

The Indexed Universal Life (IUL) Insurance policy from Transamerica is a permanent life insurance option designed for long-term coverage, providing a death benefit and a cash value component. It allows policyholders to allocate net premiums to fixed interest accounts or indexed accounts linked to market indices like the S&P 500® or the Dow Jones Industrial Average. The policy offers several benefits, including a tax-free death benefit, tax-deferred growth potential, and tax-advantaged withdrawals and loans, although cash value growth is not guaranteed. The policy features a guaranteed minimum interest rate, ensuring that the policy will not incur negative interest, thus providing downside protection.

Fees associated with the IUL policy may include monthly costs of insurance, administrative charges, and premium expense charges, which can vary based on the insured's age, gender, lifestyle, and health. Surrendering the policy within the first 10 to 20 years may incur additional charges. Tax implications include that the death benefit is received tax-free by beneficiaries, while policy premiums are not tax-deductible. Transfers within the policy can be made tax-free, and any earnings grow tax-deferred, with taxes due upon policy surrender or lapse. Policy loans can be taken tax-free, but they reduce the death benefit and cash value, and outstanding loans may incur tax liabilities if the policy is surrendered or lapses.

The IUL policy is not an investment in the stock market and does not participate in stock or equity investments. It includes features such as caps or participation rates that apply to interest rates for index accounts, and policy riders may be available for additional customization at extra cost. Prospective policyholders are encouraged to consult with a licensed agent to assess whether an IUL policy aligns with their financial needs and to review the specific product brochure for detailed information on features, benefits, and costs.