

Guaranteed Universal Life (GUL) Made Simple

Introduction: Why People Look Beyond Term Life

Many people start with term life insurance because it's affordable. But what happens when the term runs out? Others look at whole life insurance and worry about the cost. Guaranteed Universal Life, or GUL, offers a middle ground: permanent coverage with guaranteed premiums, without paying for cash value you may not need. For many Americans, GUL provides the balance of lifetime security and affordability.

What Exactly Is Guaranteed Universal Life?

Guaranteed Universal Life is a type of permanent life insurance. You choose how long you want coverage — often to age 90, 95, 100, or even 121. As long as you pay your premiums, your death benefit is guaranteed. That's why it's sometimes called a 'no-lapse' policy. Unlike whole life, GUL usually has little or no cash value. It's designed for protection, not investment. That's also why it costs less than whole life while still giving you peace of mind that your coverage won't expire.

Why Americans Buy GUL

Here are some of the reasons families across the United States choose GUL:

- **Lifetime protection:** Coverage doesn't end like term life.
- **Estate planning:** Ensures loved ones inherit funds or estate taxes are covered.
- **Final expenses:** Provides money for burial and related costs, so family isn't burdened.
- **Lower cost than whole life:** Provides permanent coverage without paying for cash accumulation.
- **Predictable premiums:** Fixed payments that don't increase with age.

In short, GUL is about having permanent protection at a price many families find reasonable.

How GUL Premiums Work

Premiums are designed to stay fixed as long as you pay them. That predictability is valuable, especially as you age. For example, a 50-year-old who buys a GUL today might pay more than a 30-year-old, but their payment stays the same for life. Compare that with term life, which expires, or whole life, which is often unaffordable for larger amounts of coverage. With GUL, you know exactly what to expect year after year.

The Trade-Offs

Every product has trade-offs. With GUL:

- There is little to no cash value. It's not a savings account.
- Premiums are higher than term, though lower than whole life.
- You must pay premiums on time to keep the guarantee.

The key is understanding what you're buying: predictable, permanent protection. If that's what you value, the trade-offs make sense.

Riders & Options

GUL policies often come with optional riders that add flexibility:

- **Accelerated death benefit:** Access part of the benefit if you face a terminal illness.
- **Long-term care rider:** Some policies let you use part of the death benefit for nursing or assisted living costs.
- **Return of premium:** In certain cases, premiums may be refunded if the policy is canceled after a set time.
- **Survivorship policies:** Cover two lives and pay out after the second person passes, often used for estate planning.

These options can be tailored to your specific needs.

Real-Life Scenarios

- A 55-year-old father wanted to leave \$250,000 to his children without worrying about investment risk. A GUL let him lock in permanent coverage at a lower cost than whole life.
- A small business owner used GUL as part of a succession plan to provide cash for heirs and partners.
- A couple in their 60s bought GUL to ensure final expenses were covered, so their kids wouldn't face financial stress.

Each of these families had different goals, but GUL gave them the predictability they wanted.

Who Should (and Shouldn't) Consider GUL

GUL is best for:

- People who want coverage for life.
- Families planning for final expenses or estate taxes.
- Anyone who values predictability and permanent protection.

It may not be the right fit for someone looking for investment growth inside their policy. For those people, other permanent options like whole life or indexed universal life may be better.

Frequently Asked Questions

Is GUL the same as whole life? No. GUL usually doesn't build much cash value, but that's why it costs less.

Can I outlive my coverage? Not if you choose an age like 100 or 121. The guarantee lasts as long as you set it.

What if I miss a payment? The guarantee can lapse, so it's important to stay current.

Can GUL be used in estate planning? Yes, it's often chosen for that purpose, especially for leaving a legacy or covering estate taxes.

Mistakes to Avoid

- Thinking of GUL as an investment vehicle — it's not.
- Waiting too long — premiums rise with age and health changes.
- Buying too little coverage — consider future needs.
- Not comparing policies — different companies offer different guarantees and costs.

Closing Thoughts: The Value of Predictability

Sometimes peace of mind comes from knowing exactly what to expect. That's what GUL provides: a guaranteed death benefit, predictable premiums, and permanent protection. For many families, that balance is priceless.

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Serving families in Oklahoma and across the United States