

What is Universal Life Insurance?

☀️ Universal life insurance is a type of permanent life insurance that offers the flexibility to change your death benefit and adjust your monthly premiums. Like whole life insurance, universal life coverage can last for your lifetime and build cash value that you can borrow against while you're alive. The difference between whole life and universal life insurance is that, as your financial situation changes, you can increase or decrease your premiums, or death benefit payout amount. You can also skip premium payments as long as the cash value will cover the cost of your insurance for that month.

Why buy universal life insurance?

👉 A universal life insurance policy lets you alter or skip premiums and change your beneficiary's payout amount.

How does universal life insurance work?

👉 Universal life insurance covers you for your lifetime as long as you pay your premiums. It's sometimes referred to as cash value life insurance because the policy has a savings account built into it. As the savings component grows, you gain more flexibility, such as the ability to change your premium amounts.

What are the benefits of universal life insurance?

👉 There are several advantages to a universal life insurance policy:

Flexible premiums

👉 As the cash value component of your policy builds, you can adjust your premium payments and even use it to pay your monthly premium. Eventually, your cash value policy could build into a zero-cost policy, where all premiums can be paid from the built-up cash value and keep the same payout amount (death benefit).

What is Universal Life Insurance?

Length of universal life coverage

👉 Unlike term life insurance, which only lasts for a set period, a universal life insurance policy lasts for your lifetime as long as you continue to pay your premiums.

Tax-free growth

👉 The payout to your universal policy's beneficiary is typically tax-free, as is the growth within your policy's cash value component.

Loan collateral

👉 You can borrow money from your insurer using the cash value as collateral. Keep in mind that policy loans are subject to interest rates that are set by your insurer.

What does a universal life insurance policy cover?

👉 A universal life policy can help pay for certain life events and other large expenses, including:

💰 Loss of income, 🏠 Mortgage Cost, 📝 Estate Planning, 🎓 Educational Needs

TIP: A Universal Life Insurance Policy can also be used for Capital Purchases like (cars, real estate, investments, paying for weddings, vacations, supplement retirement income and much more!