Hereâ??s another reason to cancel your ILP

Description

If you need another reason to cancel your investment-linked policy (ILP) which you may have bought a few years ago, consider this: a lot of financially-savvy folks are cancelling have already cancelled theirs.

I bought my first insurance policy, an ILP, at the advice of my then-financial agent. 2 years later, I cancelled it once I realized how I had been misled to think favourably of a policy that clearly wasnâ??t that beneficial to me. The biggest flaw I didnâ??t spot then was the distribution fees, which entitled the fund managers and my insurance agent to be paid rather handsomely for managing my investments.

At that point, I was thinking, *if Iâ??m already spending so much time swopping my funds, why should I be paying the fund managers? If Iâ??m paying someone to manage my investments for me, then they better do a job good enough where I donâ??t even need to interfere. Furthermore, I can manage my own investments, so why continue with this useless ILP which I have to pay for over 20 years before I can even breakeven?*

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Iâ??ve not regretted my decision ever since.

A friend of mine whom I consider to be rather financially-savvy also recently terminated his ILP, and publicly shared his cancellation experience on Facebook. I reproduce the conversation here:



On another note, Iâ??ve been quite busy in the last 2 weeks, but yes, I did get the emails from some of you who wrote in asking about insurance. Iâ??m currently in the midst of drafting up a proper guided post on that and putting all my answers together, so stay tuned.

Till then, stay clear of ILPs (or at least reconsider whether you *reallllly* need one).

P.S. Whose pockets are ILPs reallllly lining?

With love,
Budget Babe

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