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Life insurance illustrations: Beyond the PDF

How Bestow modernized the life insurance industry's most important sales tool.

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Table of Contents

Introduction	3
The IUL market, and how carriers can regain control	3
The PDF paradigm: how we got here	5
What the vendor landscape tells us	6
Modern illustration: a new market standard is taking shape	7
The business case: illustration as a revenue lever	10
Conclusion	12

Introduction

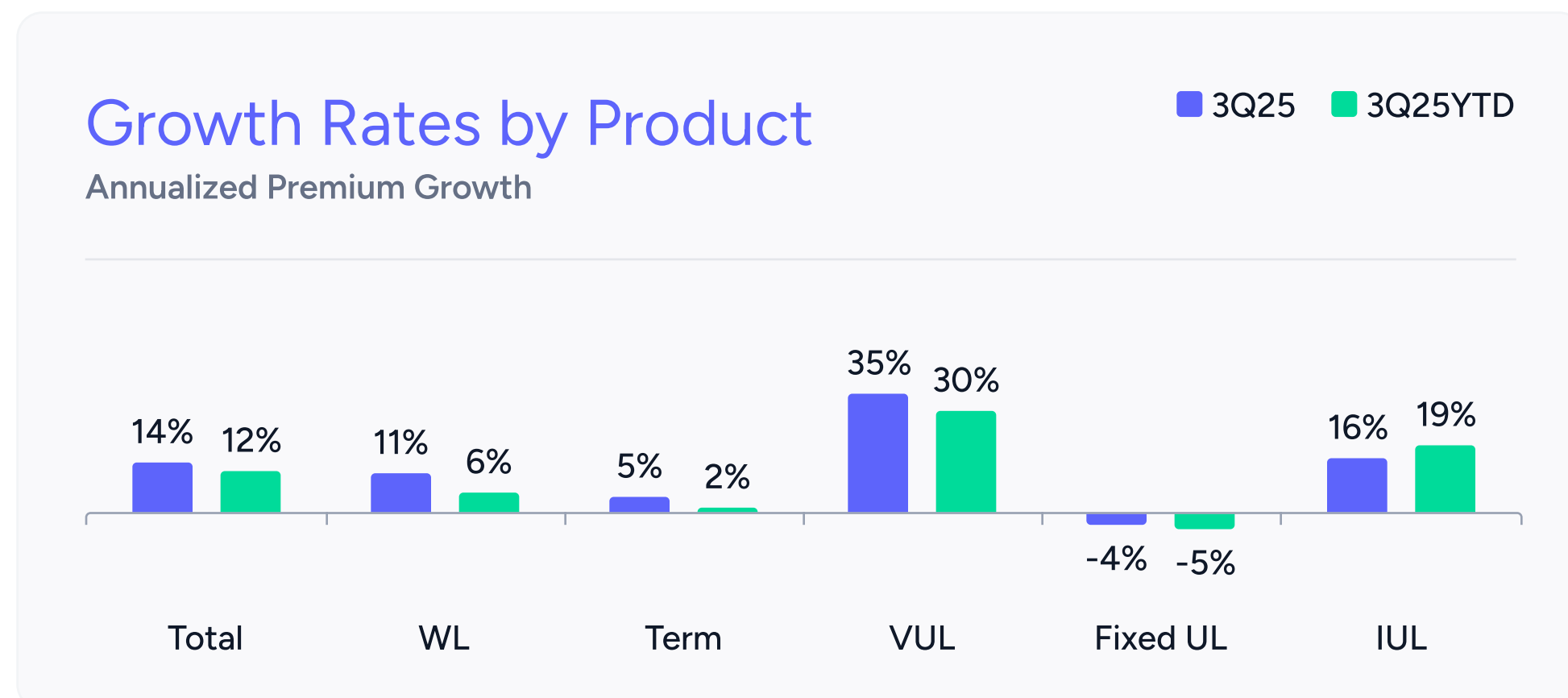
The life insurance illustration has not fundamentally changed in decades. It is still, at its core, a dense, compliance-driven PDF, built to satisfy regulators, not to build understanding or trust with the people it is meant to serve.

For straightforward term products, this is an inconvenience, but for Indexed Universal Life (IUL) — a complex, high-value product — it is a genuine problem. The illustration is the primary tool agents use to communicate IUL's value proposition. When that tool fails, sales stall, trust erodes, and liability accumulates.

This white paper makes the case that legacy illustration tools are no longer fit for purpose, and presents a framework for what modern, dynamic illustration should look like. We then show how Bestow's illustration technology achieves this, and what revenue benefits can follow.

The IUL market, and how carriers can regain control

What began as a niche product has seen its market explode. By the end of 2024, new IUL premiums totaled a record \$3.2 billion¹ (nearly a quarter of the US life insurance market) and through the third quarter of 2025, there were already about half a million policies sold year to date.² With new entrants continuing to emerge every quarter, carriers that have stayed out or stood still are effectively ceding millions in annual premium dollars to competitors who have chosen to innovate.



The opportunity is plain. Capitalizing on it is not. To understand why, you have to look at how IUL is actually sold.

Independent agents and advisors drove 90% of IUL sales in 2024, bringing in 6 of every 10 premium dollars across the entire market (a share that has grown 10% over the last five years.²) Carriers don't own the IUL sales conversation. Agents do. And in a distribution model built on agent choice, the carriers that earn preference are the ones that make their agents most effective in the room.

That is where most carriers are losing ground without realizing it. Only 29% of life insurance customers strongly agree that their insurer makes complex policies easy to understand.³ In a product category as nuanced as IUL, comprehension is often the difference between a stalled conversation and a placed policy. Carriers that invest in tools that make their agents more effective and their products more intelligible don't just improve the customer experience. They take back some of the control of a sales process that the industry has spent years passively surrendering.

The illustration is where that control is won or lost.

The PDF paradigm: how we got here

To understand why life insurance illustrations are so poorly suited to modern selling, it helps to know when they were designed (and for what purpose).

The NAIC's Life Insurance Illustrations Model Regulation (#582), the foundational framework that governs how illustrations must be structured and disclosed, was adopted in 1995. The internet was in its infancy and IUL did not yet exist. The regulation codified a standard that was tabular, static, dense with actuarial disclosure, and designed for print. That reflected both the technology and the products of that moment. For the plain whole life and term products it was built around, it did the job.

Then IUL arrived. And rather than rethink the illustration format for a fundamentally more complex product, regulators retrofitted the existing framework. AG49 in 2015. AG49-A in 2020. AG49-B in 2023. Each successive update tightened specific assumptions, but none of them changed the underlying format. The illustration stayed a PDF. The tables stayed static. The design stayed rooted in 1995.

The result is an artifact built for compliance review, not for consumer understanding. It was never designed to explain indexed crediting strategies to a first-time buyer, or to be navigated on a tablet in a client meeting. The industry inherited it anyway, and somewhere along the way, mistook it for a sales tool.

The practical consequences of that mismatch show up in three consistent, documented failures.

- **The rate-of-return mismatch.**

The static nature of legacy illustrations belies the variability of market performance. A well-meaning agent may generate an illustration with an optimistic rate of return, which could inadvertently create a false precision that misleads even sophisticated buyers, and sets expectations the policy may not meet.

- **The agent confidence gap.**

Leading illustration vendors explicitly market their tools as helping agents avoid needing "illustration system expertise." That's really an admission in plain sight of how difficult these tools are to actually use. When an agent can't run a clean, credible illustration in front of a prospect the sales conversation breaks down.

- **The consumer comprehension gap.**

Once it's time to launch, don't leave agents on an island. Drive adoption with usage-based incentives and agent-friendly training. Align sales, marketing, and ops teams with clear messaging and support materials to reinforce value. Track customer experience and usage metrics closely to iterate and optimize continuously. The data will tell you what's working, and what's not.

Together, these failures create a poor user experience and an active liability in the very sales process they're supposed to support.

What the vendor landscape tells us

A survey of the current illustration software market reveals a telling pattern: investment is increasing, but it is largely flowing in the wrong direction.

The market for life insurance illustration software is growing, and vendors have responded with tools that are broader, faster, and more integrated than what existed a decade ago. The functionality checklist has grown.

What hasn't kept pace is the quality of the actual illustration experience. Across the market, the dominant design philosophy remains compliance-first, with visual clarity and usability treated as secondary concerns. Despite all the advances, the output is still almost universally a static PDF. The interface is almost universally a desktop web form. "Mobile support," where it exists, typically means a desktop tool that renders on a smaller screen, rather than a purpose-built experience for a field sales conversation.

This is a reasonable set of priorities if your goal is to pass a compliance audit. It is a poor set of priorities if your goal is to help an agent close an IUL policy with a first-generation wealth builder who has never bought permanent life insurance before.

But technology is ready to offer a better experience. At this point, the gap between what the market offers and what agents and customers actually need is more about prioritizing design than it is overcoming tech limitations.

Modern illustration: a new market standard is taking shape

Other financial services categories have already solved this problem. Mortgage calculators let borrowers adjust rate assumptions in real time and see monthly payments shift instantly. Robo-advisors use clean visual projections to make 30-year wealth accumulation feel tangible and personal. Wealth management platforms build scenario modeling directly into the client conversation, so advisors can explore "what if" in the room rather than promise to follow up with a PDF.

None of this technology is wildly revolutionary. What it reflects is a design philosophy: that advisors and consumers deserve a tool built around clear understanding. Applied to life insurance illustration, that philosophy produces four concrete requirements.

Visual-first design.

Cash value growth, benefit trajectories, and long-horizon projections should be communicated in a way that requires no actuarial literacy to interpret. The numbers matter, and tables shouldn't be the primary vehicle for delivering them.

Dynamic modeling.

Agents and clients should be able to explore different variables interactively. That means providing a meaningful range of visual representations that build genuine understanding of how the product may perform.

Field-ready UX.

The tool should be genuinely usable in a client conversation. Whether sharing a computer screen or passing a tablet back and forth, the tool should be easy to use without a tutorial, and without the agent needing to apologize for the clunky interface.

Compliance by design.

Agents should feel confident that their tool won't produce something non-compliant. Not only should guardrails be built into the experience, but the tech infrastructure that underpins it needs to be nimble enough to be easily updated when regulations shift (as they often do).

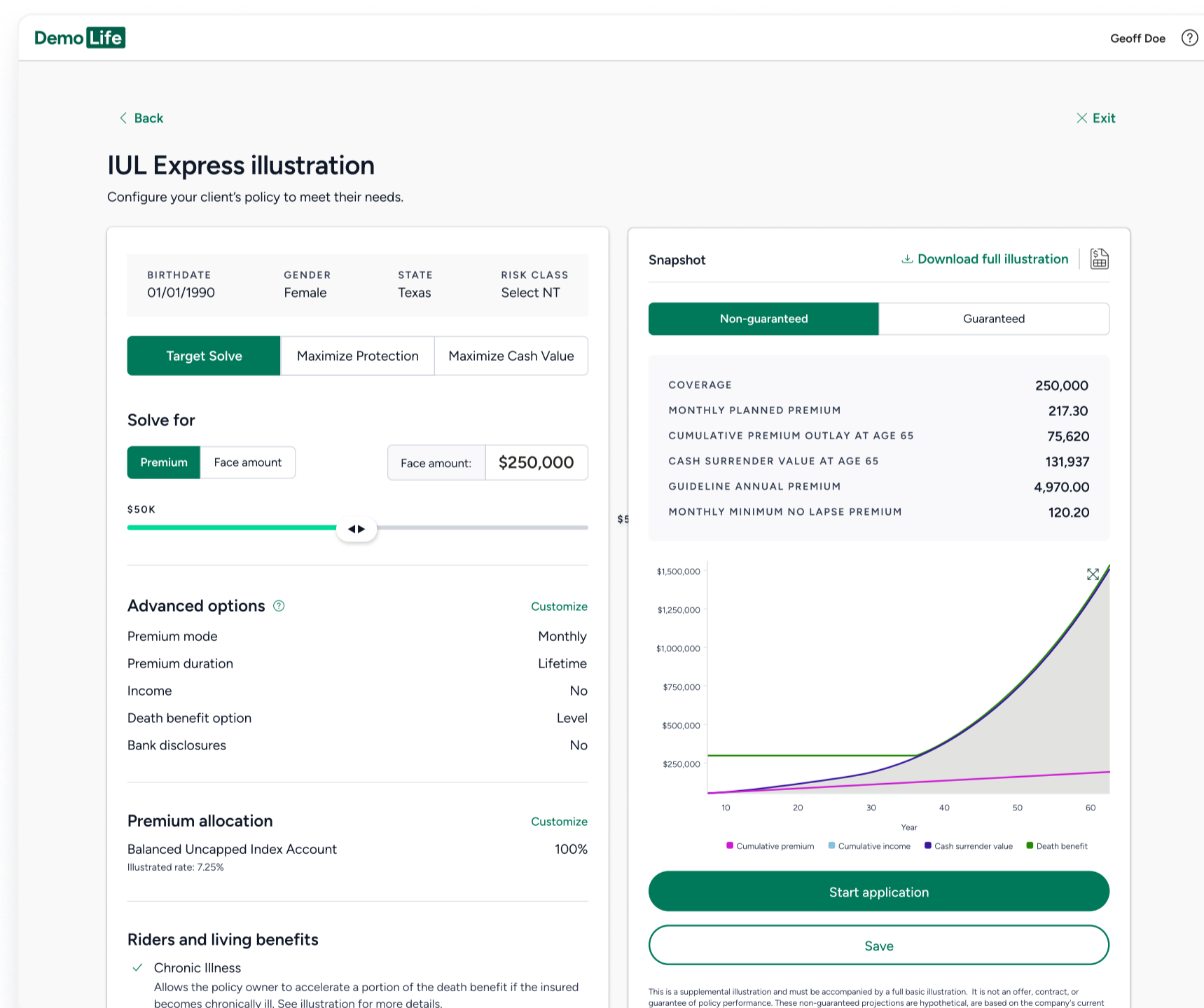
Bestow's illustration tool was built against exactly these criteria. Here is how it maps:

Visual design.

The layout of the Bestow illustration is user tested to be easy-to-understand. Even better, the traditional table is replaced with a snapshot visual chart view, clearly communicating product value at a glance. A traditional table view is still accessible and downloadable, but it's replaced by a simple chart as the primary visual tool.

Dynamic modeling.

Agents can now leverage dynamic modeling to change the visualization in real time – that means right in front of the customer. Inputs from premiums and face amounts to more advanced options like death benefit variables can be adjusted, resulting in a new visual chart that updates instantly.



Field-ready UX.

As with all products on the Bestow platform, the illustration tool provides a consistent experience across device types and sales scenarios, and is optimized for mobile (representing an increasing majority of use cases).

Compliance guardrails.

Bestow's cloud-native tech stack means remaining compliant over time has never been easier, with regulatory updates taking just weeks or even days. Given that regulators have signaled a desire to revisit the illustration framework, that flexibility is paramount. In terms of advertised returns, illustrations display a carrier-specified rate of return, ensuring expectations are managed, and risk mitigated. Another chart view allows a customer to visualize the guaranteed rate of return (usually extremely conservative) compared to the non-guaranteed rate (a more moderate forecast).

Taken together, these capabilities address something that doesn't show up in compliance checklists but drives outcomes more than almost anything else in independent distribution: agent confidence. An agent who trusts their tool runs more illustrations. An agent who runs more illustrations has more conversations. More conversations means more placed policies. The illustration isn't the product, but in IUL, it might be the closest thing to it.

The business case: illustrations as a revenue lever

The case for investing in better illustration technology is sometimes framed as a UX argument. It shouldn't be. It's a revenue argument, with a material risk component that life executives should be paying close attention to.

Start with the opportunity side of the ledger. In a market where independent agents control over 90% of IUL sales, carriers compete for agent loyalty as much as for customers. It's about becoming the carrier of choice for agents by providing the tools and digital experience they need to do their jobs well. Failing to do so carries real competitive costs. An agent who finds one carrier's illustration tool easier to use, faster to run, and more compelling in front of a prospect will default to that carrier's product in the room. Illustration quality is, in practice, a distribution strategy.

Agents constrained by siloed, legacy, and cumbersome technology are directly hindered in their ability to deliver clear, compelling messages about the value of life insurance products. Worse yet, if they have a bad experience, they're less likely to try that tool or product again. Bestow has leveraged software expertise and real field-agent feedback to create experiences agents love. In fact, within the first quarter of launching a new agent experience for one carrier partner, 76% of agents who had sold at least one policy on the platform returned to sell more than one.

The risk side of the equation has become harder to ignore. A series of lawsuits filed by dissatisfied IUL policyholders has put the industry on notice. The legal exposure stems directly from the comprehension gap identified earlier in this paper: when consumers mistake illustrated projections for guarantees, and performance falls short, the illustration becomes exhibit A. Carriers whose tools embed compliance guardrails, set honest expectations, and make the distinction between guaranteed and non-guaranteed values visually clear are in a fundamentally different risk position than those whose tools do not.

There's another long play here. Industry research consistently finds that acquiring a new insurance customer costs approximately five times more than retaining an existing one. IUL is a long-duration product where policyholder trust is built (or destroyed) in the early years of ownership. And the illustration experience at the point of sale has downstream consequences for lapse rates, referrals, and lifetime value that rarely show up in a product P&L but are very real.

The truth is that the carriers who treat illustration quality as a strategic investment rather than a compliance line item are the ones who will look back in five years and wonder why everyone else waited so long.

Conclusion

The life insurance illustration has been a compliance artifact masquerading as a sales tool for thirty years. For most of that time, the industry accepted that tradeoff, because the products were simpler, the buyers were more captive, and the alternatives didn't exist.

None of those conditions apply anymore.

The IUL market is growing at a record pace, sold almost entirely through independent agents who choose their tools and their carriers. Regulators are signaling that the current illustration framework is overdue for reform. And a generation of buyers who manage their finances on their phones have no patience for a dense PDF that raises more questions than it answers.

Bestow is already helping top carriers close the gap between what illustrations are and what they should be: clear, visual, dynamic, and built for the conversation happening in the room.

The standard has changed. The PDF had a good run.

¹ LIMRA U.S. Individual Life Insurance, Indexed Universal Life Sales (EOY 2024)

² LIMRA U.S. Retail Individual Life Insurance Sales Survey (Q3 2025)

³ JD Power U.S. Individual Life Insurance Study (EOY 2024)

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