Multiply Advantages with SIUL as a Multi-Generational Asset

Spouses Most Common, But Results for Parent-Child Insureds Can Be Powerful Too

Survivorship Indexed Universal Life (SIUL) is most often utilized by spouses. The aim: leveraging the blended mortality of their two lives to maximize the legacy passed to their beneficiaries.

But in certain cases—where an insurable interest exists and the design makes sense—a parent and an adult child could be the joint insureds. Consider how SIUL could work as a multi-generational solution.

	Dad	Son
Premium Each Year	$24,000 10 years	$24,000 30 years
Annual Loan	$75,000 15 years	$75,000 20 years
Total Premium	$240,000	$720,000
Total Loan	$1,125,000	$1,500,000
Death Benefit at Insured's Age 90	$768,130	$1,736,987
Access to Living Benefit Should Other Insured Pass	Yes	Yes

For Example: Protection and Income for Generations

Meet Dave the dad (male 60 standard) and Steve his son (male 30 preferred). They're using SIUL to maximize the legacy earmarked for Steve's children (i.e., Dave's grandkids). Their plan also provides Steve access to the policy's living benefits should Dave pass first (as is likely).

One possibility: Dave and Steve could access the enhanced cash value produced by the blended mortality through participating loans. Employing that strategy, Dave funds $2,000 a month into the policy for the first 10 years. Thereafter, Steve takes over funding (at the same level) for 30 years.

Dave pays $240,000 total into the policy. Come year 15 (his age 75), for example, he could access the cash value potential through participating loans in the amount of $75,000 annually. Over the next 15 years, taking him to age 90, that income stream would total $1.125 million. When Dave passes away, no death benefit is paid. But then Steve will have access to the policy's living benefits.

If Steve goes on to fund 30 more years of premium payments, he'll have paid $720,000 into the policy. At that point (his age 70), if needed, he also could access the policy's income potential through participating loans. He can take $75,000 annually for 20 years (a total of $1.5 million). Even at age 90, Steve's children will still be in line to receive a death benefit of more than $1.7 million.

Summary: A Strategy that Benefits Generations

Their plan using this generational asset has now allowed both Dave and Steve to utilize the policy's cash value potential. At the same time, it has allowed future generations to leverage the blended mortality for legacy planning purposes. Tax-free growth potential, death benefit protection and cash value accumulation flexibility can combine to safeguard multiple generations.

As always, it's essential to carefully consider the risks and benefits of SIUL before purchasing a policy. Keep in mind that its use depends upon the existence of an insurable interest.

Ready to learn more about SIUL solutions?
*Contact **Underwriters Marketing Service at 800-524-1774***

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