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Ways to Access IUL Cash Value

1. Policy Loans

Taking out an IUL loan is kind of like acting as your own banker, borrowing against the collateral in your loan—without the credit checks. The money in your cash value is yours. If you are using your policy with a banking strategy, don't forget to pay yourself back. When you access money from your policy with a loan, you're borrowing from the carrier, with the value of your policy acting as collateral for the loan.



2. Withdrawals

You can also directly access your cash value by withdrawing funds. But wait—are tax bells going off in your head? Ours too. That's because withdrawing above your paid premiums means that taxes could apply. So, pay attention—you don't want to get hit with an unexpected tax bill. (And this is why many people choose to go with loans instead of withdrawals on their IUL policy.)



3. Surrendering Your Policy

This is a worst-case scenario. The cash value is meant to anchor your financial stability, but you can surrender it if you need a large sum and don't care about keeping the policy. It could bolster your bank account with a lump sum payout, but say goodbye to the life insurance benefit.

