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Tips to Prevent IUL Mistakes

Tip #1:
Check the Fees and Costs

If over time as you are maximum funding your IUL, if the fees aren't going down, that's a signal your policy wasn't structured or funded correctly. If you find yourself in that situation, work with your IUL specialist to make adjustments to the death benefit or the premium payment.

Tip #2:
Pay Attention to Caps and Participation Rates

Insurance companies often set caps on the returns you can earn from your IUL, limiting gains even during strong market performance. Review your policy or index strategy details carefully to understand these caps and participation rates, as they vary significantly. This ensures you're prepared for scenarios where the market outperforms your policy's potential returns.

Tip #3:
Understand the Impact of Market Volatility

An IUL policy offers the potential to grow your cash value through market index performance, but markets are unpredictable. The thrill of growth can quickly shift to uncertainty during inevitable downturns. It's up to you. Are you comfortable letting the market decide the twists and turns of a part of your financial future?

Tip #4:
Regularly Review Your Policy

An IUL is not one of those "set it and forget it" kind of tools. It should be about the opposite. It requires regular check-ins to stay on track with your financial goals. Setting an annual reminder to review your policy with reputable IUL consultants in Utah gives you the opportunity to assess its performance and adjust if necessary to ensure that it's the right fit for your goals.

Tip #5:
Take Out Cash Conservatively

Moderation is key when you're tapping into your IUL's cash value. If you access too much too quickly, you might drain the policy's reserves. If you want your IUL to last, a good rule of thumb is to avoid taking out more than you're earning. If you plan your loans carefully, you're more likely to stay on track with your financial goals.