FREQUENTLY ASKED QUESTIONS

How will I know how my policy is performing?

Every year, around the policy's anniversary date, Universal Financial Consultants and the client's financial advisor will perform an annual review to include optimizing loan rates and the allocation strategy. All values are available online 24/7, with a full policy performance statement at year end that will include interest credits, policy charges, and final policy accumulation, cash, and death benefit values.

What happens if the policy does not perform as projected?

We cannot predict future market movements and there is a risk that the policy will not perform according to the anticipated returns. However, we have used historical index performance rates that have been rigorously tested and chosen specifically for the client's financial situation. Our stress testing helps to hedge against any prolonged downturns and if needed a client can choose to liquidate the policy and receive any excess value back or proceed with remediation designs at lower policy coverage to allow for policy continuation.

Will the cap and floor of my policy change?

Every year, the life insurance carrier has the right to change or keep the policy cap rate and will lock it in for the upcoming policy year. As interest rates rise, the caps typically rise. As interest rates fall, caps typically follow suit. Life carriers are profit-neutral on the cap. The 0% floor of the policy will never change, meaning the client will never be credited less than 0%.

Can I change my allocation strategy?

Yes! Each year, around the policy anniversary date, the client and their financial advisor are able to review allocation options and make any changes necessary that will be applicable to the upcoming policy year.

What happens if loan rates go up?

One specific feature of the Index Universal Life policy is access to policy loans which are often at a fixed rate. If bank finance loan rates continue at a higher level above policy loan rate, then early policy loans should be considered to pay off or pay down any outside bank loans.

Why do I have to double up on my year 1 investment?

The larger client payment at inception adds value to the policy to help eliminate the need for collateral throughout the initial funding period. This key feature of no collateral stress testing methodology allows for rapid funding and policy placement.

Will I ever need to put up outside collateral for this program?

Most bank loan agreements are in 5 year increments, and this design is built to withstand an initial 5 years of consistent zero returns at the finance loan rate estimates shown. However, if an extended period of consistent no crediting were to occur and / or loan rates were to exceed the stress testing designs, then it is possible for collateral to eventually be required.

What happens if I can no longer pay the planned premiums?

A client should move forward with this plan based on the reasonable assumption that they can proceed with their portion of out-of-pocket commitments. Due to the positive net cash value model of the PremiumLife™ Match Design, policy liquidation is possible but may create a taxable scenario and a tax attorney should be consulted prior to policy liquidation.