

## LIFE 101

# Current Assumption Universal Life Insurance



Current assumption universal life (CAUL) insurance is most similar to what universal life (UL) was when it was first introduced in the late 1970s. It shares the same basic qualities of other UL products—it is a permanent life insurance product designed with the potential for non-guaranteed, tax-advantaged cash value build-up based on the insurance company's general account investment results. In general, policyholders can still:

- Set the initial premium (within product limits)
- Increase or decrease the premium as circumstances change
- Make lump sum payments
- Adjust the death benefit
- Make loans and/or withdrawals from the policy's cash value build-up

- **TAKE NOTE**

- *When looking at a CAUL illustration, take note of the current and guaranteed columns to see the differences in the assumptions.*



They are called current assumption products because the premiums and cash values in the policy are based on the insurance company's current interest rate and current cost of insurance charges. Those assumptions can, and will, change over time. Therefore, the premiums needed to fund the policy and the expected cash value growth may differ from what was initially illustrated.

Cash value growth in a CAUL is tied to a current interest rate that is declared by the issuing company and is subject to change. CAUL products also include a minimum guaranteed interest crediting rate.

Most CAUL policies are designed to offer minimal to long-term, but not lifetime, death benefit guarantees. Typically there will be options such as built-in 10 to 30-year death benefit guarantees or life expectancy death benefit guarantees.

### Who is it for?

Current assumption ULs are well-suited for those wanting flexible premiums and the potential for modest-to-strong cash value accumulation, along with longer-term or life expectancy death benefit guarantees. Keep in mind that all guarantees are subject to the claims-paying ability of the issuing carrier.

**Contact your Crump representative to learn more!**

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All guarantees subject to the claims paying ability of the issuing insurer.

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