

# Registered Index Linked Annuity (RILA) Glossary

## REFERENCE SHEET – OPENING ACCOUNTS

### Overview Registered

Registered Index Linked Annuities (RILAs) have sometimes been called Structured Annuities and were first created in 2010. The fundamental idea behind RILAs is shared risk between the client and the insurance company. The general objective of RILAs is to offer greater potential upside than fixed or fixed indexed annuities while providing downside protection levels. RILAs seek growth by tracking the index or indices the client chooses. In a RILA contract, the client is not directly invested in an index, therefore the client does not participate in any dividends.

The following reference sheet provides a glossary of generic terms used when discussing RILAs. It is important to note that not all segments/features listed in this reference sheet are available in every RILA product. This list is a brief overview of some of the features offered by RILAs on our product shelf.

**Note:** Each carrier may use slightly different terms than what is described in this reference sheet. Please make sure you review the glossary of term from the carrier where you are conducting business with so that you use the proper terminology with your client.

### Generic Glossary of Terms

Term	Definition
Annual Lock Segment	Provides a return that is cumulatively calculated based on index performance each annual lock period, subject to the performance cap rate and segment buffer less the optional return of premium death benefit rider if elected.
Buffer Indexed Strategy	Buffer Indexed Strategy: Protects against loss up to a certain percentage.
Cap Rate	The maximum performance that can be earned for the term.
Death Benefit	Please refer to the carrier's definition of death benefit, since each carrier offers their own version of a standard death benefit with specific age restrictions.

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Enhanced Upside Segment	Any segment belonging to a segment type whose name includes "enhanced upside." For enhanced upside segments, the segment rate of return is equal to the lesser of the performance cap rate or the index performance rate multiplied by the enhanced upside rate if the index performance rate is positive.
Floor Indexed Strategy	Floor Indexed Strategy: Protects against loss in excess of a certain percentage.
Market Indices	<p>S&amp;P 500 Index includes 500 large-cap stocks from leading companies in leading industries of the U.S. economy, capturing approximately 80% coverage of U.S. equities.</p> <p>Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.</p> <p>MSCI EAFE Index is a free, float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.</p> <p>NOTE: The market indices represent a sample of indices that are used in RILA contracts. Please refer to the prospectus for the specific indices used for the product.</p>
Participation Rate	The percentage of any positive index performance credited to your account at the end of the term.
Performance Cap	The most growth (or ceiling) you can earn for an indexed term. For annual lock accounts, it's the maximum percentage you can earn each year of the term.
Performance Lock	The performance lock feature allows you to lock positive index performance by locking the closing index value on any business day during a term. The locked Index value will be used for the remainder of the term to calculate the index performance. Once a locked Index value takes effect, it is irrevocable for the remainder of that term.
Performance Trigger	The trigger rate is an amount that's credited to your account if the index change is positive or flat at the end of an indexed term.
Protection Level	The percentage loss that a company will absorb from a market downturn in the indexed accounts. If a market drop is in excess of the protection level, there is a risk of loss of principal.

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Term	Definition
Segment	Tracks the performance of your chosen index from point to point over a specified period of time
Segment Interim Value	The value of the investment prior to the segment maturity date, and it may be lower than your original investment in the segment even where the index is higher at the time of the withdrawal prior to maturity. A withdrawal from the segment interim value may be lower than your segment Investment and may be less than the amount you would have received had you held the investment until the segment maturity date.
Spread Account	If the index performance is positive, the spread (or rate) is subtracted from the index return at the end of the term to determine your performance.
Step Rate/Step up Segment	The step rate credits a predetermined percentage of growth if the index performance is either flat or up at the end of the term.