



FREE GUIDE • INDEXED UNIVERSAL LIFE

The Tax-Smart Wealth Playbook

How higher earners use indexed universal life to build tax-advantaged wealth — and an honest look at whether it is right for you.

A free guide from Lyons Life

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AN HONEST START

Read this first

Indexed universal life — IUL — is one of the most oversold and most misunderstood products in the insurance world. Sold to the right person, it is a genuinely powerful tool. Sold to the wrong person, it disappoints, sometimes badly.

This playbook will not hype it. It explains what IUL is, who it fits, who should walk away, and the questions that separate a solid policy from a shaky one. If IUL is not right for you, we will say so — that is what independent means.

THE TEST

IUL should be considered only after the simpler tools are working: your protection is in place, your emergency fund is built, and your 401(k) and IRA are already being funded. It is an advanced step, not a first one.

THE BASICS

What an IUL actually is

An IUL is permanent life insurance with a cash value account attached. Part of every premium pays for the insurance; the rest goes into cash value that can grow over time.

The part people care about

That cash value is not invested directly in the market. Its growth is linked to a market index, and two features define how it behaves:

- **The floor.** In a year the index falls, your credited rate does not drop below zero. You do not lose cash value to market downturns.
- **The cap.** In exchange, gains in a strong year are limited to a maximum. You trade some upside for that downside protection.

Over time, and properly funded, that cash value can become a pool you borrow against on a tax-advantaged basis — while the policy keeps a death benefit in place for your family.

BE HONEST

Who IUL fits — and who should skip it

IUL may fit if you...

- Earn a high income and have already maxed your 401(k) and IRA.
- Want permanent life insurance anyway, and would like its cash value working harder.
- Have a long time horizon — you will not need this money for 10 or more years.
- Can fund the policy consistently, in good years and lean ones.

Skip IUL if you...

- Mainly need a large death benefit at the lowest cost — term does that better.
- Are on a tight budget or have inconsistent income.
- Want something simple you never have to think about again.
- Are being shown only the best-case illustration and nothing else.

GET THIS RIGHT

3 things that make or break an IUL

- 1 How it is funded.** Underfunding is the number-one reason IULs fail. A policy designed and paid as a wealth tool behaves nothing like one funded at the bare minimum. Fund it properly, or do not start.
- 2 The cost structure.** IULs carry insurance costs and fees that change over time. A good design plans for them; a bad one hides them behind a rosy projection.
- 3 Realistic expectations.** An illustration is a hypothetical, not a promise. Ask to see a conservative version, not just the best case — that is the one that tells the truth.

THE TAX ADVANTAGES, BRIEFLY

Cash value grows tax-deferred. Structured properly, you can access it through policy loans and withdrawals on a tax-advantaged basis, with no IRS contribution limits. Tax rules are individual — confirm the details with a qualified tax professional.

CHECK YOURSELF

Is IUL right for me?

Check every box that is honestly true today. This is a readiness test — the more boxes you check, the more an IUL conversation makes sense.

- ☐ My 401(k) and IRA are already funded to a level I am happy with.
- ☐ I have an emergency fund, and my core protection (life, income) is in place.
- ☐ My household income is high enough that taxes are a real concern.
- ☐ I will not need this money for at least 10 years.
- ☐ I can fund a policy consistently, even in a tighter year.
- ☐ I want permanent life insurance as part of my plan regardless.

READING YOUR ANSWERS

Five or six boxes IUL deserves a serious, detailed look. Three or four possibly, once a gap or two is closed. Two or fewer simpler tools will serve you better first. There is no wrong answer here — only the right next step.

BEFORE YOU SIGN

5 questions that protect you

- Show me a **conservative** illustration, not just the best case.
- What are **all** the costs and fees, and how do they change as I age?
- What happens to this policy if I miss premiums for a year?
- What is actually guaranteed here, and what is only projected?
- Are you independent — and would you tell me if IUL were the wrong fit?

If an agent cannot answer all five comfortably and clearly, that is your answer.

YOUR NEXT STEP

See if the numbers work for you

IUL only makes sense when the design fits your income, your timeline, and your goals. A 15-minute review will tell you honestly whether it does — and show you a realistic illustration, not a fantasy.

ON A FREE 15-MINUTE REVIEW, YOU GET:

- A clear picture of your options across 30+ carriers — built around you, not one company.
- A straight answer on what fits your situation and budget — and what doesn't.
- Zero pressure and zero obligation. Education first, always.

Book your free 15-minute review

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