

# What is Guaranteed Variable UL?

Guaranteed Variable Universal Life (GVUL) is a securities based type of universal life insurance which incorporates long term guarantees generally not present in traditional VUL contracts. The premiums may be structured as ongoing payments or for a limited number of years.

Death benefit guarantees may be built to varying durations. A contract may be built with less than lifetime guarantees, for example, to age 100 or even younger, which will likely reduce the premium.

GVUL policies generally have higher internal expenses than non-guaranteed VUL contracts so they do not accumulate cash value as efficiently. This is a part of the give and take. GVUL premiums may be lower or higher than GUL premiums depending on the particular insured but increasing the premiums provides an opportunity to build cash value along with the death benefit guarantee if desired.

Despite the name, policies are only guaranteed if the policy owner follows the rules of the contract. Contracts have varying degrees of flexibility and guarantees can be violated by paying premiums late or even by paying premiums early.

Required premiums of the GVUL contract cannot be increased based on market conditions as long as the terms of the contract are followed. However, many policy owners are lulled into a false sense of security and may discover their contracts are no longer guaranteed if they do not pay close attention to detail.

A GVUL ledger may still have a guaranteed and non-guaranteed column. The difference between the columns will largely be manifested in the cash value but the death benefit will not be jeopardized regardless of crediting or expenses if the premiums are paid according to the contract.

GVUL policies may be single life or second-to-die contracts. There are very few GVUL options available in the market.

All permanent life insurance must be managed.

---

## Life Insurance Consulting