

Your  
Logo



## Pros & Cons

### PRO - Upside Potential on Returns

These policies leverage call options to gain upside exposure to equity indexes without the risk of losses, while whole life insurance policies and fixed universal life insurance policies provide only a small interest rate that may not even be guaranteed.

### CON - Caps on Returns

To give you a floor of 0%, carriers put a max on how much the crediting strategies can earn. Caps can vary from 5-15% depending on company and product.

### PRO - Downside Protection

Client's have a base floor of 0% so that when the market is negative, the client does not lose a single penny.

### CON - No Guarantees

Whole life insurance policies often include a guaranteed interest rate throughout the life of the policy, while the IUL does not.

### PRO - Flexibility

IUL insurance can offer flexibility when putting together a policy that's designed to meet your investment goals. Policyholders can decide how much risk they would like to take in the market, adjust death benefit amounts as needed, and choose among a number of riders that make the policy customizable to their needs.

### CON - Fees

Premium expense charges, rider fees, surrender charges - All of these fees and various costs can detract from the rate of return offered by your policy.

# INDEXED UNIVERSAL LIFE INSURANCE

Index universal life (IUL) insurance can be a great way to protect your loved ones and their financial well-being while building potential tax-advantaged cash value accumulation – all with downside protection. Plus, flexible premiums and optional living benefit riders for qualifying critical, chronic and/or terminal illnesses and flexibility for additional coverage options that allow you to customize your policy to fit your budget and protection needs. And streamlined underwriting means greater convenience, fewer exams, and faster coverage for you.

The cash value portion of your policy earns interest based on the performance of an underlying stock market index. For example, returns may be linked to Standard & Poor's (S&P) 500 composite price index, which tracks the movements of the 500 largest U.S. companies by market capitalization. As the index moves up or down, so does the rate of return on the cash value component of your policy.

The insurance company that issues the policy may offer a minimum guaranteed rate of return. There may also be an upper limit or rate cap on returns.

IUL insurance is riskier than fixed universal life insurance policies, which offer a guaranteed rate of return. But it's less risky than variable universal life insurance, which allows you to invest money directly in mutual funds or other securities.

## Contact Us

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