

INDEXED UNIVERSAL LIFE

The policy that pays you back.

A clear, honest look at how an IUL can protect you and your family if life goes wrong — and quietly build wealth when it doesn't.

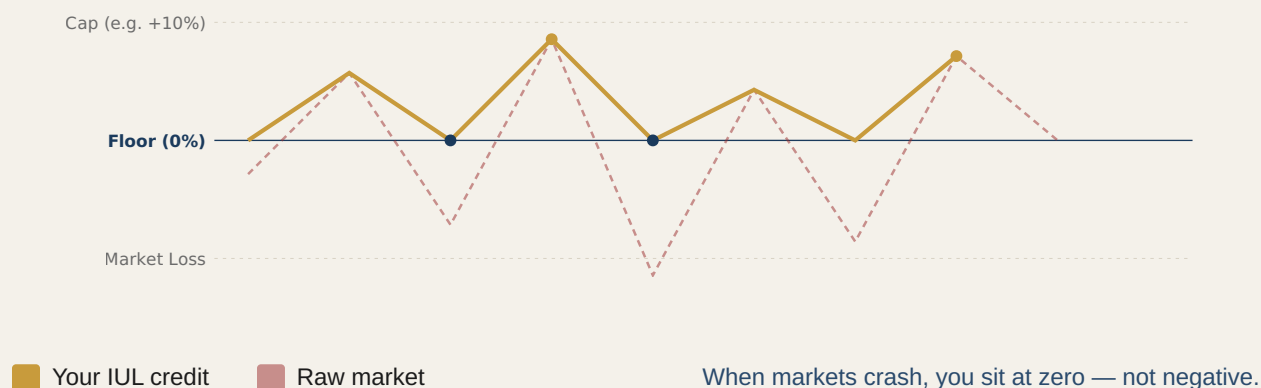
What is an Indexed Universal Life policy?

An IUL is a permanent life insurance policy with a built-in savings account that grows alongside the stock market — without being *in* the stock market.

Part of every premium you pay covers your life insurance. The rest goes into a cash-value account that earns interest based on a market index (like the S&P 500). When the market rises, your account credits a portion of those gains. When the market falls, your account doesn't lose money — there's a protective floor of 0%.

In simple terms: **you get to participate in the upside without taking the downside risk.** And because it's life insurance, the money inside grows tax-deferred and can be accessed tax-free.

HOW THE FLOOR & CAP WORK



Caps, floors, and participation rates vary by carrier and product. The chart above is conceptual. Actual policy performance is not guaranteed and depends on the index, the crediting method, and the policy charges.

One policy. Four life scenarios.

Most insurance products only solve one problem. An IUL is designed to answer the four big “what ifs” of life — under a single contract.

IF YOU DIE YOUNG

The Death Benefit

A tax-free lump sum goes to your family — paying off the mortgage, replacing your income, and keeping life intact for the people who depend on you.

IF YOU GET SICK

Living Benefits

If you're diagnosed with a chronic, critical, or terminal illness, you can access a portion of your death benefit while you're still alive — to cover treatment, lost income, or care.

IF YOU NEED MONEY

Be Your Own Bank

Borrow against your policy's cash value for anything — a home, a business, college — without bank approval and without interrupting how your money grows.

IF YOU RETIRE

Tax-Free Income

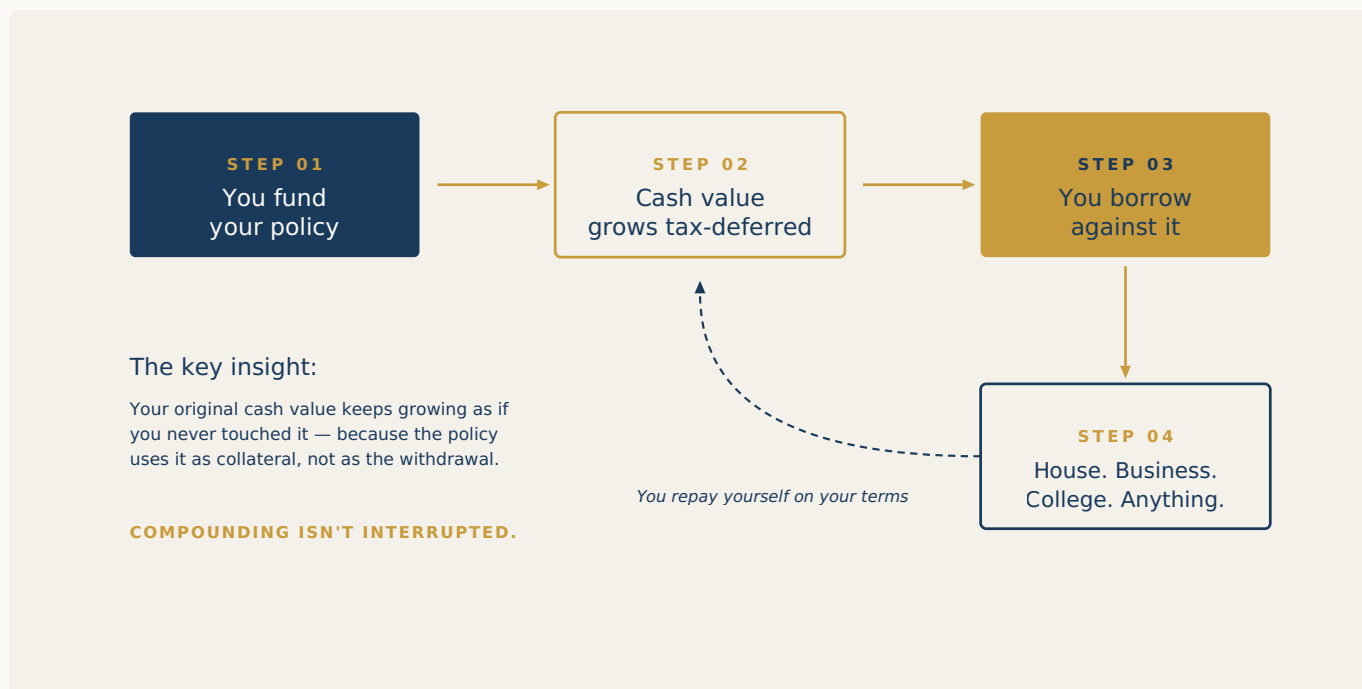
Receive income from your policy in retirement, without triggering income tax — and without the IRS-imposed limits of a 401(k) or IRA.

The point: whole life pays only if you die. A 401(k) only helps if you live. An IUL is designed for both — and for the decades in between.



Be your own bank.

The “infinite banking” concept in plain English: borrow against your own policy, pay yourself back on your terms, and let the original cash value keep compounding the whole time.



And if you never pay it back? No problem. The outstanding loan balance is simply deducted from your death benefit when the policy pays out. No collections. No credit hit. No phone calls.

A traditional bank loan

- ✗ Requires credit approval
- ✗ Reports to your debt-to-income
- ✗ Pays interest to *someone else*
- ✗ Fixed repayment schedule
- ✗ If denied, you're stuck
- ✗ Default damages your credit

An IUL policy loan

- ✓ No credit check
- ✓ No approval process
- ✓ Interest stays in your own ecosystem
- ✓ You set the repayment schedule
- ✓ Cash value keeps compounding
- ✓ Never repay? Comes from the death benefit

Living benefits.

Traditional life insurance only pays out after you're gone. If you're diagnosed with a qualifying illness, a portion of your death benefit becomes available to you — while you're still here to use it.

TERMINAL ILLNESS

The Lump Sum

SINGLE PAYOUT

If you receive a diagnosis of 12 months or less to live, you can accelerate a large portion of your death benefit as a single tax-free lump sum.

Examples: late-stage cancer, end-stage organ failure, ALS, advanced dementia.

CHRONIC ILLNESS

Monthly Income

STABLE MONTHLY PAYMENTS

If you can't perform 2 of 6 daily living activities (bathing, dressing, eating, toileting, transferring, continence) or have severe cognitive impairment, you can take stable monthly income.

Examples: Alzheimer's, Parkinson's, MS, stroke recovery, paralysis.

CRITICAL ILLNESS

The Lump Sum

SINGLE PAYOUT

If you're diagnosed with a major medical event — even one you'll fully recover from — you can take a lump sum to cover treatment, lost income, or anything else.

Examples: heart attack, stroke, cancer diagnosis, major organ transplant, kidney failure.

Why this matters: the average critical illness drains an estimated \$20,000–\$50,000+ from a household within the first year — lost income, deductibles, copays, travel for treatment, childcare. Living benefits exist so a diagnosis doesn't become a second crisis.

Living benefit features, definitions, qualifying conditions, payout structures, and percentages vary significantly by carrier, product, and state. Acceleration of the death benefit reduces the amount payable to beneficiaries. Specifics are governed by the issued policy contract.

The death benefit.

A death benefit isn't just an insurance payout. It's your final parting gift to the people you love.

Imagine, after you're gone,
your family opening an envelope and
finding
a large, tax-free check
with their name on it.

A tax-free lump sum goes to your family — or whoever you choose. There are no restrictions on what they can do with it. It's their money, instantly, with no probate delay, no income tax, and no waiting period for most beneficiaries.

What your beneficiaries can do with it:

- Pay off the mortgage in a single check
- Replace your income for years, not months
- Fund college for your kids or grandkids
- Cover final expenses and medical bills
- Keep a family business running
- Leave a charitable legacy in your name
- Pay off debts and credit cards
- Or simply... whatever they need it for

The hard truth: term insurance covers you for 10, 20, or 30 years — and then it's gone. Most people outlive their term policy and end up with nothing to show for decades of premiums. An IUL is permanent. As long as the policy is in force, the death benefit is there. Your family gets *something*, no matter when.

Death benefit amounts, terms, and exclusions are governed by the issued policy contract. Death benefit proceeds are generally income-tax-free to named beneficiaries under current federal tax law (IRC §101(a)), though estate tax treatment varies by situation. Consult a tax professional regarding your specific circumstances.

A tax-free retirement income.

Picture this: you're 65. The mortgage is gone. Your kids are grown. And every month, a deposit lands in your account — the IRS doesn't touch it, the market can't crash it, and no one tells you how much you're allowed to take.

How an IUL compares to what most people rely on:

SOCIAL SECURITY

Up to 85% of benefits may be taxable. Average monthly benefit is modest. Reduced if claimed early. Subject to political and funding risk.

IUL INCOME

Structured to avoid income tax. You decide when and how much to take. Not tied to government program solvency.

401(K) / TRADITIONAL IRA

Fully taxed as ordinary income when withdrawn. 10% penalty before 59½. Required minimum distributions starting at 73. Annual contribution limits.

IUL INCOME

No income tax on properly structured loans. No early-withdrawal penalty. No RMDs ever. No federal contribution limits.

DISABILITY INSURANCE

Stops when you reach retirement age. Doesn't build cash value. Premiums paid are gone if never claimed.

IUL INCOME

Doesn't expire at retirement — it *is* retirement. Every premium builds equity you can access.

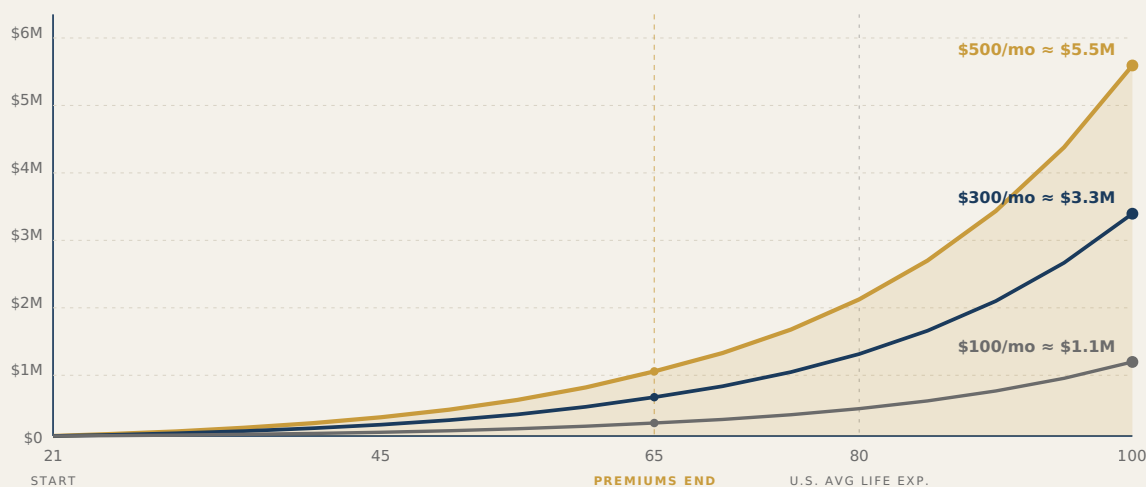
Why this matters now: money you build inside an IUL is locked in at today's tax treatment — not whatever rate Congress sets 30 years from now.

Tax-free income from an IUL is achieved through policy loans, which must be structured properly and the policy must remain in force to maintain tax advantages. Excessive loans, policy lapse, or surrender can trigger significant tax consequences. Consult a licensed tax professional regarding your specific situation.

What if you started today?

A hypothetical look at three contribution levels — for a healthy 21-year-old, funded through age 65, then left to compound. Illustrated at 5% growth (actual indexed crediting historically ranges 6–10%).

HYPOTHETICAL CASH VALUE · AGE 21 → 100 · PREMIUMS END AT 65



Hypothetical projection at 5% annual compounding (compounded monthly). Premiums paid monthly from age 21 through 65, then no further contributions. Average indexed crediting historically ranges 6–10% per year, so this 5% illustration is intentionally conservative. **These figures do not include any overfunding of the policy** — structured properly, funding levels above the minimum can substantially accelerate cash value growth. Actual results depend on the policy chosen, the index performance, premium funding, fees, and other factors. Past performance does not guarantee future results.

\$191K

AT \$100/MO
BY AGE 65 (RETIREMENT)

\$575K

AT \$300/MO
BY AGE 65 (RETIREMENT)

\$958K

AT \$500/MO
BY AGE 65 (RETIREMENT)

How an IUL compares.

Not better than every product — but few products solve as many problems with a single contract.

	TERM LIFE	401(K) / IRA	WHOLE LIFE	IUL
Death benefit	✓	—	✓	✓
Living benefits (chronic / critical / terminal)	✓	—	—	✓
Cash value you can borrow against	—	Loan limits / penalties	✓	✓
Market-linked growth potential	—	✓	—	✓
Protected from market losses	N/A	—	N/A	✓
Tax-free retirement income	—	Only if Roth	✓	✓
No IRS contribution limits	N/A	—	—	✓

Who an IUL is built for.

It's a strong fit if you...

- Already have a variable stock product and want a protection-focused, secure compounding growth product
- Have dependents — a spouse, kids, or aging parents
- Want protection *and* long-term growth in the same product
- Value liquidity — you don't want to wait until 59½ to access your own money
- Are self-employed or run a business and want flexible funding

It's not the right fit if you...

- Only need short-term coverage (term life is cheaper)
- Want a pure investment vehicle — an IUL is insurance first
- Are uninsurable due to current health conditions (we'll know in 5 minutes)
- Are not interested in financial stability and protecting your family



YOUR NEXT STEP

15 minutes. That's all it takes to find out.

Book a no-pressure discovery call. We'll look at your situation, answer your questions, and decide together whether an IUL belongs in your plan. If it doesn't, you'll still walk away knowing more about your money than you did this morning.

SCHEDULE MY CALL →

Or send me an email at judewakim@wakimwealth.com

Jude Wakim

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