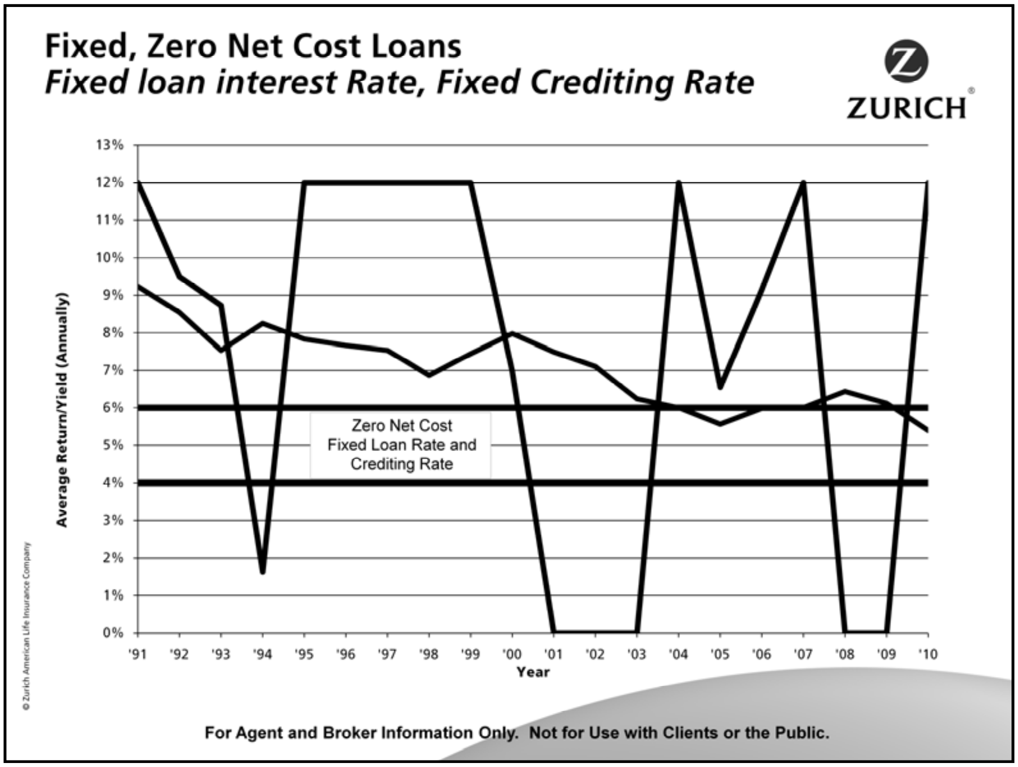
Default variable loan illustrations are dangerous, as they use unreasonable assumptions that make the illustration LOOK extremely attractive. Variable loans are not necessarily bad, but it’s important that you explain how variable loans work to your client so that they understand the additional risk they are taking on. It’s also imperative to show them an illustration that shows a more conservative loan interest and crediting rate (such as the 80th percentile rate) to give them a more realistic illustration.



Now let's move on to Indexed Loans. Indexed Loans locks the loan interest rate, which removes half of the variability. Index Loans still allow the loaned amount to remain in the Index Accounts and receive Index Crediting. However, because the loan interest rate is locked in for the life of the policy, they have a tendency to be higher than regular Fixed Loans. Two products that offer Indexed Loans lock the loan interest rate in at 6%. While this removes some of the variability, when the S&P 500 Index Account returns are low, it still creates a significant negative spread.

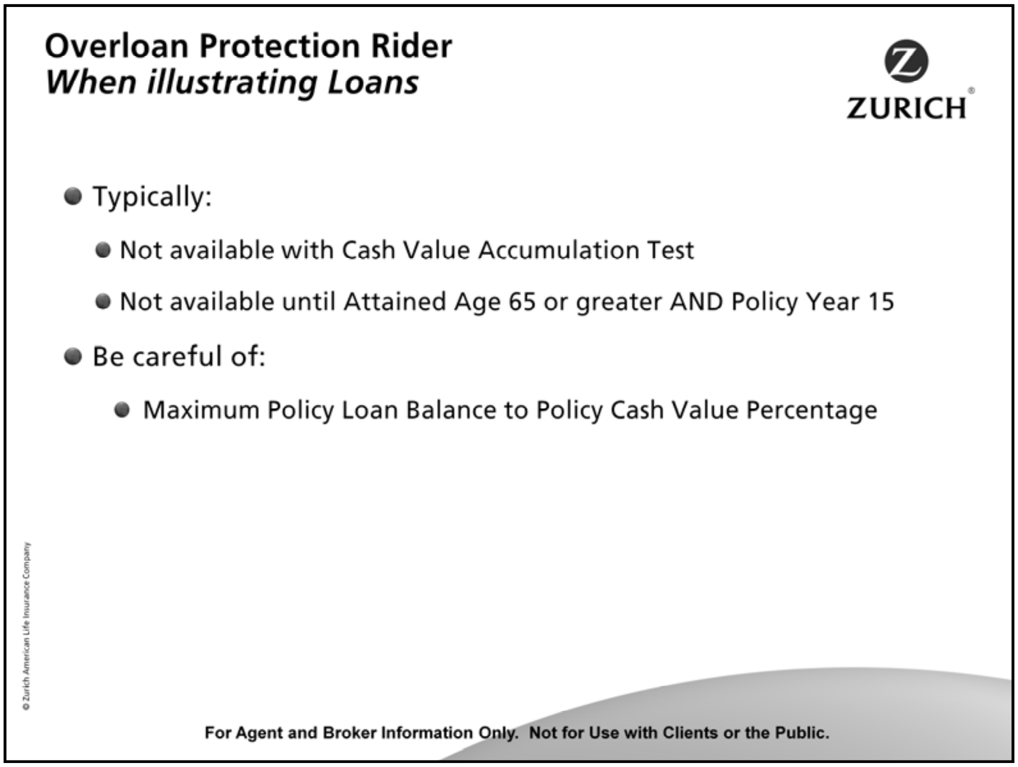
Similar to variable loans, a default index loan illustration will show a hypothetical crediting rate of about 7% (on an S&P 500 Index Account) with the loan interest rate of 6%. This still shows a consistently positive spread of 1% for the life of the policy. But also similar to variable loans, if we use the 80th percentile rate of 5.20% instead, with the loan interest rate of 6% - the policy would actually have a negative spread of 40 basis points for the life of the policy.

This is why the 80th percentile crediting rate is so critical – it provides for a more conservative projection that doesn't use aggressive "too good to be true" assumptions. Similar to variable loans, indexed loans aren't bad – but they should be illustrated responsibly, using a more than 50th percentile crediting rate along with its locked in loan interest rate.



The last type of loan we'll review are fixed loans. Unlike variable and indexed loans, fixed loans move the loaned amounts out of the index accounts and credit a fixed rate. Zero Net Cost loans, or "wash" loans, credit the policy at an annual rate that is equal to the loan interest rate. Zurich, for example, offers contractually guaranteed Zero Net Cost loans after the 9th policy year. These loans are guaranteed to have a 0 spread for the life of the policy, which means your client will never experience a negative spread. Of course, this also means that the loaned amounts do not get to participate in the index accounts. So essentially, there is no arbitrage, but there is also no negative spread.

Contractually guaranteed zero net cost loans reduce the variability both in a policy's performance and in illustrations. You and the client do not have to guess at what loan interest rate and crediting rate to use when borrowing funds, since it is always going to be a net of zero.



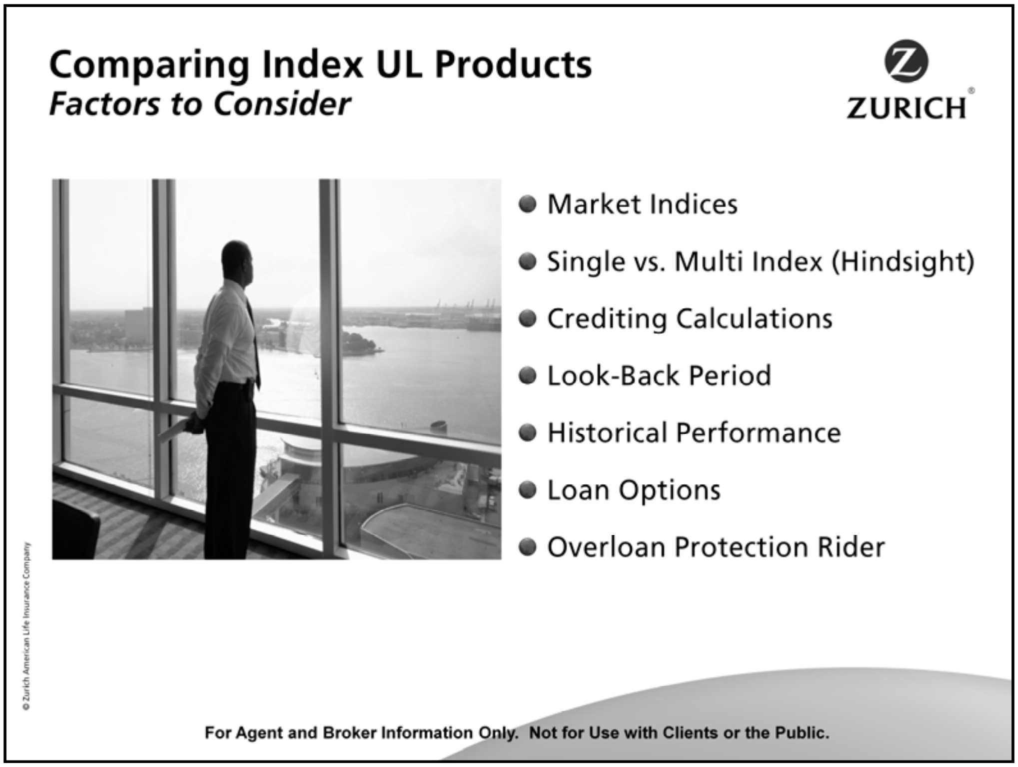
The Overloan Protection Rider, that most Index UL products offer, is critical to a policy any time loans are being illustrated or actually used. If a client's policy lapses due to the client taking out excessive loans that the cash value cannot support, the tax-advantaged distributions that the client has already taken out become taxable. Overloan Protection Riders protect the policy from lapsing when the total policy loan balance gets dangerously close to the available cash value, thus protecting the client from potentially severe tax consequences.

Because of the uncertainty that Variable and Index Loans bring to an Index UL policy, Overloan Protection Riders are even more important when using these loan options, especially when default illustrations use an underlying assumption of 1% to 3% of positive arbitrage between loan interest and crediting rates.

While most Overloan Protection Riders are similar in nature, there are certain limitations that you should be aware of when running illustrations. First of all, most (including Zurich's) Overloan Protection Riders do not work if the policy uses CVAT testing instead of the Guideline Premium Test. When possible, I strongly recommend using the GPT test (even with an increasing death benefit) in order to have the Overloan Protection Rider available to your client in the future.

It's also important to recognize that most overloan protection riders (including Zurich's) are not available until the insured has reached age 65, 70 or 75 AND the policy has been inforce for 15 years. In order to create more attractive illustrations, some carriers do not use the traditional "withdraw to basis then switch to loans" option. Instead they illustrate loans from day 1, so that they can illustrate the "appealing" positive spread from the very beginning, enhancing the illustration's projected performance. If, in practice, the client does what the illustration projects, and begins taking out loans first, you need to make sure that they are adequately protected by the product's Overloan Protection Rider since it isn't available until both the age and policy year requirement have been met.

Another key consideration for Overloan Protection Rider is how much the loan balance can be. For example, one carrier does not send a notification to the client until the loan balance is approximately 87% of the account value. They then have to send written notice back to the carrier within 30 days and before the policy debt exceeds 89% or 93% of the cash value, which is a fairly small window. Most others (including Zurich) allow the policy debt to equal up to 99.9% of the policy value, which provides for more flexibility.



Unfortunately, while it was easy to compare No Lapse Guarantee UL products and Current Assumption Products by using a standard illustration, Index UL products are far more complicated. With No Lapse Guarantee UL products, since the guaranteed premium and death benefit were the primary focus, it was reasonable to mainly compare guaranteed premiums between products. Current Assumption UL products had some uncertainty in premiums, but since the interest credited was a declared rate that was generally based on the same types of bonds from carrier to carrier, it was still reasonable to compare the default illustrated premiums and cash values.

Then enters Index UL. With varying market indices, index account allocation choices, look-back periods, year-end calculations, and loan options that are represented only with a hypothetical illustrated interest crediting rate (which, by the way, varies by time periods, frequencies, and days of the month) that attempts to project premiums and cash values, it's impossible to compare one IUL product to another by just looking at their default illustrations.

That's why with Index UL, we have to dig a little deeper. By comparing the various factors listed on this slide, you and your clients can better compare Index ULs that are based more on substance, and less on hypothetical illustrations.

Questions?

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Comparing Index UL Products

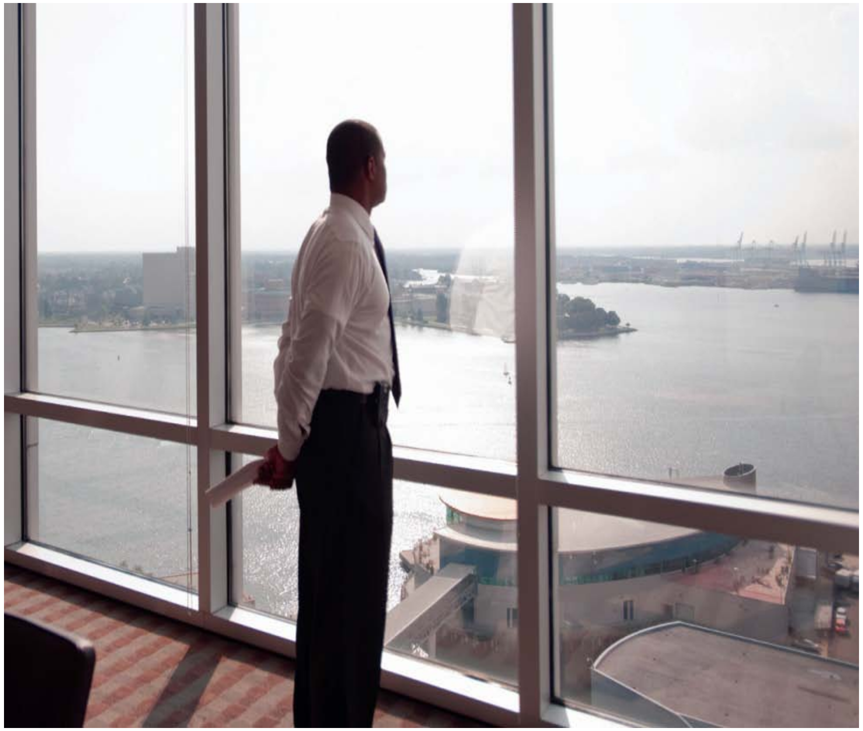
Presented by
Affluent Markets Group
Zurich American Life Insurance Company
January 2012

Peter Mordin, Regional Vice President
Farah Rehman, Director of Advanced Sales & Marketing

Comparing Index UL Products
Opening Comments

Current Assumption UL (CAUL)	Guaranteed No-Lapse UL (NLGUL)	Index UL (IUL)
Decreased Fixed Interest Rates	Increased Guaranteed Pricing	Becoming the Industry's "New Normal"

Comparing Index UL Products
Factors to Consider



- Market Indices
- Single vs. Multi Index (Hindsight)
- Crediting Calculations
- Look-Back Period
- Historical Performance
- Loan Options
- Overloan Protection Rider

Market Indices in Index UL
How Important is Diversity?

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		Product								
		1	2	3	4	5	6	7	8	9
Domestic	S&P 500	●	●	●	●	●	●	●	●	●
	Nasdaq-100						●			
	DJIA						●			
	DJ UBS commodities									●
	Russell 2000									●
Global	DJ Eurostoxx 50					●		●	●	
	DJ Global - Ex U.S.				●					
	Hang Seng					●		●	●	
	MSCI Emerging Markets					●				●
	MSCI EAFE									●

Single Index or Multi Index Account
How Important is Hindsight?

		Product								
		1	2	3	4	5	6	7	8	9
Domestic	S&P 500	●	●	●	●	●	●	●	●	●
	Nasdaq-100						●			
	DJIA						●			
	DJ UBS commodities									●
	Russell 2000									●
Global	DJ Eurostoxx 50					●		●	●	
	DJ Global - Ex U.S.				●					
	Hang Seng					●		●	●	
	MSCI Emerging Markets					●				●
	MSCI EAFE									●

Crediting Calculations
Overweighting and Applying the Growth Cap

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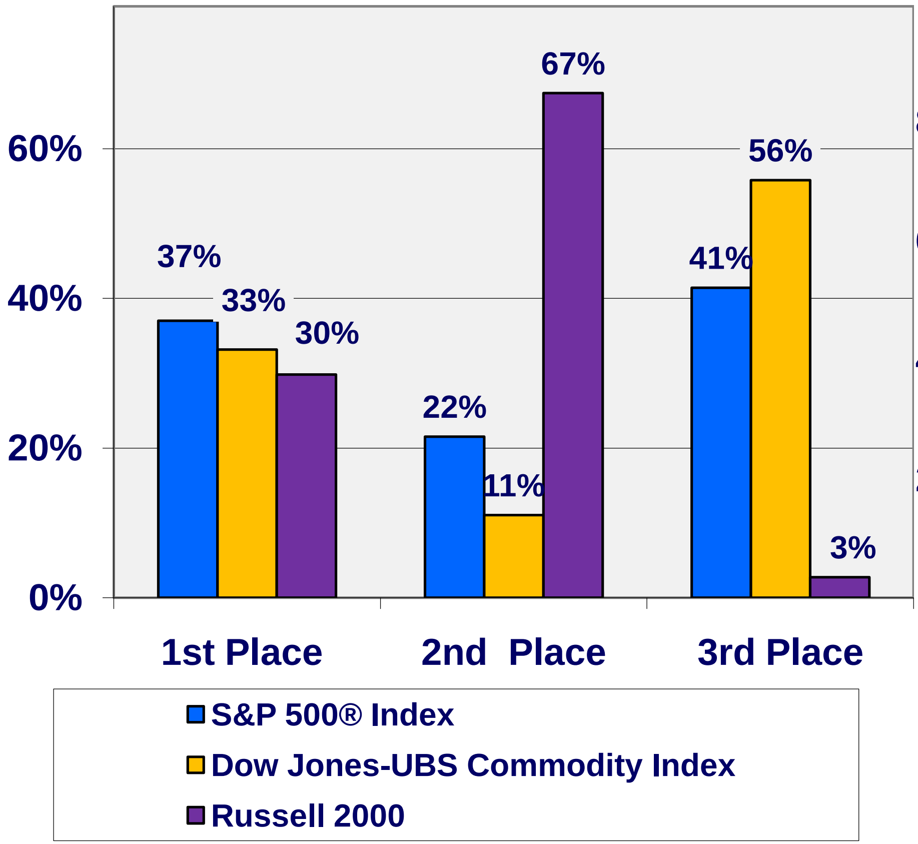
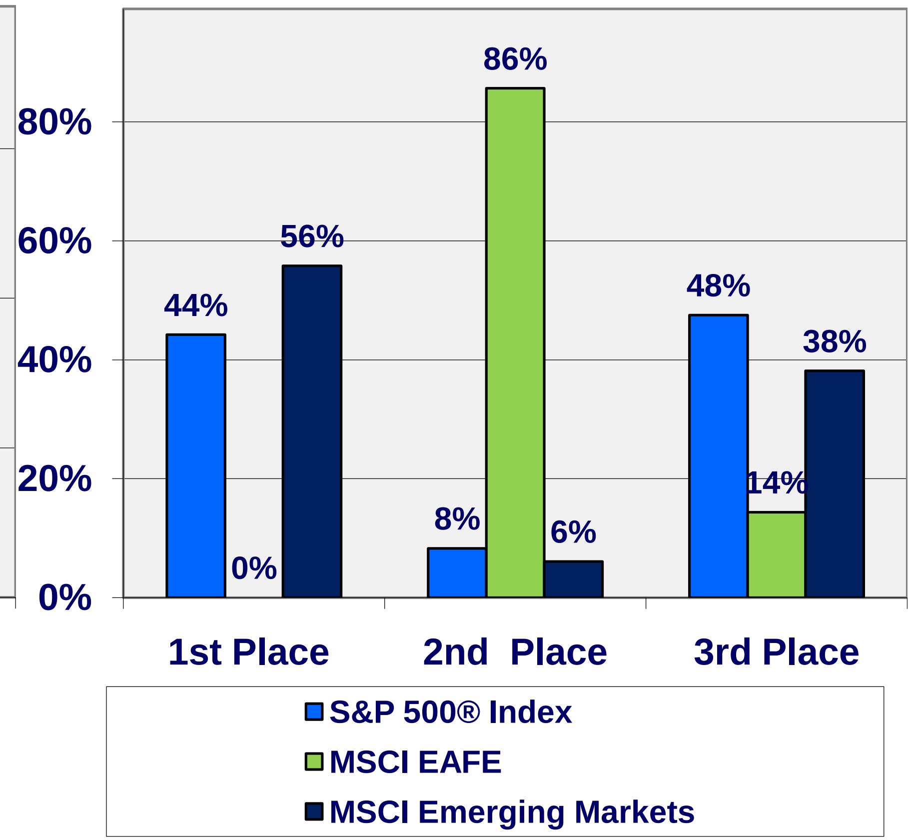
Finishing Positions
3 U.S. Based Indices



Finishing Positions
3 Global Indexes



Crediting Calculations
Overweighting and Applying the Growth Cap

	[redacted]	[redacted]	[redacted]	[redacted]	Product				
	[redacted]	[redacted]	[redacted]	[redacted]	5	6	7	8	9
Best Performing Index	[redacted]	[redacted]	[redacted]	[redacted]	33%	50%	75%	75%	70%
Second Performing Index	[redacted]	[redacted]	[redacted]	[redacted]	33%	30%	25%	25%	30%
Worst Performing Index	[redacted]	[redacted]	[redacted]	[redacted]	33%	20%	0%	0%	0%

Crediting Calculations
Overweighting and Applying the Growth Cap

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- Applying the growth cap AFTER the Hindsight" & "Overweighting" year-end calculations

Global Multi Index Interest Account. Growth Cap: 10.5%			
	1-Year Index Growth %	Weight Ranking	Index Interest
S&P 500® Index	1%	30%	0.3%
MSCI EAFE Index	-9%	0%	Excluded
MSCI Emerging Markets Index	20%	70%	14.0%
Cumulative Index Interest Before Growth Cap is Applied			14.3%
Year-end Index Interest Credited to Account Segment's Policy Value			**10.5%**

Growth Cap is applied at the end of the Hindsight and Overweighting calculation

- This may result in significantly higher policy value growth over time

Crediting Calculations
Overweighting and Applying the Growth Cap

- Applying the Growth Cap BEFORE the final year-end index interest crediting calculation

Non-Zurich Multi Index Interest Account With Equal Index Weighting. Growth Cap: 13%				
	1-Year Index Growth %	Growth Cap Applied to Individual Indices	Weight Ranking	Index Interest
Index #1	1%	1%	33.3%	0.3%
Index #2	-9%	-9%	33.3%	0.0%
Index #3	20%	**13%**	33.3%	4.3%
Year-end Index Interest Credited to Account Segment's Policy Value				**4.6%**

Some Index UL products apply the Growth Cap to the individual indices before the final interest crediting calculation

- This practice can significantly limit the end-of-year index interest that is credited to policy value

Crediting Calculations
Overweighting and Applying the Growth Cap

- Growth Cap applied AFTER the "Hindsight" & "Overweighting" year-end calculations

Global Multi Index Interest Account. Growth Cap: 10.5%			
	1-Year Index Growth %	Weight Ranking	Index Interest
S&P 500® Index	1%	30%	0.3%
MSCI EAFE Index	-9%	0%	Excluded
MSCI Emerging Markets Index	20%	70%	14.0%
Cumulative Index Interest Before Growth Cap is Applied			14.3%
Year-end Index Interest Credited to Account Segment's Policy Value			**10.5%**

The One Year Difference
Zurich 10.5%
Competitor 4.6%

- Growth Cap applied BEFORE the final year-end index interest crediting calculation

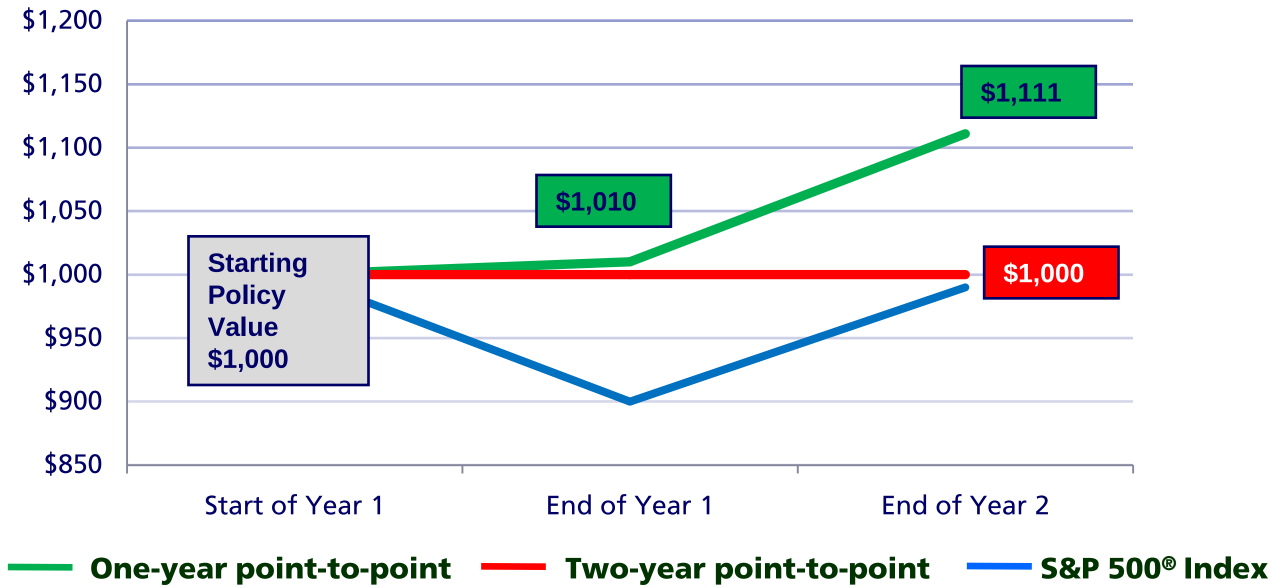
Non-Zurich Multi Index Interest Account With Equal Index Weighting. Growth Cap: 13%				
	1-Year Index Growth %	Growth Cap Applied to Individual Indices	Weight Ranking	Index Interest
Index #1	1%	1%	33.3%	0.3%
Index #2	-9%	-9%	33.3%	0.0%
Index #3	20%	**13%**	33.3%	4.3%
Year-end Index Interest Credited to Account Segment's Policy Value				**4.6%**

Length of Look-back period
One Year, Two Year, Five Year…?

	[redacted]	7	8	9
Best Performing Index	[redacted]	75%	75%	70%
Second Performing Index	[redacted]	25%	25%	30%
Worst Performing Index	[redacted]	0%	0%	0%

Length of Look-back period
One Year, Two Year, Five Year…?

- Compare one-year point-to-point with annual interest lock versus multi-year point-to-point methods
- Compare two S&P 500® Index Interest Accounts
  - One-year point-to-point, 1% guarantee, 11% Growth Cap, 100% Participation
  - Two-year point-to-point, 0% guarantee, 13% Growth Cap, 100% Participation



How to Analyze Historical Performance?

How to Responsibly Illustrate an Index UL product?

Analyzing Historical Performance

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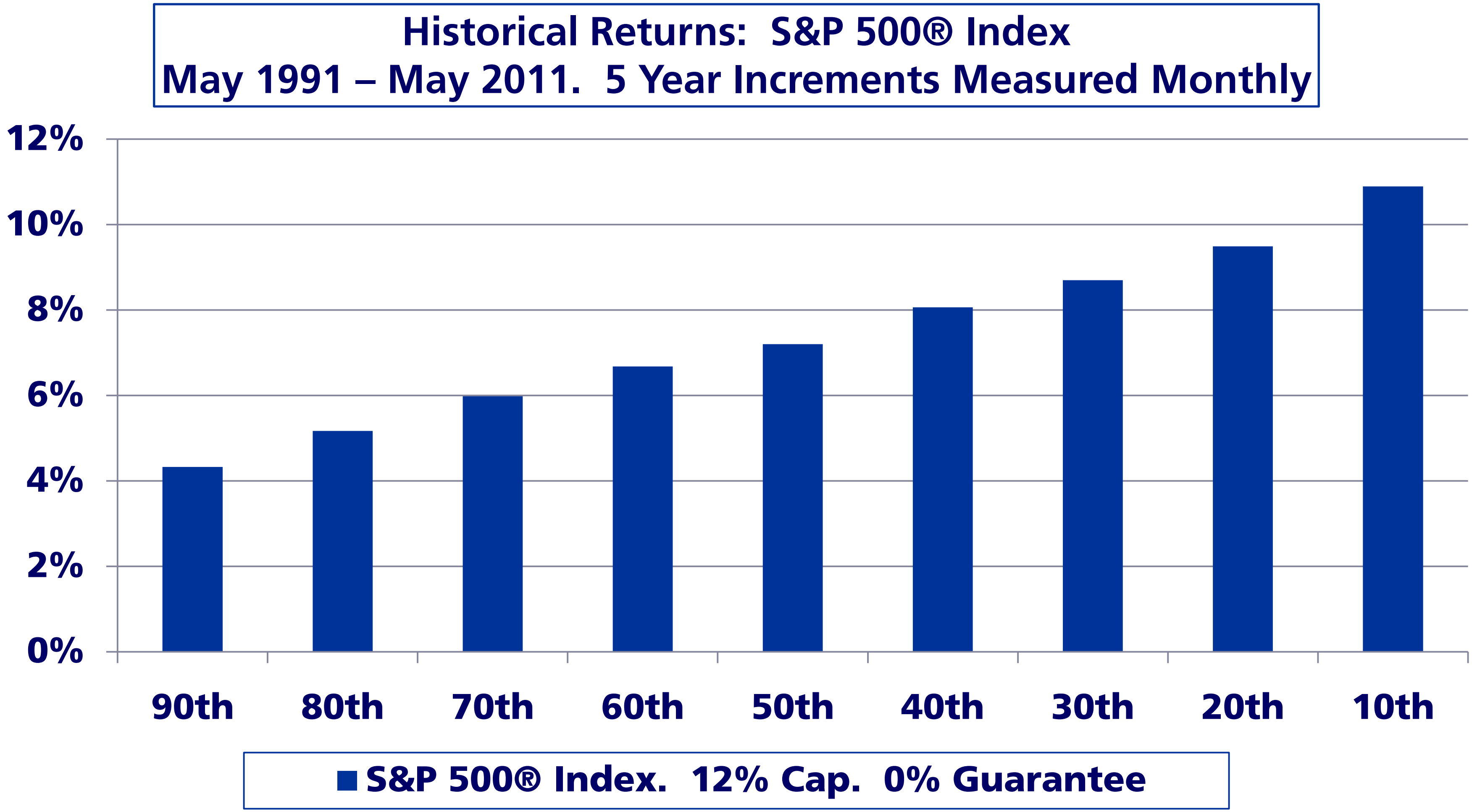

Source: GinsGlobal Index Funds, Ltd (2011)

Analyzing Historical Performance

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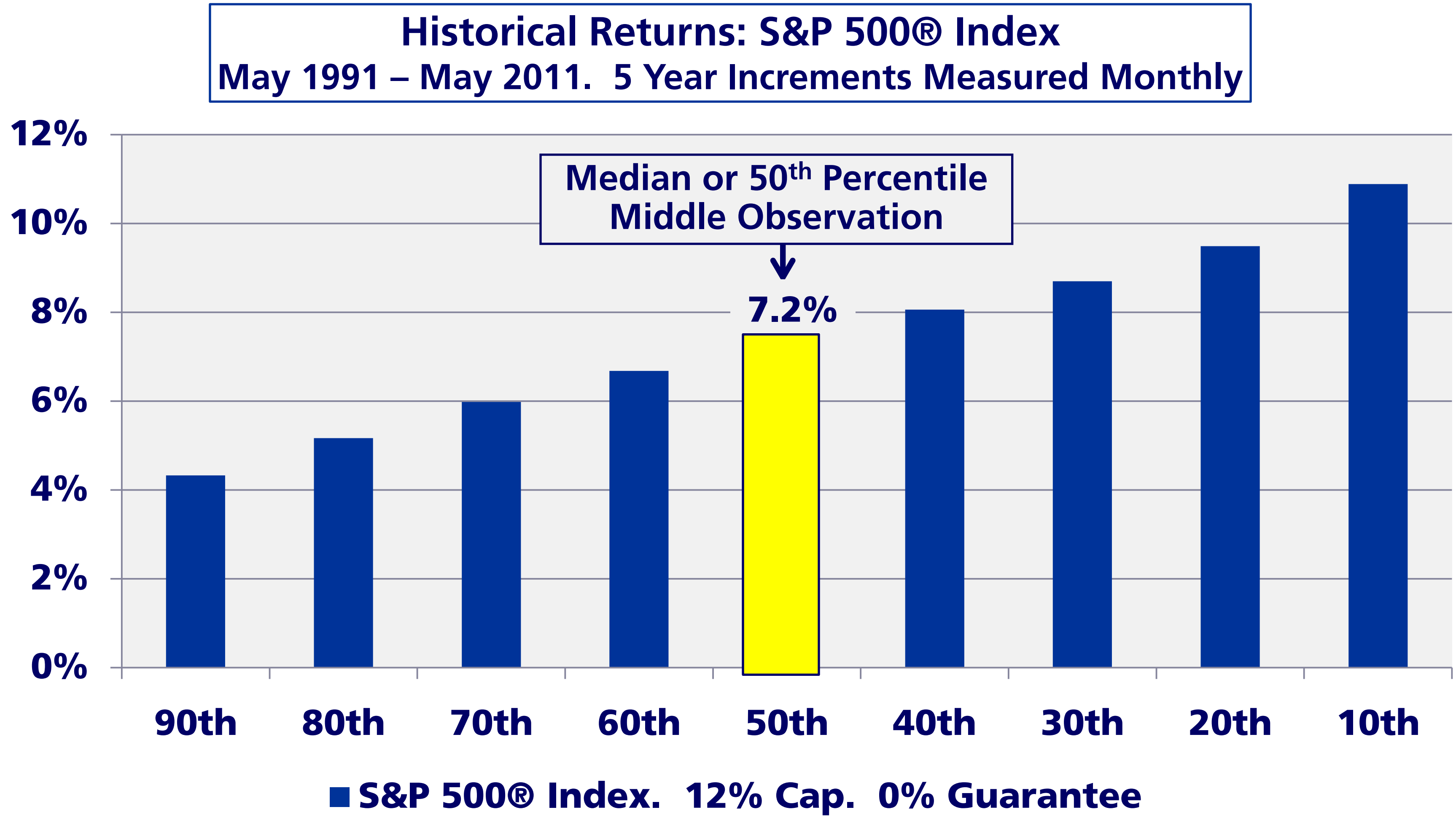
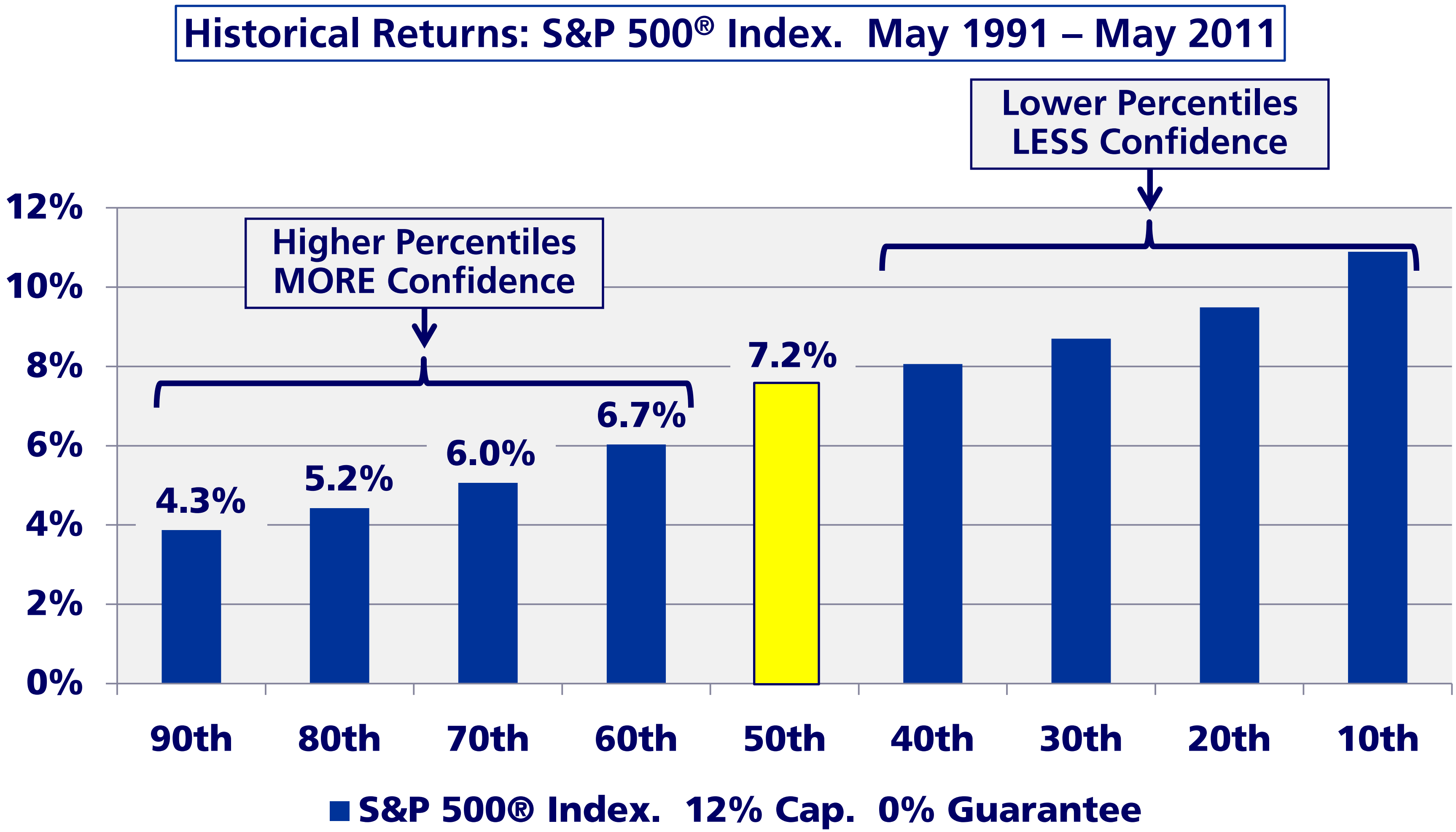


Source: GinsGlobal Index Funds, Ltd (2011)

Analyzing Historical Performance



Source: GinsGlobal Index Funds, Ltd (2011)

Analyzing Historical Performance

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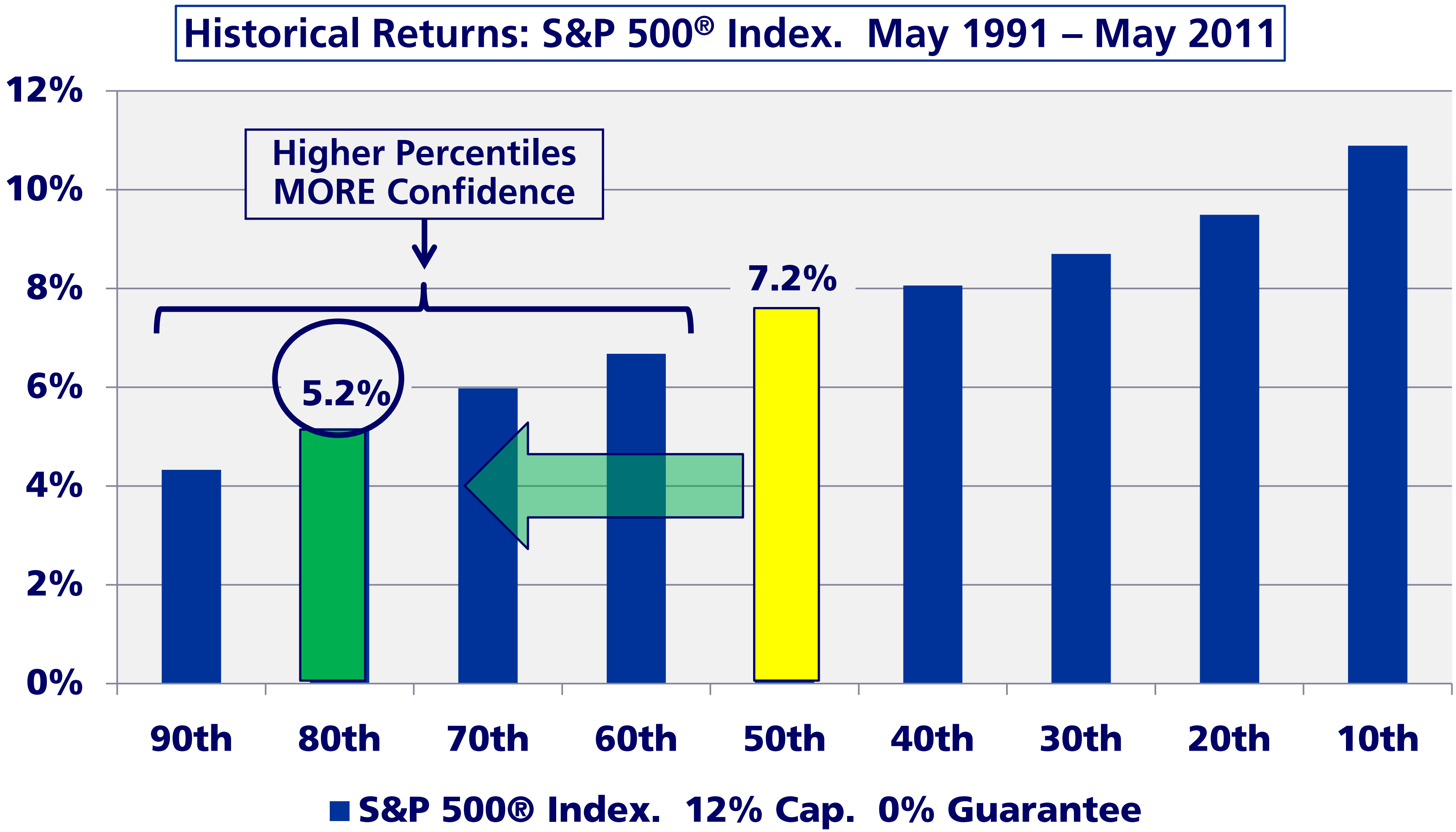

Source: GinsGlobal Index Funds, Ltd (2011)

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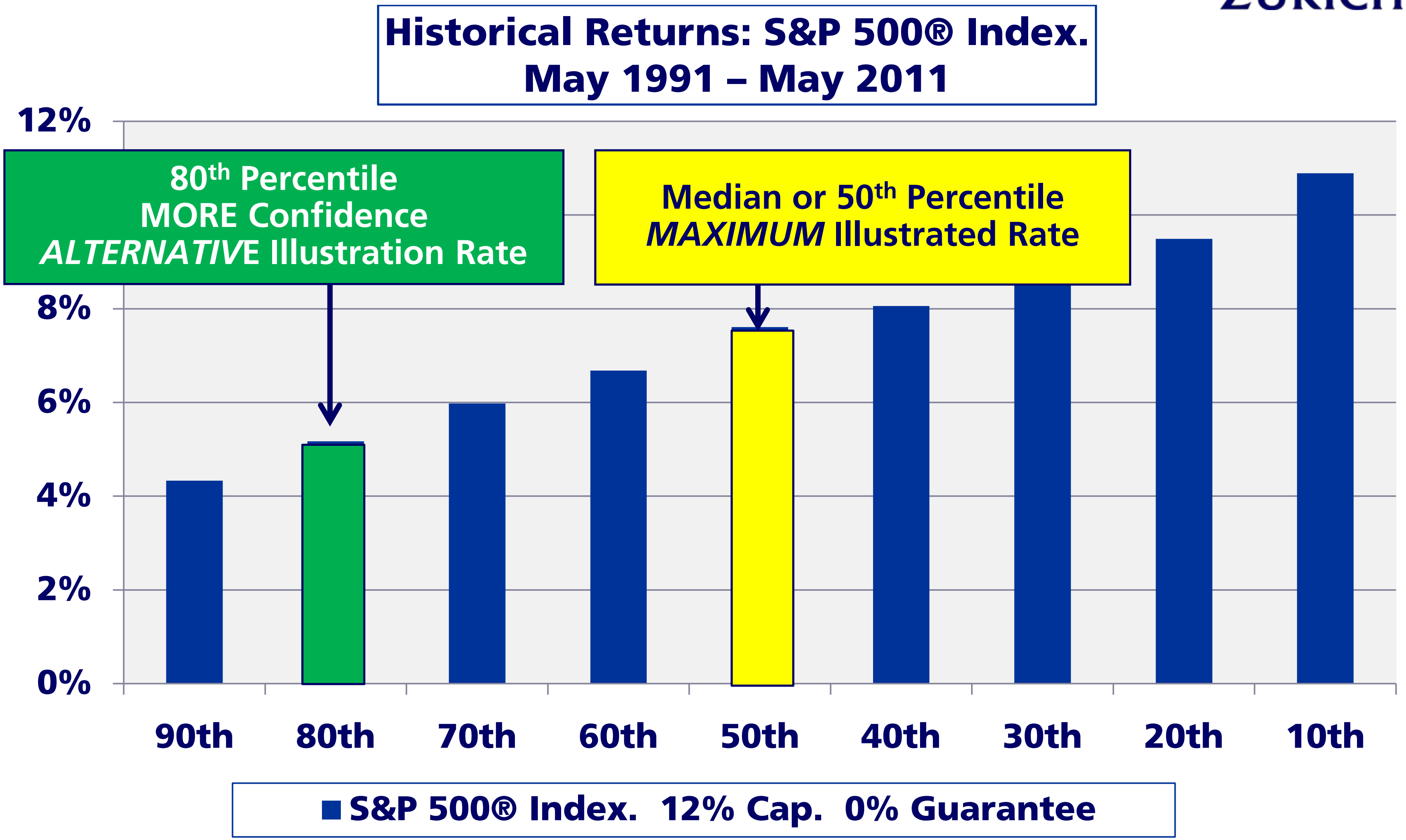
Analyzing Historical Performance



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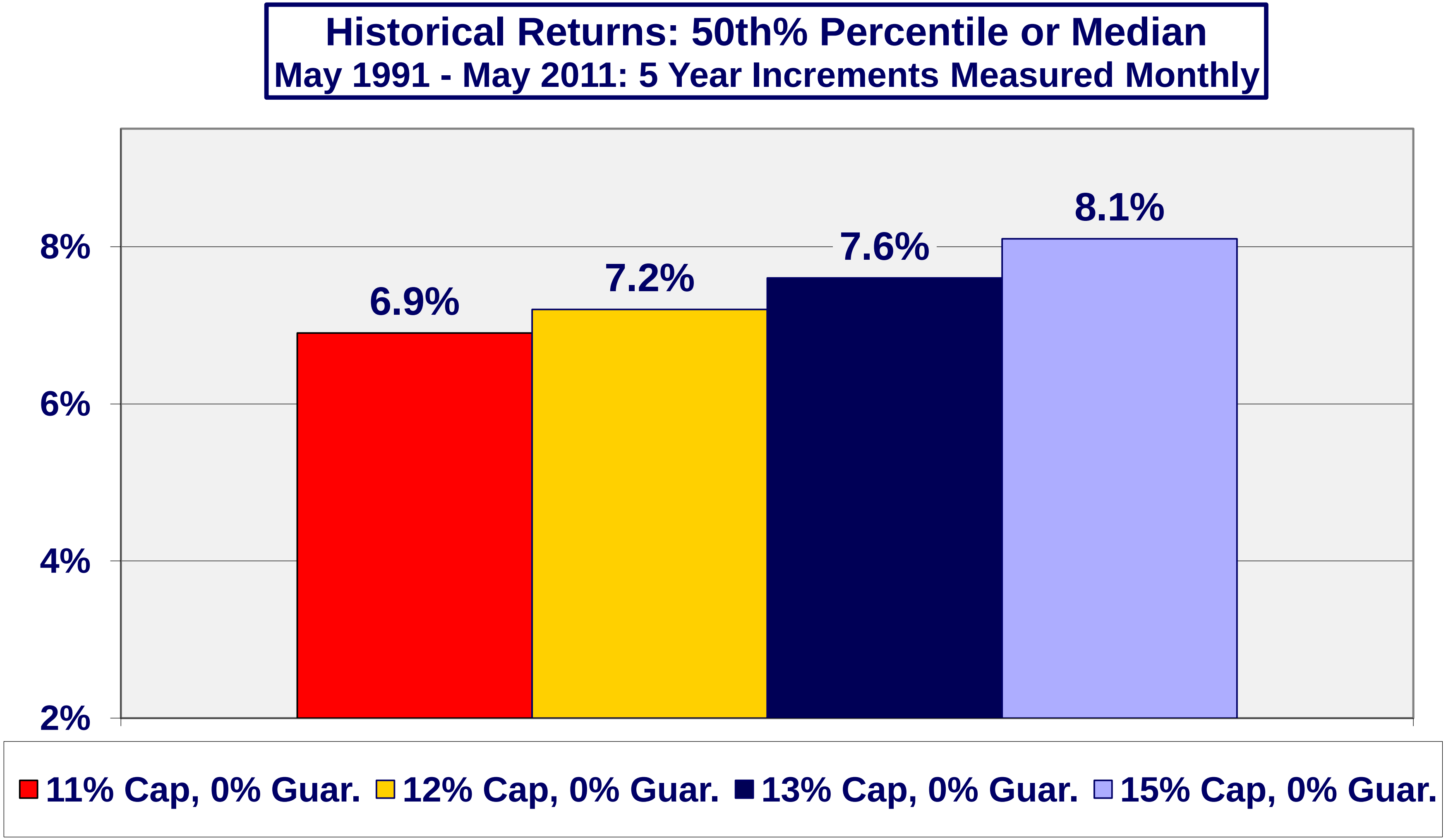
Analyzing Historical Performance
Comparing Cap Rates



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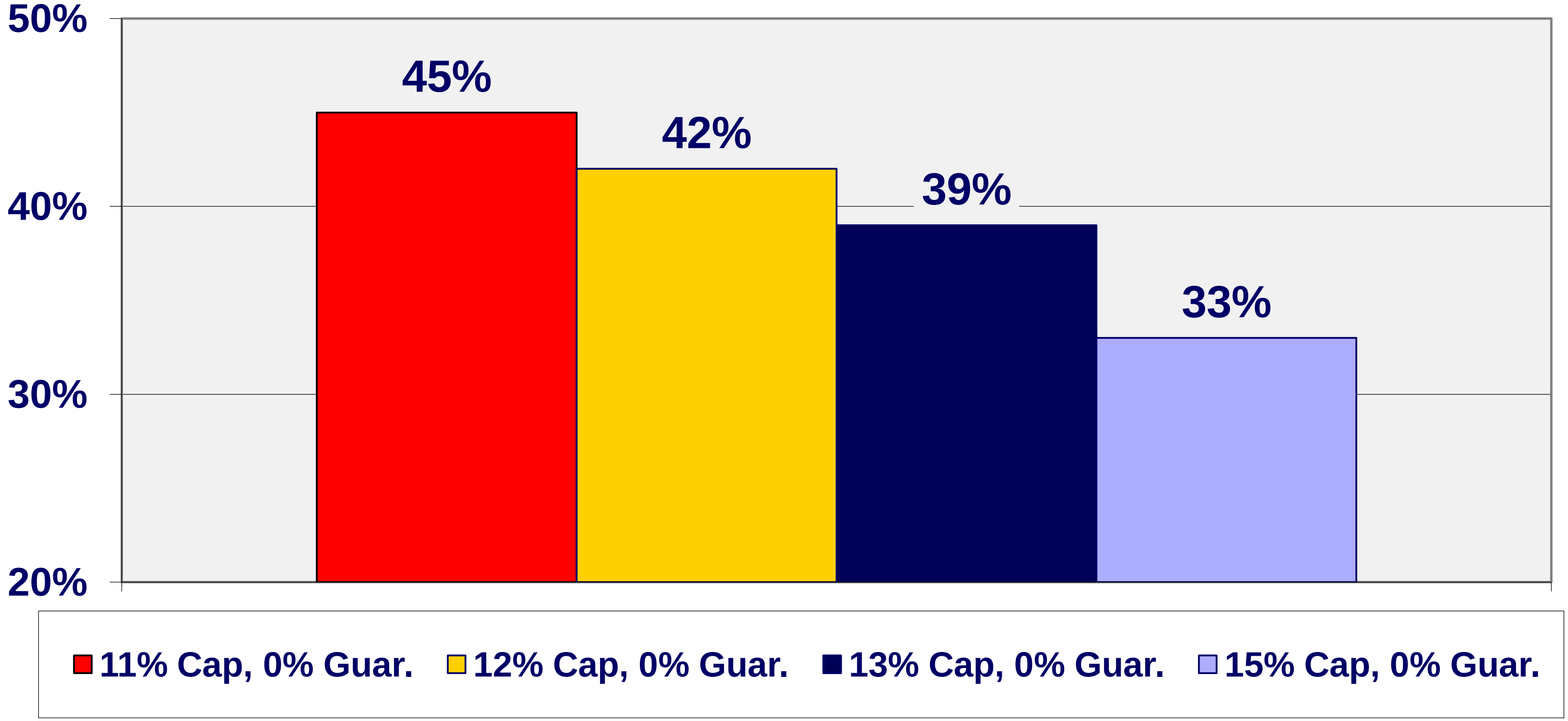
Analyzing Historical Performance
Comparing Cap Rates

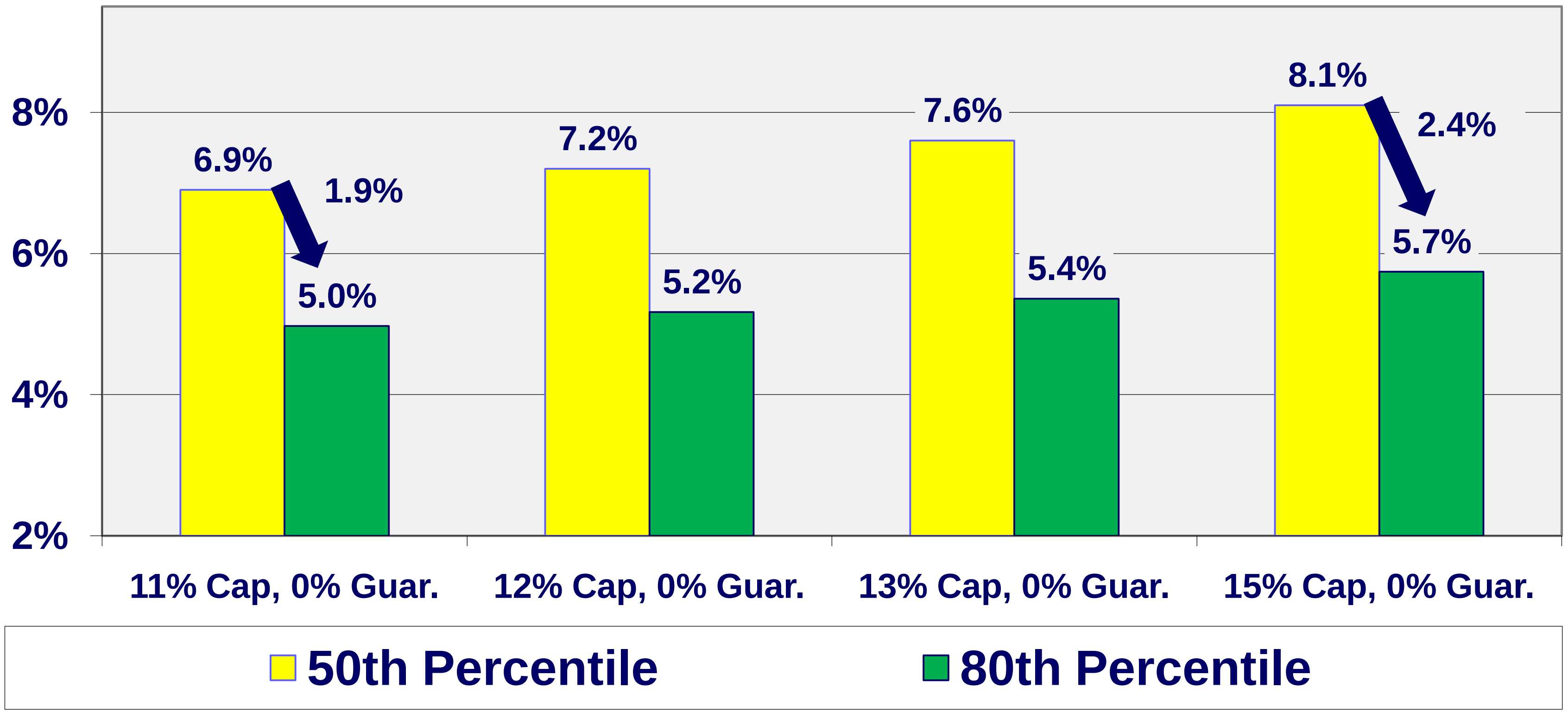
Frequency of Hitting Growth Caps: S&P 500® Index
May 1991 - May 2011. 5 Year Increments Measured Monthly



Source: GinsGlobal Index Funds, Ltd (2011)

Analyzing Historical Performance
Comparing Cap Rates

Historical Returns: 50th and 80th Percentiles
May 1991 - May 2011. 5 Year Increments Measured Monthly

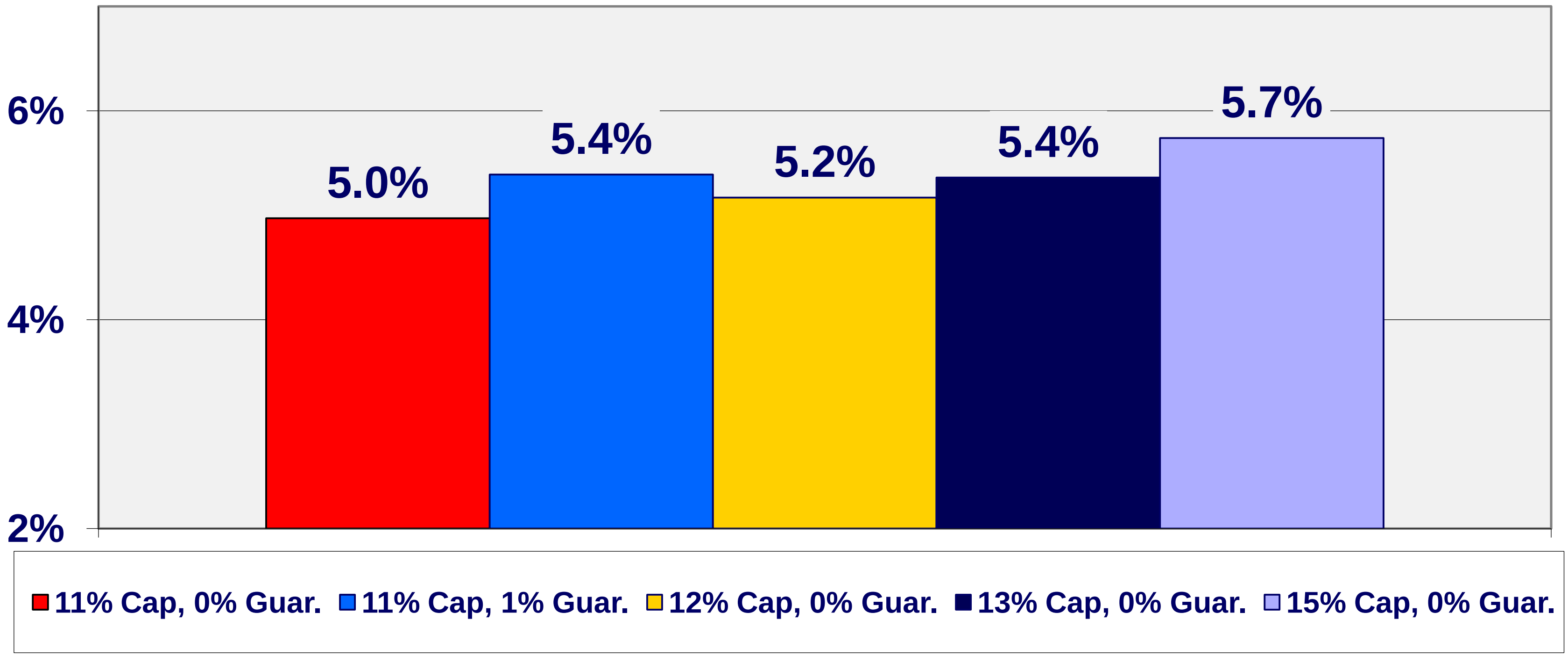


Source: GinsGlobal Index Funds, Ltd (2011)

Analyzing Historical Performance
Comparing Cap Rates

- **11% Current Growth Cap, 1% Guaranteed Annual Interest Rate**
- **One Year Point-to-Point. 100% Participation Rate**

Historical Returns: 80th Percentile
Study Period: May 1991 - May 2011



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Analyzing Historical Performance
Comparing Cap Rates

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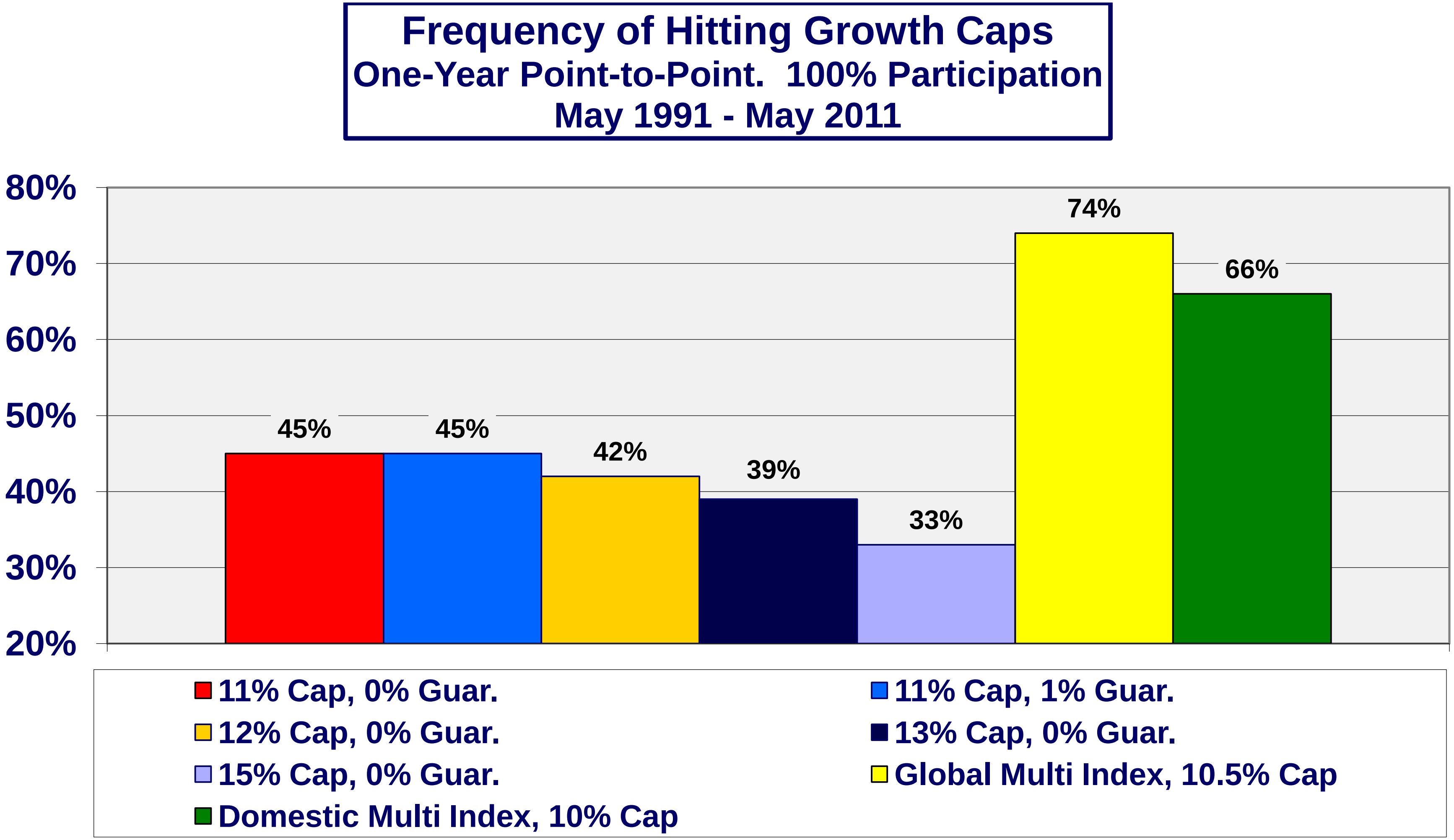

Source: GinsGlobal Index Funds, Ltd (2011)

Analyzing Historical Performance
Comparing Index Account Choices

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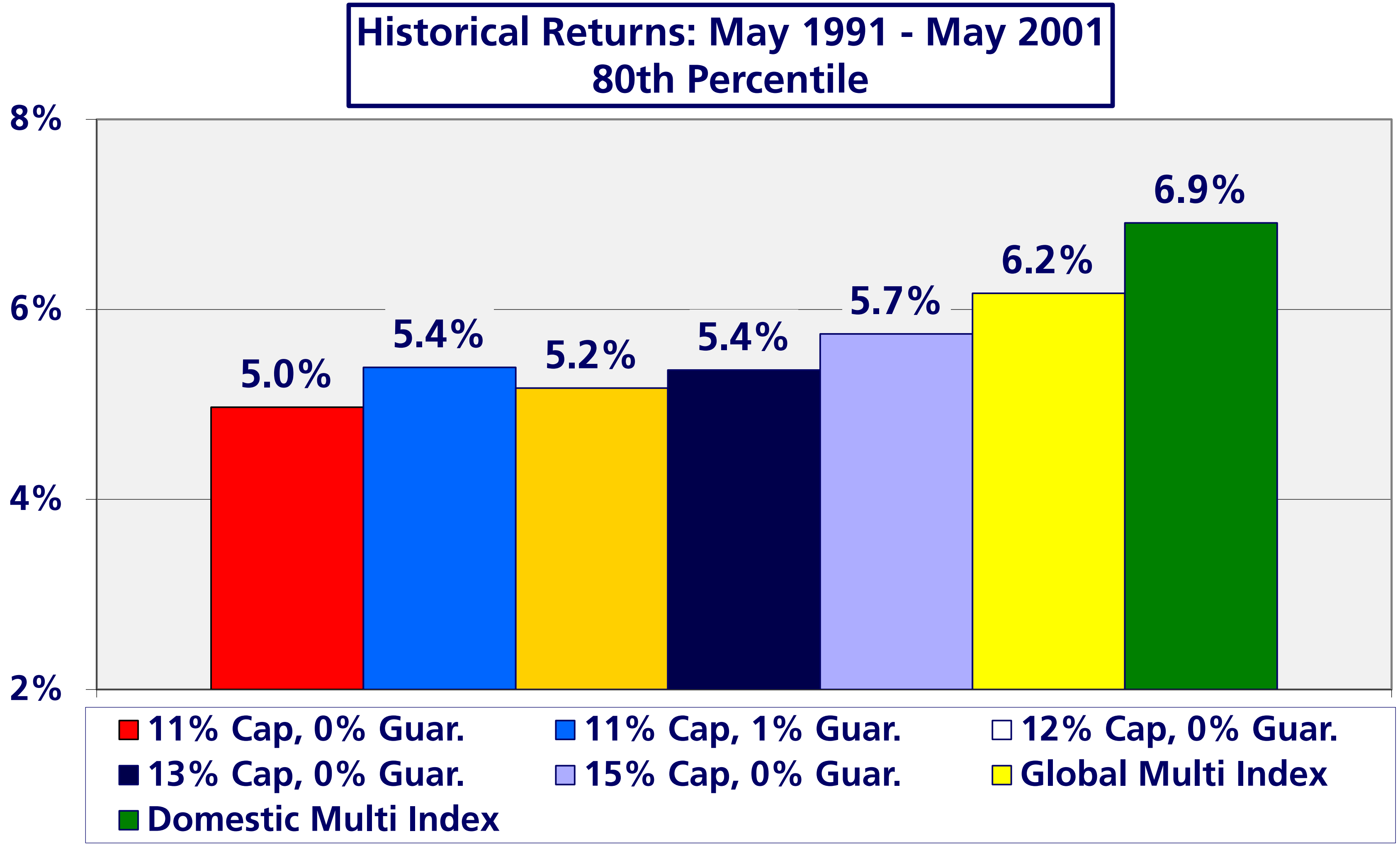


Source: GinsGlobal Index Funds, Ltd (2011)

Loan Options

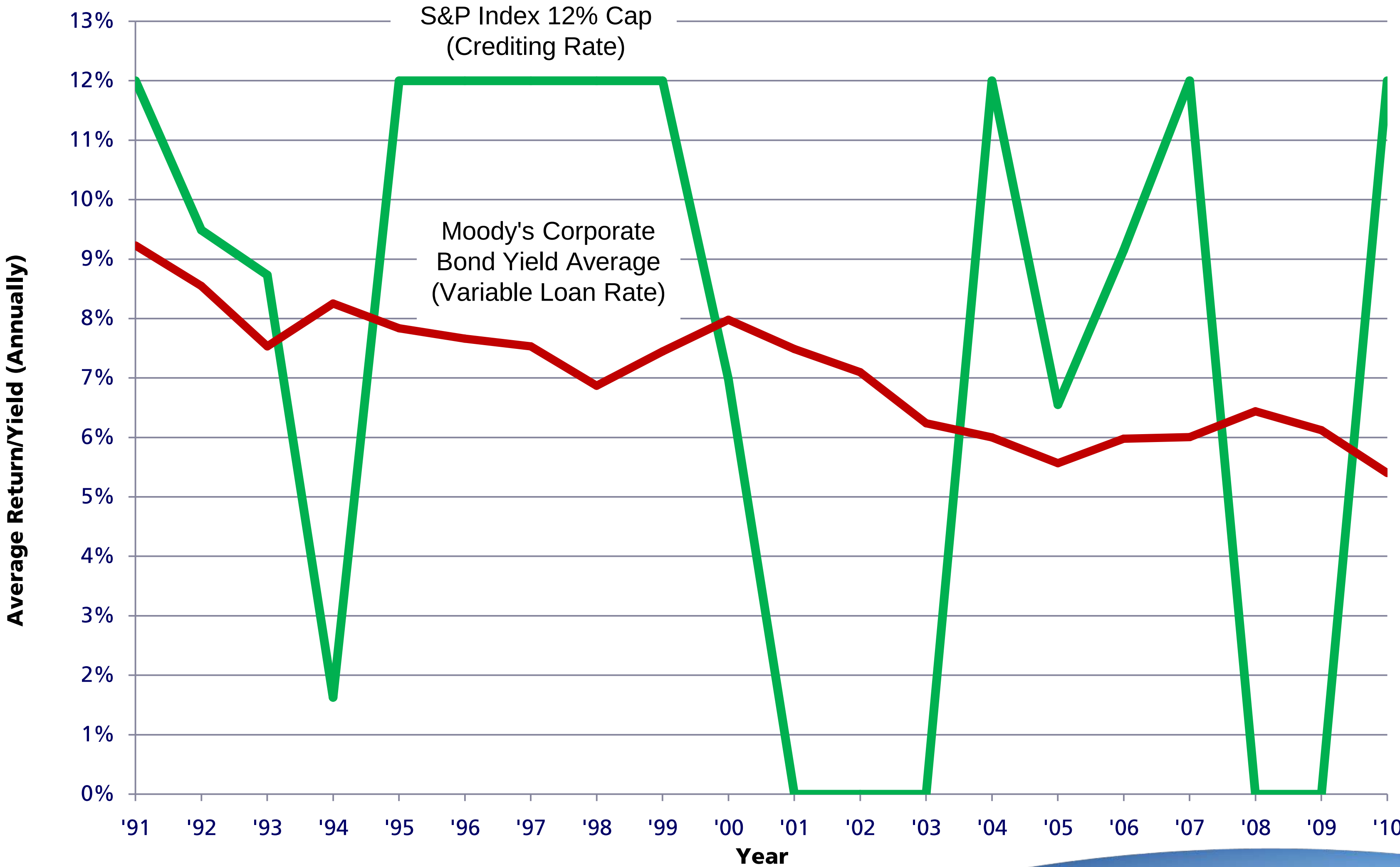
Variable, Indexed or Fixed?

Using the Overloan Protection Rider

Loan Options
Overview

	Loan Interest Rate	Loan Crediting Rate
Fixed	Fixed	Fixed
Indexed	Fixed	Variable, based on Index Account Performance
Variable	Variable, typically based on Moody's Corporate Bond Yield Average	Variable, based on Index Account Performance

Variable Loans
Variable loan interest Rate, Variable Crediting Rate



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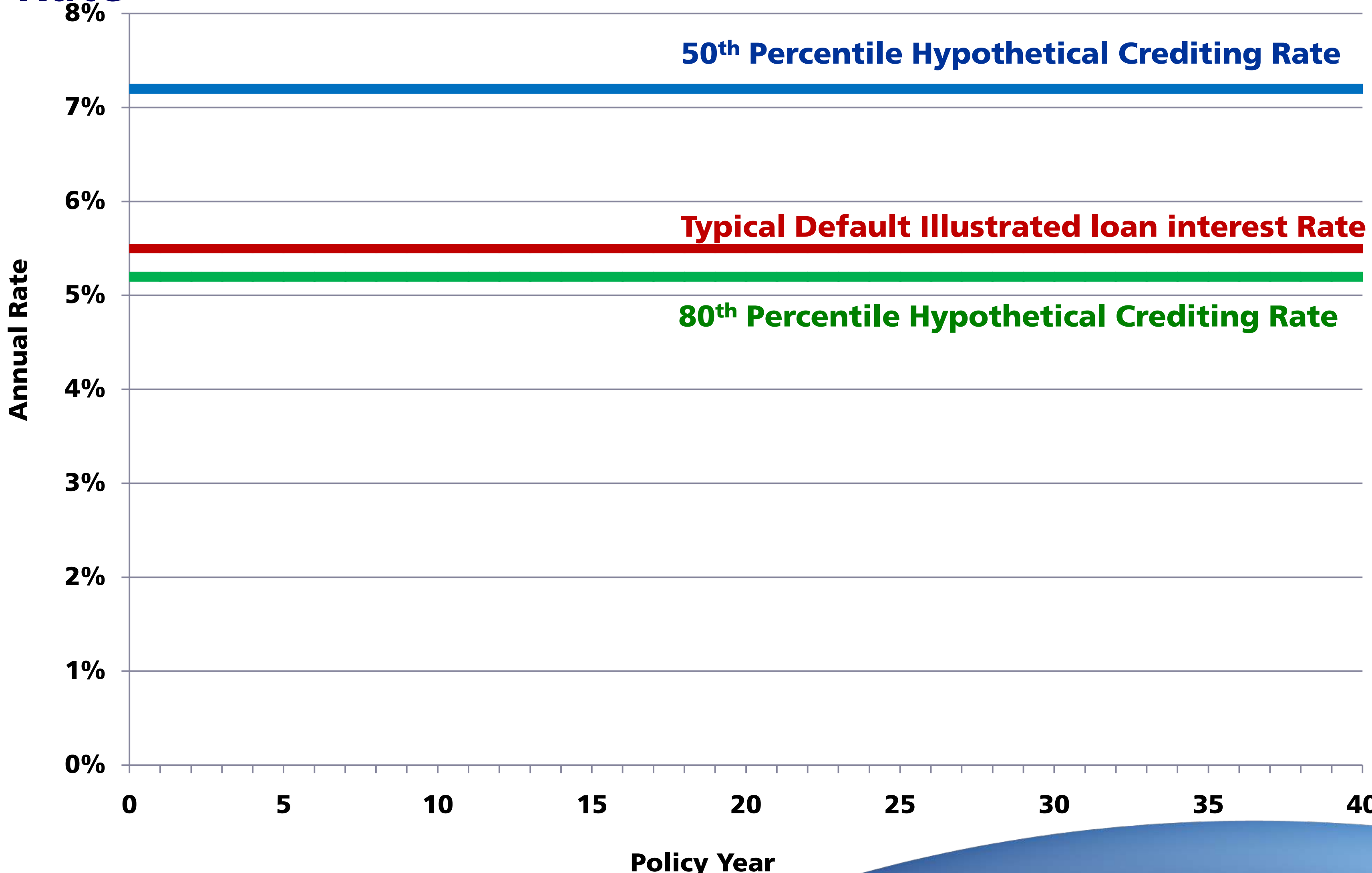
Variable Loans
Variable loan interest Rate, Variable Crediting Rate



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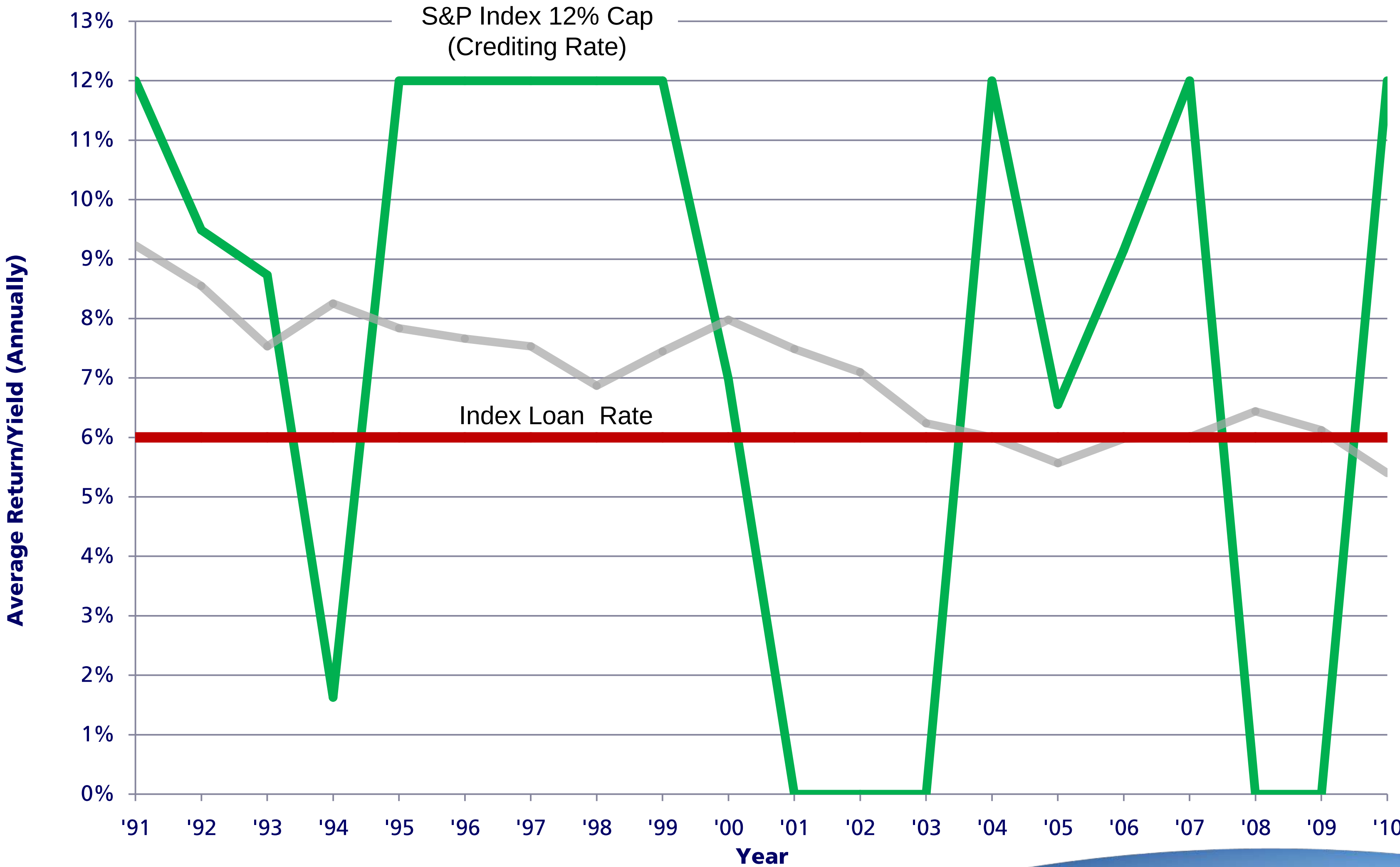
Indexed Loans
Fixed loan interest Rate, Variable Crediting Rate



Fixed, Zero Net Cost Loans
Fixed loan interest Rate, Fixed Crediting Rate

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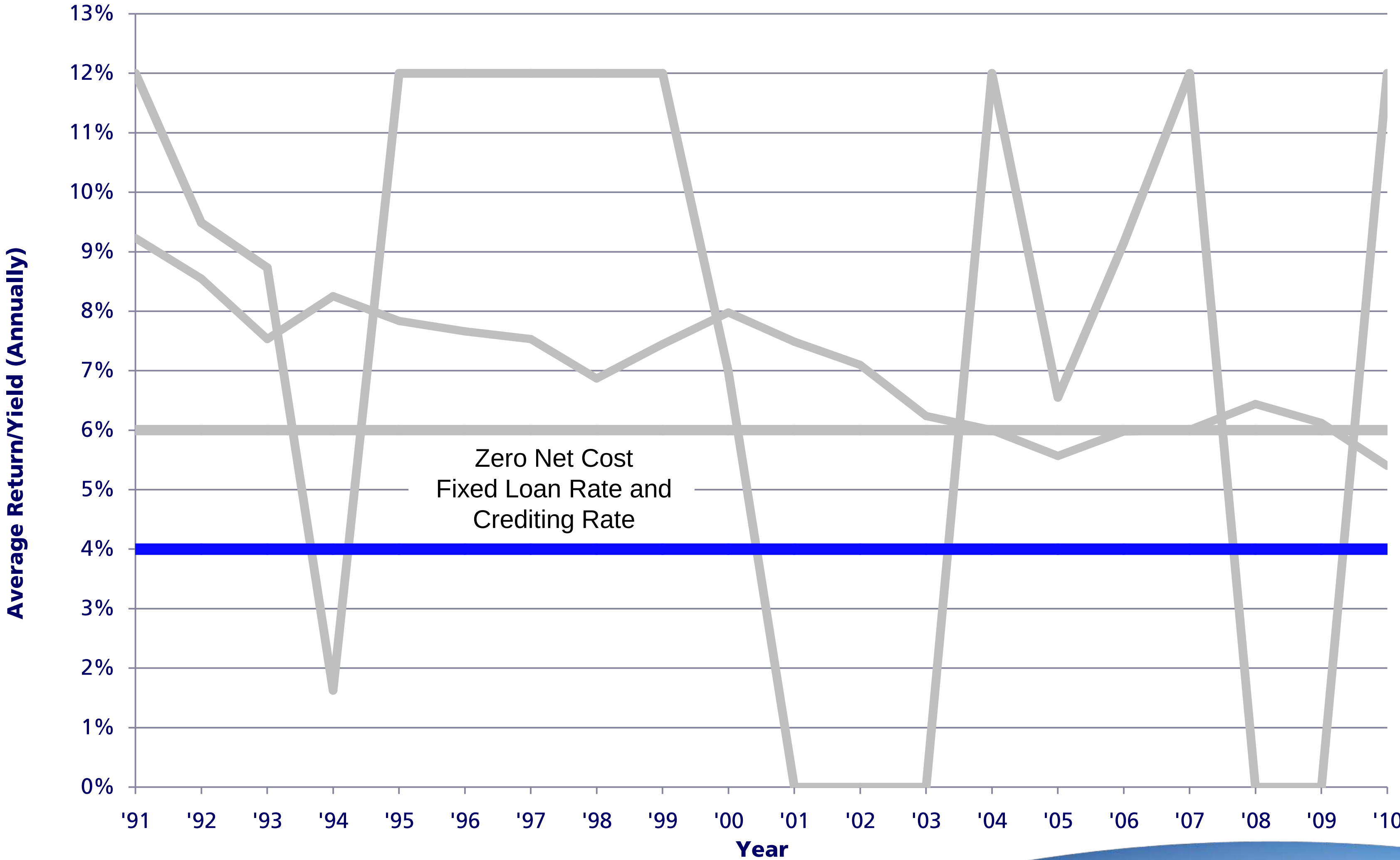

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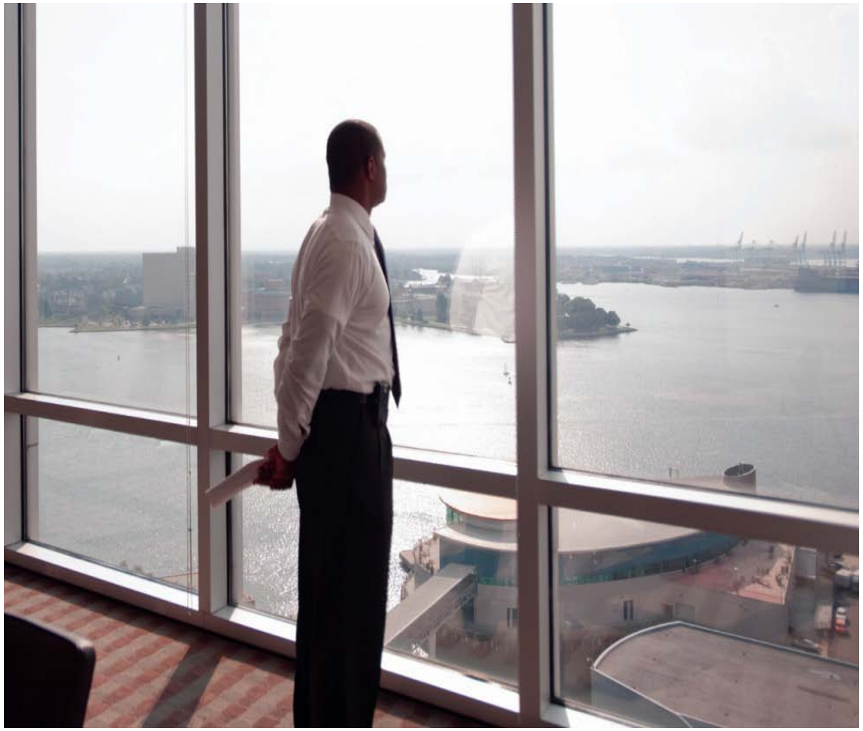
Overloan Protection Rider
When illustrating Loans

- Typically:
  - Not available with Cash Value Accumulation Test
  - Not available until Attained Age 65 or greater AND Policy Year 15
- Be careful of:
  - Maximum Policy Loan Balance to Policy Cash Value Percentage

Comparing Index UL Products
Factors to Consider



- Market Indices
- Single vs. Multi Index (Hindsight)
- Crediting Calculations
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Zurich
Your EDGE in a Changing World

Pinnacle Insurance & Financial Services

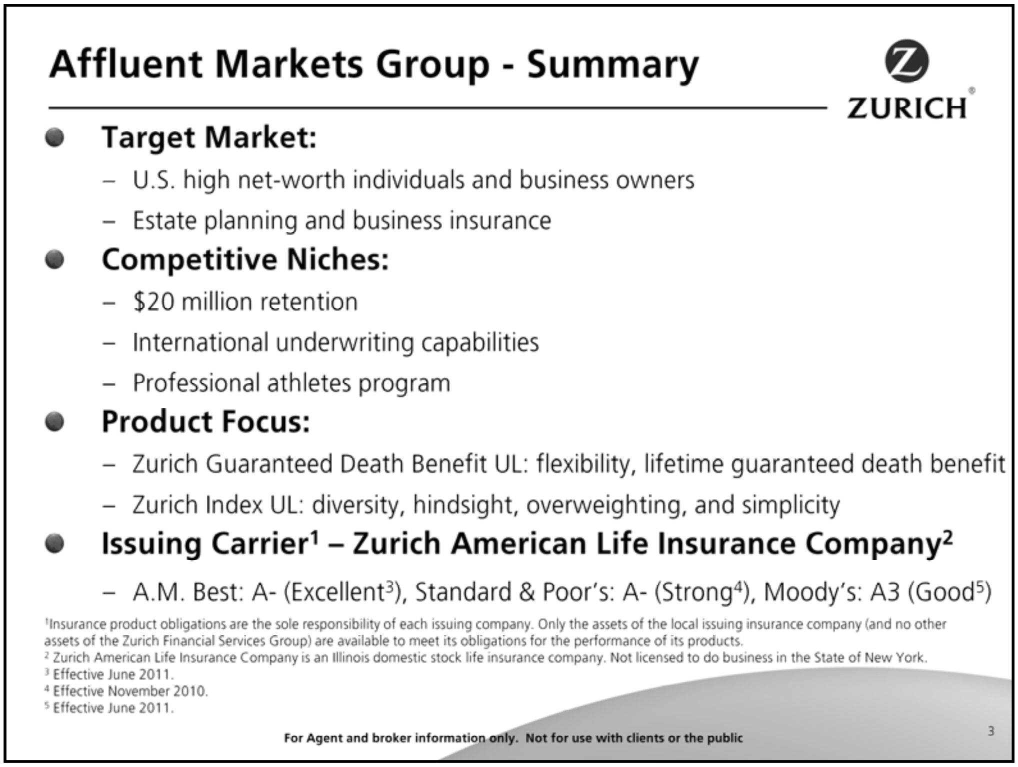
Annual Meeting

Amelia Island Plantation

January 11-12, 2011

Zurich American Life Insurance Company
Affluent Markets Group

Presented by:
Laura L. O’Dea, Regional Vice President – Affluent Markets Group



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We introduced our first product in Fall of 2010, Zurich Guaranteed Death Benefit UL and recently introduced our second product, Zurich Index UL with an additional product planned for 1st Quarter 2012.

Affluent Markets Group

ZURICH

Competitive Niches

Zurich American Life Insurance Company

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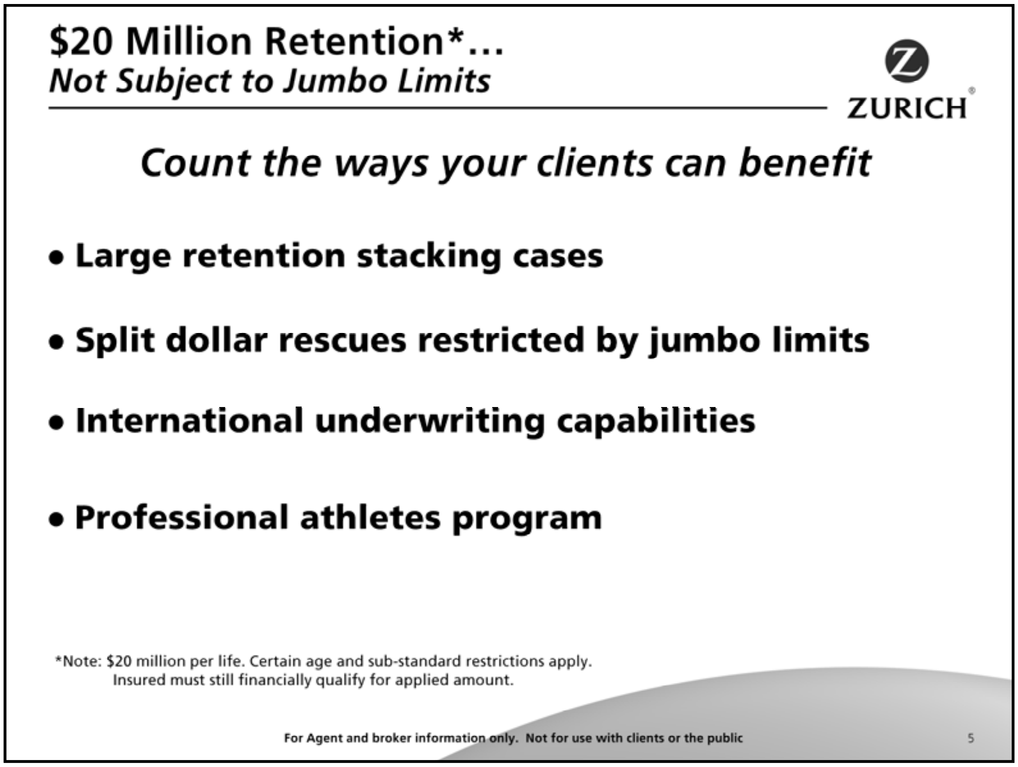

Zurich can provide $20 million of retention that is held internally and not subject to jumbo limits and other reinsurance retention. This can provide a number of opportunities for you and your clients. When working with a client that needs a substantial amount of insurance, for example 100 million of coverage, it is important to manage the reinsurance markets carefully and not create gridlock with the limited number of reinsurers by submitting the same case through multiple carriers. Pulling in the internal retention amounts from several carriers and stacking that retention, before going out to the reinsurance market, can help you successfully navigate the jumbo case market. With Zurich's $20 million of internal retention, your job just got easier.

You will also find this retention to be helpful in situations where clients have exceeded the existing capacity in the market and perhaps are looking to unwind a split dollar arrangement or premium finance arrangement. We will also discuss how this retention can be critical in the International market and Professional Athlete market.

International Underwriting Capabilities

ZURICH

Four proposed insured categories to benefit your clients…

- **U.S. citizens**
- **Green card holders (U.S. permanent residents)**
- **Visa holders**
- **Foreign Nationals***

* Foreign Nationals that do not reside in the US must meet Zurich's business acceptance criteria.

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Zurich has developed a strong presence in the International Underwriting market to insure both US Citizens who travel extensively and/or reside in a foreign country and Foreign Nationals who have connections to the US. A foreign national must either own real estate in the US or have a business entity here in the US in order to qualify for coverage. As the world becomes a more global marketplace, we are increasingly seeing both US citizens who have developed business relationships internationally and foreign nationals who are doing business in the US or purchasing property here. Based on specific country codes, we can provide up to our full $20 million of internal retention to these citizens and competitive underwriting classes.

Professional Team Athlete Program

ZURICH

Why is there a "capacity" challenge with professional team athletes?

- **Common Disaster:** many U.S. carriers and their reinsurance companies believe possible common disasters (e.g. common travel disaster) may be additional risks associated with professional team athletes
- **Excessive Inforce Life Insurance:** player's team or sponsors may have substantial inforce term life coverage on the life of the athlete
- **Foreign Nationals:** many of today's top baseball, basketball, hockey, etc stars are non-U.S. citizens, others spend significant amounts of time in the off-season residing in their non-U.S. home countries

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When professional team athletes and their coaches come to market to purchase personal life insurance, they encounter a unique set of significant challenges that often limit their ability to buy any personal coverage for their important supplemental retirement or estate planning purposes. Why do professional team athletes and coaches face these challenges? In a word, "capacity". Why is there a "capacity" challenge with professional team athletes? Common disasters can be a concern for carriers and reinsurance companies that may impact a number of individuals on a team who routinely travel together, additionally many professional athletes can find that the team may have purchased large amounts of coverage on the player's life to insure the multi million $ contracts that many professional athletes have with the team. That leaves a player unable to purchase additional coverage they may need personally for estate planning and other needs. Finally, we are now seeing a larger number of international players who are playing professional sports in the US. When you combine the challenges of capacity and international underwriting for these players, it can present an additional issue for foreign national players. Zurich's combination of retention and international underwriting can provide an excellent opportunity for these clients.

Professional Team Athlete Program

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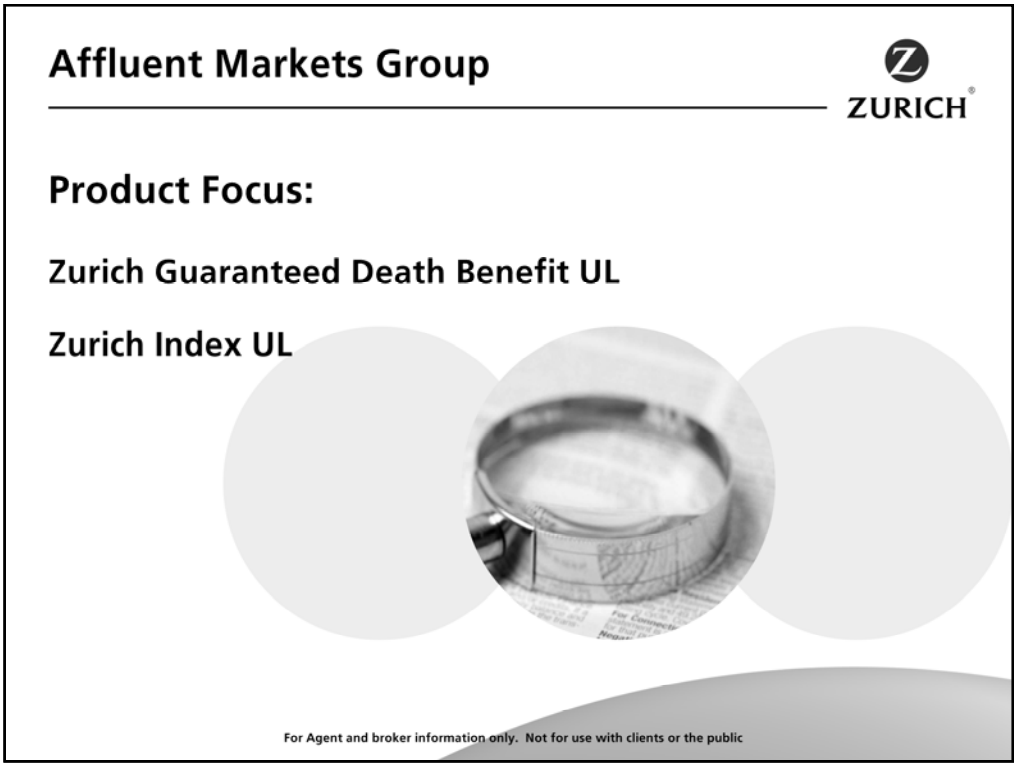
The Zurich Advantage

- Up to $12 million retention available per team member (exclusive of aggregate inforce team coverage)
- Additional retention amounts available in excess of $12 million up to $20 million retention per team member with a maximum inforce team coverage aggregate of $100 million with the worldwide Zurich family of life insurance companies
- Preferred Best underwriting classification available for qualified applicants
- International underwriting capabilities ensure knowledgeable underwriting classification based on citizenship, visa or overseas travel

Zurich's professional athlete program works like this. We can offer an individual player up to $12 million of our $20 million of retention regardless of how much coverage the team may have on that player. If the aggregate amount of coverage the team holds doesn't exceed $100 million of coverage with the Zurich family of life insurance companies world wide, we can offer our full $20 million of coverage per player. If the player qualifies medically, we can offer our preferred best underwriting class. Combine these capabilities with the international underwriting and it could be a real "win" for the professional athlete.



As we discussed earlier, Zurich has introduced 2 products over the last year to assist clients in the affluent marketplace. Let’s briefly review those products and their application in this market.

Zurich Guaranteed Death Benefit UL

ZURICH

- Guaranteed No-Lapse available to age 121
- Issue ages 0-85
- 6 risk classes (PBNT, PNT, SPNT, SNT, PT, ST)
- Death Benefit amounts of $250,000 up to $20,000,000 at approved ages

Zurich's first product was our Guaranteed Death Benefit UL, this product provides the guarantees that clients want for estate planning. It has a flexible design that allows the client to choose the length of the guarantee with a maximum guarantee to age of 121. As the market continues to adjust in this low interest rate environment, we have seen many of our peer companies either withdrawing from this market or increasing their pricing on this type of product. We believe that we can offer a competitive product that can provide long term benefits for your clients.

Zurich Guaranteed Death Benefit UL

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Zurich Guaranteed Death Benefit UL
State Approval Chart

as of 02/22/2011

	State	Approval Date
1	Alabama	08/31/2010
2	Alaska	10/28/2010
3	Arizona	02/23/2011
4	Arkansas	08/25/2010
5	California	02/08/2011
6	Colorado	10/28/2010
7	Connecticut	11/10/2010
8	Delaware	09/13/2010
9	District of Columbia	08/25/2010
10	Florida	09/15/2010
11	Georgia	10/28/2010
12	Hawaii	10/28/2010
13	Idaho	10/28/2010
14	Illinois	12/14/2010
15	Indiana	10/28/2010
16	Iowa	10/28/2010
17	Kansas	10/28/2010
18	Kentucky	10/28/2010
19	Louisiana	10/28/2010
20	Maine	10/28/2010
21	Maryland	10/28/2010
22	Massachusetts	10/28/2010
23	Michigan	10/28/2010
24	Minnesota	10/28/2010
25	Mississippi	10/28/2010
26	Missouri	10/28/2010
27	Montana	12/14/2010
28	Nebraska	10/28/2010
29	Nevada	09/28/2010
30	New Hampshire	10/28/2010
31	New Jersey	11/04/2010
32	New Mexico	10/28/2010
33	New York	Not Filed
34	North Carolina	10/28/2010
35	North Dakota	09/02/2010
36	Ohio	10/28/2010
37	Oklahoma	10/28/2010
38	Oregon	09/07/2010
39	Pennsylvania	10/28/2010
40	Rhode Island	10/28/2010
41	South Carolina	10/28/2010
42	South Dakota	08/30/2010
43	Tennessee	10/28/2010
44	Texas	10/28/2010
45	Utah	10/28/2010
46	Vermont	10/28/2010
47	Virginia	10/28/2010
48	Washington	10/28/2010
49	West Virginia	10/28/2010
50	Wisconsin	10/28/2010
51	Wyoming	10/28/2010

- **Approved in 50 Jurisdictions**
- **New York**
  A New York based subsidiary, Zurich American Life Insurance Company of New York, is planned for 2012

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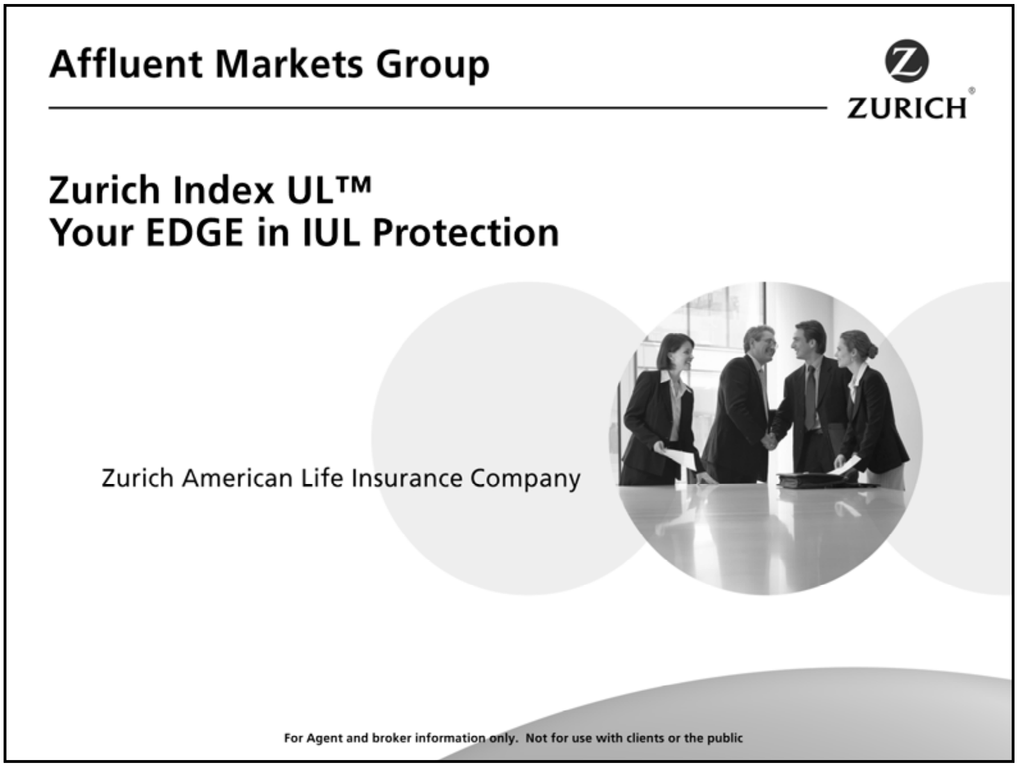
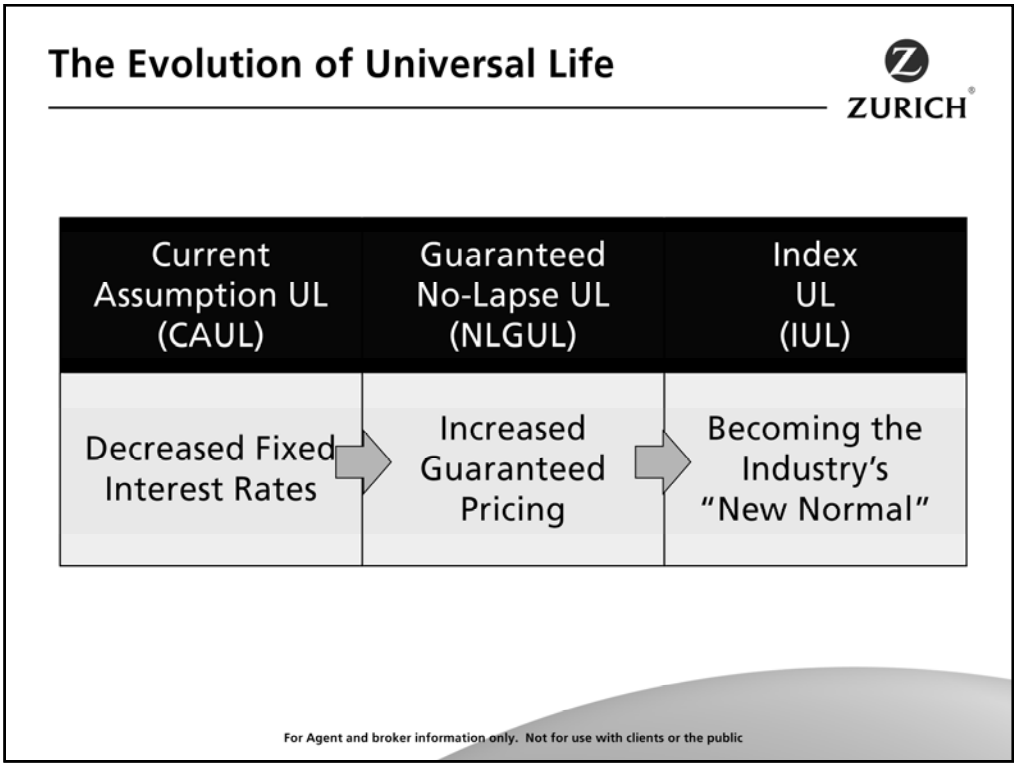
We have this product approved in all States, except for NY. We have applied for NY based subsidiary that will be operation in 2012 and NY product will be filed for sale in that State in late 2012.



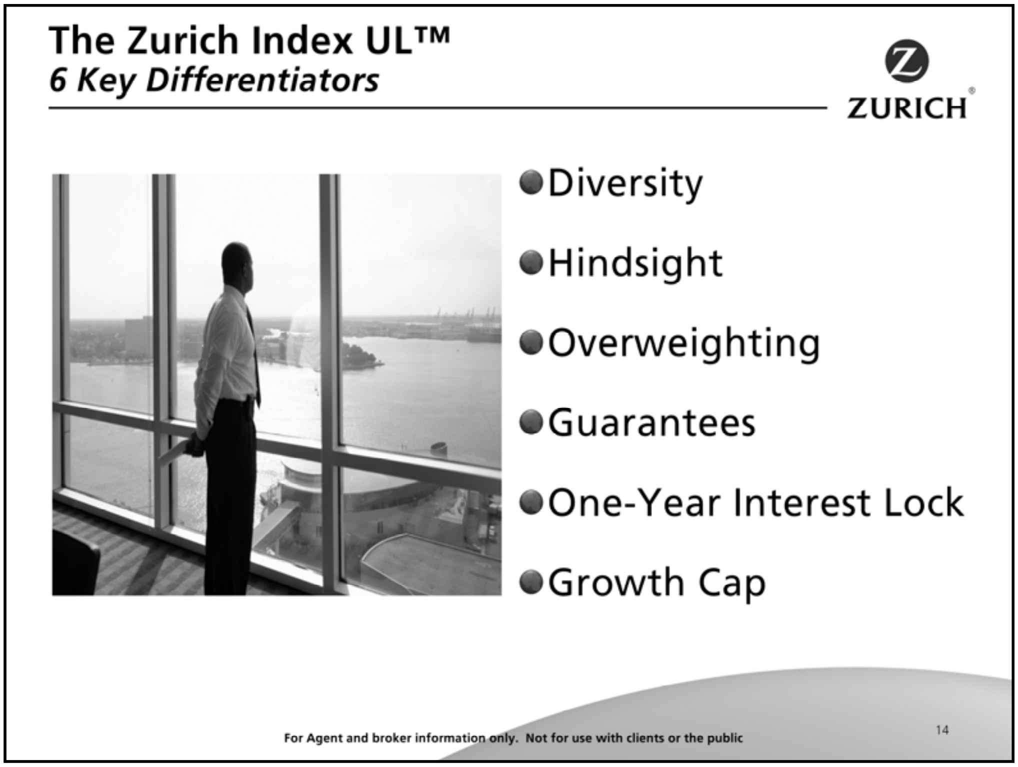
We were very excited to roll out our Index UL product in August of 2011 as an additional choice for estate and business planning clients. We have built what we believe is a unique approach in the Index market.



It is clear to many industry observers that index interest UL products are in the process of becoming the industry's "new normal" as they are taking measurable market share from the more traditional guaranteed no-lapse UL and fixed interest current assumption UL product segments. Today, more and more mainstream brokers and advisors are taking a serious look, often for the first time, at the merits of index interest UL.

Over the recent past, no-lapse guarantee UL products were very popular. These products guarantee pricing, very attractive long-term IRRs at death but little-to-no long-term cash surrender value. Prior to the popularity of no-lapse guarantee UL products, fixed interest current assumption UL products were very popular. All of this changed when the economy entered this period of now sustained low interest rates. As a direct result, the industry's no-lapse guarantee UL pricing has increased numerous times as the carriers attempted to protect their margins. The low interest rates also impacted the attractiveness of fixed interest current assumption UL.

Another factor driving consumer interest in index interest UL products: the very clear consumer preference for long-term, tax-advantaged cash value build-up. This trend seems to have resulted from the financial crisis that started late in the last decade. Increasingly, index interest UL, and its cash value growth potential, is getting a closer examination by brokers and consumers for both death benefit AND cash accumulation applications.



The Zurich Index UL was designed to provide a highly differentiated product that has features and interest crediting methodologies that are well-conceived , rational and able to perform as expected over the long-term. We have repeatedly heard that our industry does not need another undistinguished index interest UL product with unbelievable illustrated crediting rates and ill-advised product features. The Zurich Index UL's EDGE is that the base policy is well–constructed and the interest crediting options are innovative, diversified and believable.

There are six major factors that truly differentiate the Zurich Index UL from competing index interest UL products. These six factors make the product such an outstanding value proposition.

- DIVERSITY
- HINDSIGHT
- OVERWEIGHTING
- GUARANTEES
- ONE-YEAR INTEREST LOCK
- GROWTH CAP

Let's take a closer look at each of these important differentiators.

[NEXT PAGE]

Zurich Index UL's EDGE…
Diversity

ZURICH

		Product								
		1	2	3	4	5	6	7	8	Z
Domestic	S&P 500	●	●	●	●	●	●	●	●	●
	Nasdaq-100						●			
	DJIA						●			
	DJ UBS commodities									●
	Russell 2000									●
Global	DJ Eurostoxx 50					●		●	●	
	DJ Global - Ex U.S.				●					
	Hang Seng					●		●	●	
	MSCI Emerging Markets					●				●
	MSCI EAFE									●

Let's start with Market Indices. What are some factors that a sales professional should consider when deciding which market index is well suited for use in an index UL product?

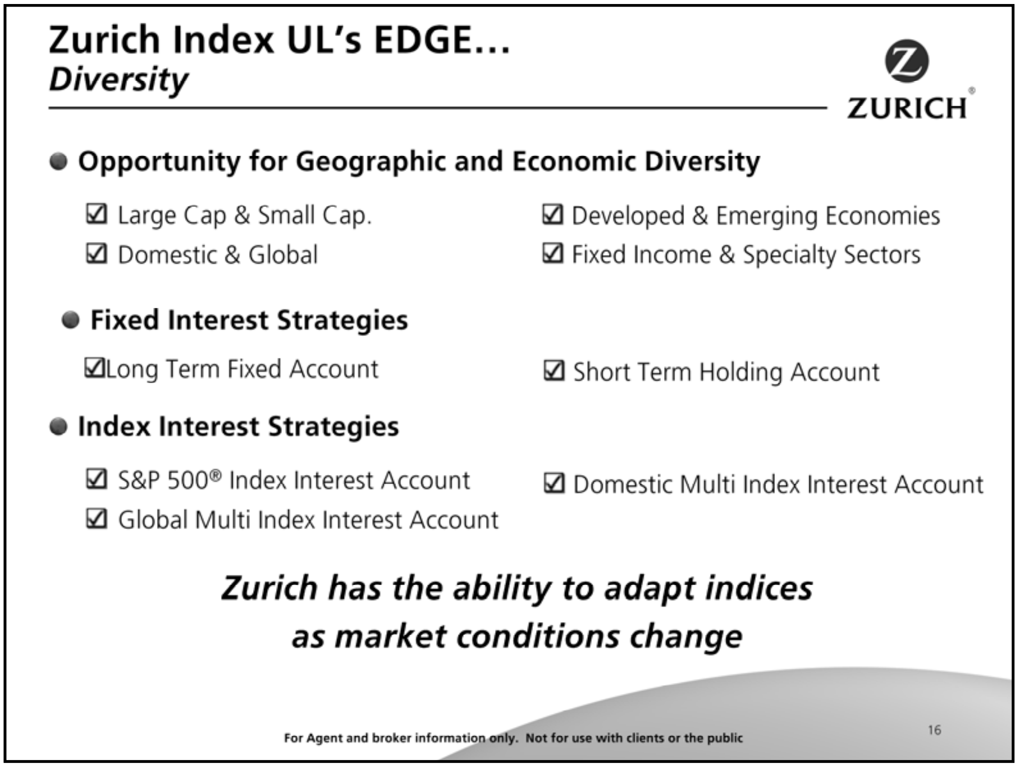
At the outset of our discussion, let's be mindful that we are talking about an interest rate crediting methodology inside of a permanent, cash value life insurance policy. By its very nature, a permanent cash value life insurance product is a long-term proposition. Therefore, a policy's internal mechanics, including its interest crediting rate, should be built to deliver the long-term performance that the consumer and the sales professional expects.

Before we dive into the various combinations of indices that may be available, let's take a look at which indices are offered in IUL products. Out of nine carriers, including Zurich, all nine have an index account that uses the S&P 500 Index. Six carriers also offer other indices in addition to the S&P 500 in order to provide more diversification.

For example – Zurich IUL, product #9, offers access to both domestic and global indices: the S&P 500, DJ UBS Commodity, Russell 2000, the MSCI Emerging Markets and the MSCI EAFE.

The first question is - does the large cap exposure of the S&P 500 product provide your client enough diversification? If you and your client believe that it does, all nine of the IUL products that we are comparing offer a single index account based on the S&P 500.

But for clients who appreciate the value of diversification, through some combination of developed and emerging economies, large and small cap companies, domestic and global exposure, the first three products would be eliminated from consideration.



The first key product differentiator is DIVERSITY, the diversity of the interest crediting options available in the Zurich Index UL.

The policy has five interest crediting options: two fixed interest accounts and three index interest accounts – including the product's two innovative triple index accounts: the Domestic Multi Index Interest Account and the Global Multi Index Interest Account. The Zurich Index UL has unsurpassed coverage of global economies and is poised to perform in all economic conditions.

Why is DIVERSITY of interest crediting options important to a prospective insured?

In a word – 'choice'. Diversity of interest crediting options gives the consumer choice – today and tomorrow – as needs evolve and as risk tolerances change over time. The Zurich Index UL's diverse set of two fixed interest strategies, its basic S&P 500 Index account and its two innovative multi index accounts gives Zurich Index UL policyholders unsurpassed choice in today's index UL market segment.

[NEXT PAGE]

Zurich Index UL's EDGE…
Hindsight through Two Multi Index Accounts

ZURICH

		Product								
		1	2	3	4	5	6	7	8	Z
Domestic	S&P 500	●	●	●	●	●	●	●	●	●
	Nasdaq-100						●			
	DJIA						●			
	DJ UBS commodities									●
	Russell 2000									●
Global	DJ Eurostoxx 50					●		●	●	
	DJ Global - Ex U.S.				●					
	Hang Seng					●		●	●	
	MSCI Emerging Markets					●				●
	MSCI EAFE									●

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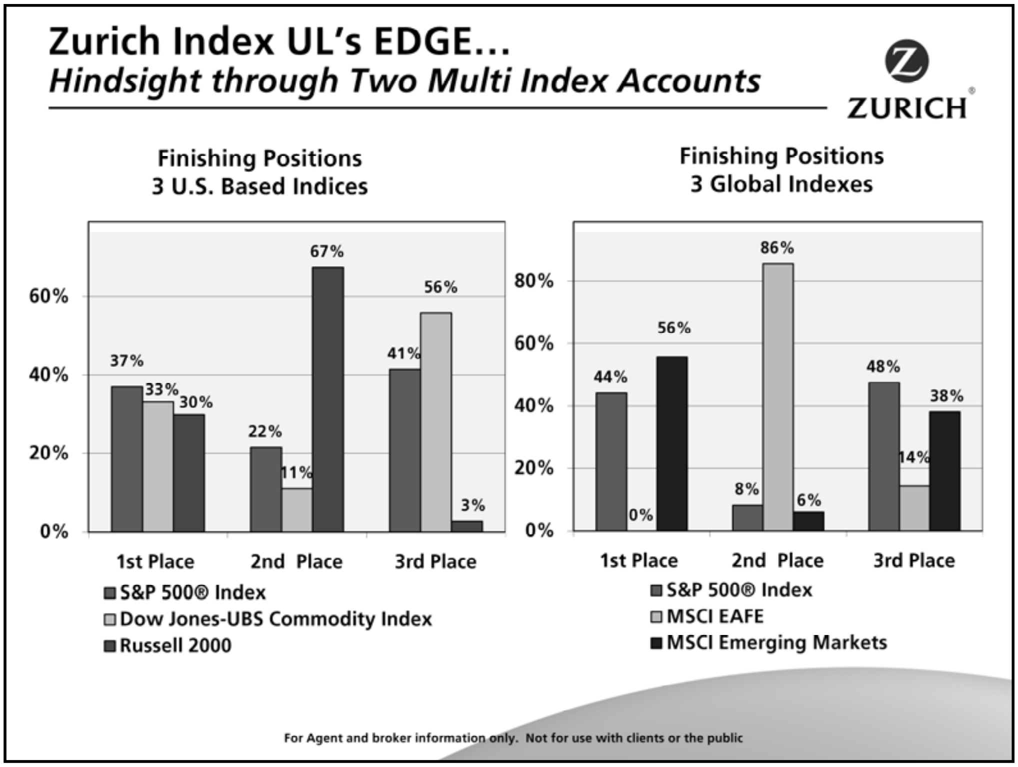
Now let's assume for a second that you and your client are interested in strong diversification. The next issue is – how important is hindsight? All Index UL products are hindsight products. For example, when looking at a 1 Year, Point to Point account – on the crediting date, the carrier looks at what the value of the index was exactly one year before the crediting date and compares that to the value of the index on the crediting date. But because we've decided to diversify beyond the S&P 500 Index, the client and agent have taken on the burden of deciding which index to allocate to. Should it be an equal distribution to all available indices? Products #4 offers two indices, but each is in its own Index Account. This requires your client to guess which of the two will perform better, or allocate to both equally.

If this is a concern for you and your clients, then a Multi-Index Account helps remove some of the burden of forecasting which index will outperform the others. Products 5 through 9 offer Multi-Index Accounts where three market indices are included in one account. This offers diversification and remove the burden of guessing which index will outperform the others.

This product feature is important when comparing Index UL products. It does not mean that Single Index Accounts should never be chosen, but it's critical that you and your clients discuss their comfort level with choosing how much to allocate to each index.



Let's look at an example of why "hindsight" in a multi index account may be beneficial.

The chart on the left reflects the finishing positions of three U.S. based indices. The chart on the right reflects the finishing positions of three global indices. The basic takeaway from these two charts is that over the past twenty years, there was significant and unpredictable variability in any given year as to which of the three indices finished the year in the #1, #2 or #3 price performance position.

Let's take a quick look at the chart on the left. This chart shows how frequently each of the three indices' price performances finished in either the 1st, 2nd or 3rd position at the end of one year period over the last twenty years. For example, the S&P 500 Index displayed in blue finished in the #1 one-year position 37% of the time over the last twenty years. Another example: the Dow Jones-UBS Commodity Index displayed in gold finished in the #1 position over a one-year period 33% of the time over the last twenty years. Looking at the data another way, the Russell 2000 Index finished in either the #1 or the #2 position over a one-year period 97% of the time.

The most immediate conclusion from this data is that over the past twenty years there has been a high degree of variability as to which of the three indices finished in either the #1, the #2 or the #3 position at the end of any given year. When I look at the S&P 500 Index in blue, I see a very solid single index performer finishing #1 37% of the time and finishing either #1 or #2 59% of the time. However, you can't ignore the strong performances of the Dow Jones-UBS Commodity Index and the Russell 2000 Index. The question has always been and continues to be : Which index will be the #1 performer over the next twelve months? Few people have the predictive power to consistently answer that question.

So the challenge seems to be to create an index interest account that is comprised of several indices that accentuates each year's #1 performing underlying index, that

Zurich Index UL's EDGE…
Overweighting

ZURICH

	Product								
	1	2	3	4	5	6	7	8	Z
Best Performing					33%	50%	75%	75%	70%
Second Best Performing					33%	30%	25%	25%	30%
Worst Performing					33%	20%	0%	0%	0%

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Let's assume you and your client like the "hindsight" ability of a Multi-Index Account. Instead of just taking the average of the returns in all three indices to calculate the crediting rate, some products will actually give you the "best of the best." This truly removes the burden of deciding which index will outperform the others, because the best performing index is automatically credited more. Product #5 weights each index, regardless of performance, equally using a true average. Product #6 has some overweighting, but the worst performing index still receives 20% of the weighting.

If you and your client want the advantage of the hindsight and overweighting combination, then products 7, 8 and 9 offer the strongest overweighting.

Another critical factor that you and your clients should be aware of are when the cap rates are actually applied. If the cap rates are applied to each individual index, versus the total calculated return, this could greatly change the crediting rate.

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Zurich Index UL's EDGE…
Simplicity – 1 Year Look-Back Period

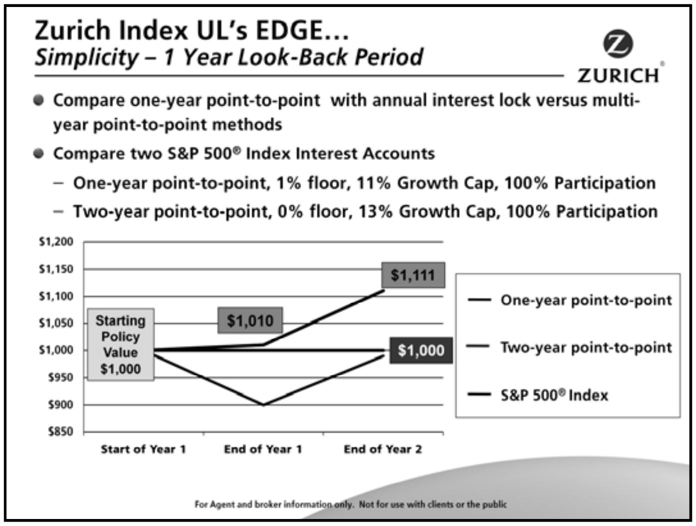
ZURICH

	Product								
	1	2	3	4	5	6	7	8	Z
Best Performing					33%	50%	75%	75%	70%
Second Best Performing					33%	30%	25%	25%	30%
Worst Performing					33%	20%	0%	0%	0%

The last factor in crediting methodologies that is important to consider is the length of the look-back period. Products 7 and 8, in their overweighting, point to point multi-index accounts use a 5 year look-back period. Zurich (Product 9) uses a 1 Year look-back period.

The advantage of a 5 Year Look-Back period is lower volatility, since it is a point to point calculation that looks at the value of the indices five years ago and calculates the growth.

But there are advantages to using a One Year look-back as well, which we'll take a look at on the next slide.



For simplicity, let's use a two-year case study instead of the five-year. The case study examines the two policies' S&P 500 Index Interest Accounts each with a 1% guarantee and an 11% or greater Growth Cap.

Let's assume that a Index UL policyholder allocates $1000 of Policy Value to the policy's S&P 500 Index Interest Account with its ONE-YEAR point-to-point crediting methodology and 1% annual guarantee. Let's further assume that another policyholder allocates $1000 of Policy Value to his or her policy's S&P 500 account with its TWO-YEAR point-to-point crediting methodology and 0% guarantee.

We'll further assume that both policies are starting year-one with $1000 of policy values in their respective S&P 500 Index accounts. For purposes of this hypothetical case study, let's also assume that no policy fees or loads that will be deducted from either of the policies' accounts during the case study period.

The blue line on the slide reflects the performance of the S&P 500 Index (excluding dividends) over the two-year case study period. At the end of Year 1, assume that the S&P 500 Index declined by 10% over the prior twelve months. In year two, the S&P 500 Index increased by 10% over the preceding 12 months. However, at the end of year two, the S&P 500 Index did not quite return to its starting point at the beginning of year one

Let's now look at the performance of the One-Year point-to-point product as reflected by the green line. The policy value started at $1,000 at the beginning of year one. Given that the S&P 500 Index declined 10% in year one, the Zurich policy values received 1% guaranteed interest at the end of year one and increased to $1,010.

The two-year point to point product, depicted on the chart by the red line, did not receive any index interest crediting at the End of Year 1 given that its S&P 500 account has a two-year point-to-point structure

Now, let's fast forward to the End of Year 2 and assume that the S&P 500 Index increased 10% over the preceding twelve months.

The One-Year Point to Point policy's End of Year 2 cash values will increase by 10% to $1,111.

The two-year point to point policy, may also be eligible to receive an index interest credit at the End of Year 2. However, the S&P 500 Index actually declined over the two-year period. Therefore, this policy is not eligible for a S&P 500 Index-based adjustment and will only receive its 0% guarantee interest rate. Net result, at the end of year two, the policy value of the policy will be unchanged at $1,000.

Comparing the two policies' End of Year 2 policy value account balances, the one year point-to-point product's policy values increased over 11% versus the two year point-to-point product's in just two years time.

One last comment and question on this slide. This slide compared a one-year point-to-point crediting methodology to a two-year point-to-point crediting methodology. As mentioned on the previous slide, some products offer an even longer point-to-point period such as a five-year point-to point period. When compared to a competing product with a the point-to-point period that is two years or longer, the one-year point to point methodology has greater potential to capture the upside of the indices volatility (especially today) and providing a floor for the downside of the volatility. Five year accounts do reduce the volatility by waiting five years to do a calculation, but it also provides for a lost opportunity when the indices have large swings during the five year period.

In summary, Zurich's product and unique competitive market niches can provide you and your clients with some excellent planning opportunities and possibly open new markets to you as a producer that will allow you to expand your practice. We look forward to the opportunity to work with you and your clients through Pinnacle Planning.

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Thank You

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877 678 7534 www.zlifeusa.com

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Zurich
Your EDGE in a Changing World

Pinnacle Insurance & Financial Services

Annual Meeting

Amelia Island Plantation

January 11-12, 2011

Zurich American Life Insurance Company
Affluent Markets Group

Presented by:

Laura L. O’Dea, Regional Vice President – Affluent Markets Group

Affluent Markets Group - Summary

- **Target Market:**
  - U.S. high net-worth individuals and business owners
  - Estate planning and business insurance
- **Competitive Niches:**
  - $20 million retention
  - International underwriting capabilities
  - Professional athletes program
- **Product Focus:**
  - Zurich Guaranteed Death Benefit UL: flexibility, lifetime guaranteed death benefit
  - Zurich Index UL: diversity, hindsight, overweighting, and simplicity
- **Issuing Carrier[1] – Zurich American Life Insurance Company[2]**
  - A.M. Best: A- (Excellent[3]), Standard & Poor's: A- (Strong[4]), Moody's: A3 (Good[5])

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[3] Effective June 2011.
[4] Effective November 2010.
[5] Effective June 2011.

Affluent Markets Group

Competitive Niches

Zurich American Life Insurance Company

$20 Million Retention*…
Not Subject to Jumbo Limits

Count the ways your clients can benefit

- **Large retention stacking cases**
- **Split dollar rescues restricted by jumbo limits**
- **International underwriting capabilities**
- **Professional athletes program**

*Note: $20 million per life. Certain age and sub-standard restrictions apply.
Insured must still financially qualify for applied amount.

International Underwriting Capabilities

Four proposed insured categories to benefit your clients…

- **U.S. citizens**
- **Green card holders (U.S. permanent residents)**
- **Visa holders**
- **Foreign Nationals***

* Foreign Nationals that do not reside in the US must meet Zurich's business acceptance criteria.

Professional Team Athlete Program

Why is there a "capacity" challenge with professional team athletes?

- **Common Disaster:** many U.S. carriers and their reinsurance companies believe possible common disasters (e.g. common travel disaster) may be additional risks associated with professional team athletes

- **Excessive Inforce Life Insurance:** player's team or sponsors may have substantial inforce term life coverage on the life of the athlete

- **Foreign Nationals:** many of today's top baseball, basketball, hockey, etc stars are non-U.S. citizens, others spend significant amounts of time in the off-season residing in their non-U.S. home countries

Professional Team Athlete Program

The Zurich Advantage

- Up to $12 million retention available per team member (exclusive of aggregate inforce team coverage)
- Additional retention amounts available in excess of $12 million up to $20 million retention per team member with a maximum inforce team coverage aggregate of $100 million with the worldwide Zurich family of life insurance companies
- Preferred Best underwriting classification available for qualified applicants
- International underwriting capabilities ensure knowledgeable underwriting classification based on citizenship, visa or overseas travel

Affluent Markets Group

Product Focus:

Zurich Guaranteed Death Benefit UL

Zurich Index UL

Zurich Guaranteed Death Benefit UL

- Guaranteed No-Lapse available to age 121
- Issue ages 0-85
- 6 risk classes (PBNT, PNT, SPNT, SNT, PT, ST)
- Death Benefit amounts of $250,000 up to $20,000,000 at approved ages

Zurich Guaranteed Death Benefit UL

ZURICH

Zurich Guaranteed Death Benefit UL
State Approval Chart

as of 02/22/2011

	State	Approval Date
1	Alabama	08/31/2010
2	Alaska	10/28/2010
3	Arizona	02/22/2011
4	Arkansas	08/25/2010
5	California	02/08/2011
6	Colorado	10/28/2010
7	Connecticut	11/10/2010
8	Delaware	09/13/2010
9	District of Columbia	08/25/2010
10	Florida	09/15/2010
11	Georgia	10/28/2010
12	Hawaii	10/28/2010
13	Idaho	10/28/2010
14	Illinois	12/14/2010
15	Indiana	10/28/2010
16	Iowa	10/28/2010
17	Kansas	10/28/2010
18	Kentucky	10/28/2010
19	Louisiana	10/28/2010
20	Maine	10/28/2010
21	Maryland	10/28/2010
22	Massachusetts	10/28/2010
23	Michigan	10/28/2010
24	Minnesota	10/28/2010
25	Mississippi	10/28/2010
26	Missouri	10/28/2010

	State	Approval Date
27	Montana	12/14/2010
28	Nebraska	10/28/2010
29	Nevada	09/28/2010
30	New Hampshire	10/28/2010
31	New Jersey	11/04/2010
32	New Mexico	10/28/2010
33	New York	Not Filed
34	North Carolina	10/28/2010
35	North Dakota	09/02/2010
36	Ohio	10/28/2010
37	Oklahoma	10/28/2010
38	Oregon	09/07/2010
39	Pennsylvania	10/28/2010
40	Rhode Island	10/28/2010
41	South Carolina	10/28/2010
42	South Dakota	08/30/2010
43	Tennessee	10/28/2010
44	Texas	10/28/2010
45	Utah	10/28/2010
46	Vermont	10/28/2010
47	Virginia	10/28/2010
48	Washington	10/28/2010
49	West Virginia	10/28/2010
50	Wisconsin	10/28/2010
51	Wyoming	10/28/2010

- **Approved in 50 Jurisdictions**
- **New York**
  A New York based subsidiary, Zurich American Life Insurance Company of New York, is planned for 2012

Affluent Markets Group

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Zurich Index UL™
Your EDGE in IUL Protection

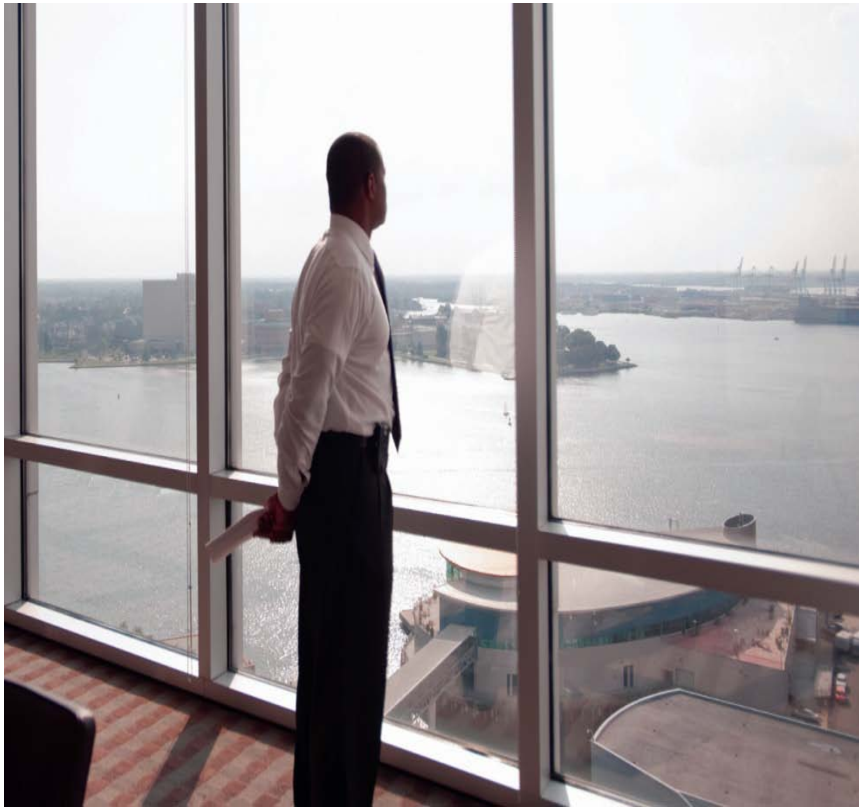
Zurich American Life Insurance Company

The Evolution of Universal Life

Current Assumption UL (CAUL)	Guaranteed No-Lapse UL (NLGUL)	Index UL (IUL)
Decreased Fixed Interest Rates	Increased Guaranteed Pricing	Becoming the Industry's "New Normal"

The Zurich Index UL™
6 Key Differentiators

ZURICH



- Diversity
- Hindsight
- Overweighting
- Guarantees
- One-Year Interest Lock
- Growth Cap

Zurich Index UL's EDGE…
Diversity

		Product								
		1	2	3	4	5	6	7	8	
Domestic	S&P 500	●	●	●	●	●	●	●	●	●
	Nasdaq-100						●			
	DJIA						●			
	DJ UBS commodities									●
	Russell 2000									●
Global	DJ Eurostoxx 50					●		●	●	
	DJ Global - Ex U.S.				●					
	Hang Seng					●		●	●	
	MSCI Emerging Markets					●				●
	MSCI EAFE									●

Zurich Index UL's EDGE…
Diversity

ZURICH

- **Opportunity for Geographic and Economic Diversity**
  - ☑ Large Cap & Small Cap.
  - ☑ Domestic & Global
  - ☑ Developed & Emerging Economies
  - ☑ Fixed Income & Specialty Sectors
- **Fixed Interest Strategies**
  - ☑ Long Term Fixed Account
  - ☑ Short Term Holding Account
- **Index Interest Strategies**
  - ☑ S&P 500® Index Interest Account
  - ☑ Global Multi Index Interest Account
  - ☑ Domestic Multi Index Interest Account

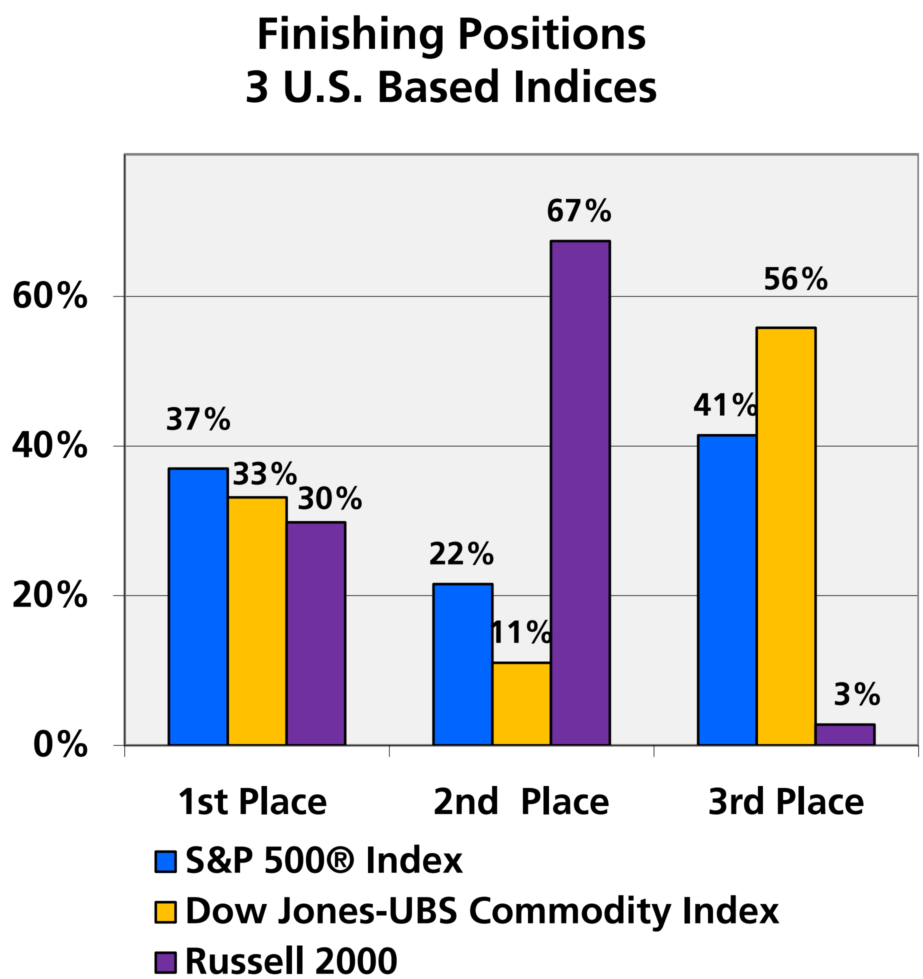
Zurich has the ability to adapt indices as market conditions change

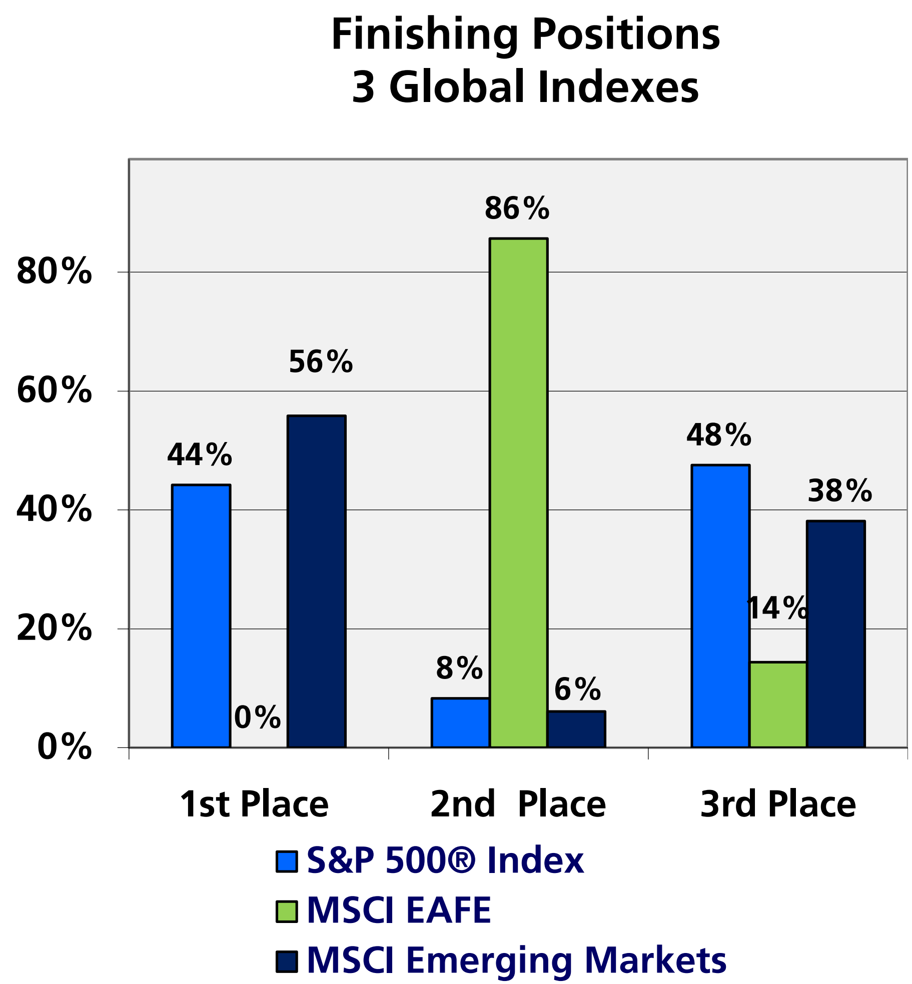
Zurich Index UL's EDGE…
Hindsight through Two Multi Index Accounts

		Product								
		1	2	3	4	5	6	7	8	Z
Domestic	S&P 500	●	●	●	●	●	●	●	●	●
	Nasdaq-100						●			
	DJIA						●			
	DJ UBS commodities									●
	Russell 2000									●
Global	DJ Eurostoxx 50					●		●	●	
	DJ Global - Ex U.S.				●					
	Hang Seng					●		●	●	
	MSCI Emerging Markets					●				●
	MSCI EAFE									●

Zurich Index UL's EDGE…
Hindsight through Two Multi Index Accounts

ZURICH





Zurich Index UL's EDGE…
Overweighting

	Product								
	1	2	3	4	5	6	7	8	Z
Best Performing					33%	50%	75%	75%	70%
Second Best Performing					33%	30%	25%	25%	30%
Worst Performing					33%	20%	0%	0%	0%

Zurich Index UL's EDGE…

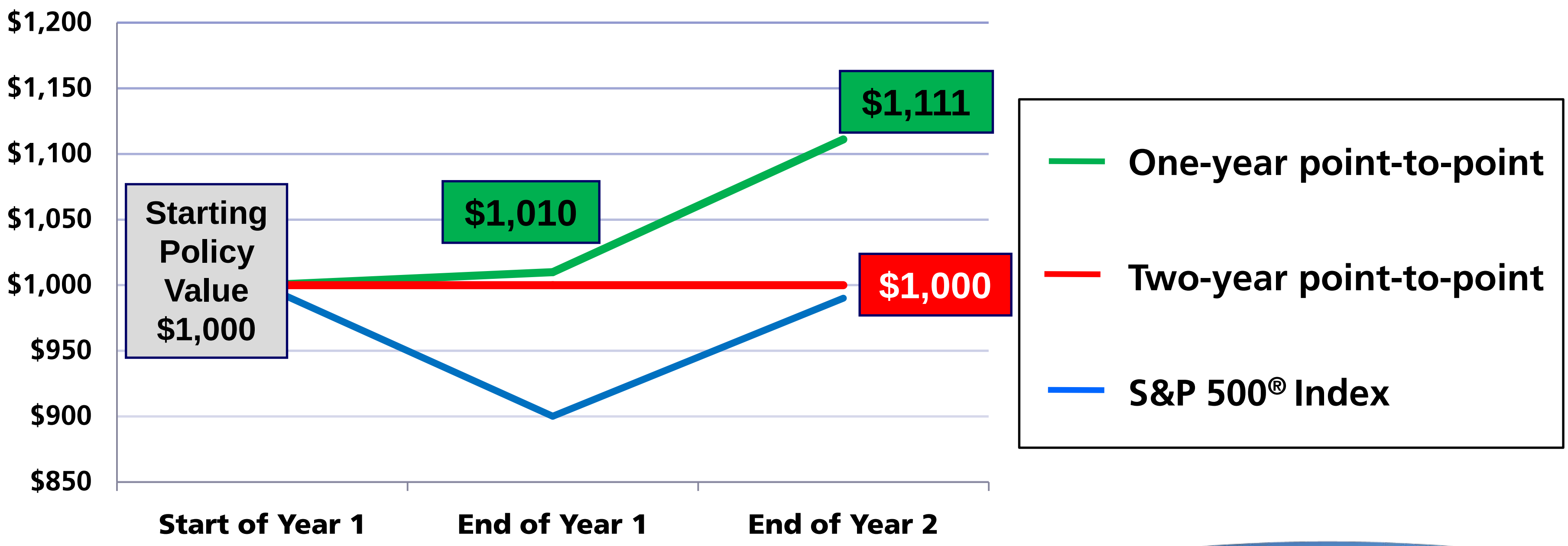
Simplicity – 1 Year Look-Back Period

	Product								
	1	2	3	4	5	6	7	8	Z
Best Performing					33%	50%	75%	75%	70%
Second Best Performing					33%	30%	25%	25%	30%
Worst Performing					33%	20%	0%	0%	0%

Zurich Index UL's EDGE…

Simplicity – 1 Year Look-Back Period

- Compare one-year point-to-point with annual interest lock versus multi-year point-to-point methods
- Compare two S&P 500® Index Interest Accounts
  - One-year point-to-point, 1% floor, 11% Growth Cap, 100% Participation
  - Two-year point-to-point, 0% floor, 13% Growth Cap, 100% Participation



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Thank You

Zurich American Life Insurance Company

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Supporting Document Schedules

		Item Status:	**Status Date:**
Bypassed - Item:	Flesch Certification	Filed	02/02/2012
Bypass Reason:	This is not a Policy Form filing.		
Comments:			

		Item Status:	**Status Date:**
Bypassed - Item:	Application	Filed	02/02/2012
Bypass Reason:	n/a		
Comments:			

		Item Status:	**Status Date:**
Satisfied - Item:	Statement of Variability	Filed	02/02/2012

Comments:

Both presentation contain variable items on the cover page of each presentation. We are submitting a Statement of Variable Language accordingly.

Attachments:

SOVL for Form No A1-20515-A.pdf

SOVL for Form No A1-20550-A.pdf

Statement of Variability for Form Number A1-20515-A

Page Number / Location	Provision or Section	Bracketed Item	Description of Variable	Use
Cover Page		January 2012	Date Format – Month/Year or Month/Day/Year	Date of the presentation to the audience.
Cover Page		Peter Mordin, Title Farah Rehman, Title	Name and Title of the presenters	Name and Title of the presenters at the time of the presentation.

Signature: Dave Dampman, AVP Operations

Date: 01/30/2012

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Page Number / Location	Provision or Section	Bracketed Item	Description of Variable	Use
Cover Page		Pinnacle Insurance & Financial Services	Audience information	Information will change based on the Audience to whom the presentation will be made.
Cover Page	Date	Date	Date Format	Date of the presentation to the audience.
Page 2		Presented by:	Name and Title of presenter	Information will change based on the presenter giving the presentation

Signature: Dave Dampman, AVP Operations   Date: 01/30/2012