

Finseca Product Intelligence

What is Variable UL?

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One of permanent life insurance's most attractive features is the ability to grow cash value inside the policy, but most permanent insurance policies require your cash value grow within accounts controlled by the insurance company. What if you want more control? If your financial goals would be best served by leveraging third-party asset managers as well as the core benefits of permanent life insurance, read on about Variable Universal Life.

What you need to know

What is Variable Universal Life?

Variable Universal Life (Variable UL) is a SEC-regulated permanent insurance policy with a flexible premium, the ability to grow cash value inside the policy, and a tax-free death benefit. So long as the monthly charges are satisfied, the policy and all its benefits remain in-force. What separates Variable UL is your ability to invest in mutual funds managed by third parties in the so-called separate account.

	General account	Separate account
Fund control	Assets are not attributable to any one policy.	Assets are attributed to a specific policy.
Investments types	General account funds are usually invested in lower risk assets such as bonds or mortgages.	Policyholders can choose from hundreds of specialty insurance-only funds.
Investment decisions	The insurance company decides how to allocate funds.	Policyholders can direct their investment.

What makes Variable Universal Life different?

Variable UL, by its nature, allows policyholders to invest in riskier assets than a traditional, fixed permanent life insurance policy. Therefore, you will work closely with your financial security professional to determine:

- **Your risk profile** – Do you have the risk tolerance needed to weather lower than expected returns?
- **Your desired level of engagement** – Variable UL must be carefully managed. Are you committed to working with your financial security professional consistently to monitor the policy's progress?
- **Your available assets** – Do you have sufficient assets available to fund the policy with additional premiums to compensate for lower than expected performance and cover policy expenses?

The bottom line

First and foremost, Variable UL provides the ability to use the investment returns from traditional, independently managed mutual funds to support valuable death benefit protection that is an essential part of any secure financial plan.

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