



The Selario Agency, Inc.

Helping financial professionals provide world-class solutions to their client's needs

[A Case Made for IUL Part 2](#)

In an earlier email I discussed in great detail how a no-lapse IUL product competed exceptionally well against a leading par whole life carrier's flagship product in every relevant category. Today we are going to outline how a no-lapse IUL product might be a better alternative than a traditional no-lapse UL product.

Facts: Male Age 60 2nd Best Preferred Rate; 1M of Coverage; Lifetime No-Lapse Guarantee; Premium Paid all years

Traditional no-lapse UL vs. IUL no-lapse

Today a competitive no-lapse UL would cost about \$15,940/yr. We could find a no-lapse IUL alternative for about \$16,639. That is a yearly premium differential of \$699/yr.

Why pay more for the same guarantees?

Well, alot can change over the next 30 years and wouldn't your client like to have the option of an exit strategy offered by the potential cash build up in a no-lapse IUL.

Using a conservative blended rate of less than 6.00%, the IUL product would return about \$175K of cash value in year 20. A traditional no-lapse UL would have no cash and no exit strategy. That equates to over a 20.00% IRR on the premium difference between the two products.

Traditional no-lapse UL vs. 20 year no-lapse IUL

Same set of facts as above but instead of choosing a lifetime no-lapse IUL product, we choose one with a 20 year guarantee but much more potential cash. Again the blended illustrated rate is below 6.00%. Here's the sizzle, the premium to endow at age 120 is about \$15,100/yr and your 20 year cash value is \$314K.

Wow! \$1,533/yr less in premium with \$138K more in cash in year 20.

Once you peel away the layers you can find many unexpected uses for IUL. That is why it is important you engage the services of a knowledgeable BGA who has studied the market to give you an edge over the competition.

Contact us call for an analysis of your next big case.

[Lifetime No-Lapse IUL Ledger](#); [20 Year No-Lapse IUL Ledger](#)

Howard Stern, CLU, ChFC • 800-331-7113 • hstern@selarioagency.com