**Email Content**

The answer, of course, is no. That said, this is exactly what some clients may think is possible with the “Swiss Army Knife” approach to Indexed Universal Life case design. The typical illustration, regardless of the illustrative rate used, displays the maximum level income possible. One of the underlying assumptions in that illustration is nearly always the use of participating loans. While there is nothing inherently wrong with that approach, it does become a problem when the policy’s living benefit features are an important part of the sale.

When considering these products, most clients will undoubtedly be attracted to the value proposition of a single product that offers death benefit protection, supplemental retirement income and a backstop of benefits should they need care later in life. The living benefits, in their mind, are in addition to any income they may take from the policy. The reality is that the use of loans to take income out of the policy effectively eliminates the client’s ability to access the living benefits like a Chronic Illness or Long-Term Care Accelerated Benefit Rider (ABR).

Fortunately, this can be solved with a different design and policy management approach, even on in force policies

Drop me a note or give me a call if you want to take a closer look at how we’re designing this strategy with other advisors.