

Life Insurance Basics

Term Life Insurance-Is considered temporary protection because it only provides coverage for the term of years specified in the contract. If the insured dies during this term, the policy pays the death benefit to the beneficiary. *If the policy is canceled or expires prior to the insured's death nothing is payable.* Term policies typically provide the greatest amount coverage for the lowest premium, as compared to any other form of life insurance. Three basic types of term coverage exist, ask for more details.

Whole Life Insurance-Are often referred to as permanent protection, since as long as the premium is paid coverage will continue for the life of the insured. Both premiums and death benefit are guaranteed and will remain level for life. *Whole life policies also build cash values which the policyowner can borrow against, or is entitled to, in the event the policy is surrendered.* These cash values do not usually accumulate until the third year and grow tax deferred. The maturity date of whole life policies is age 100. At this time the cash value equals the face amount of coverage, the policy matures, and the face amount is paid to the insured. There are several types of whole life policies, ask for more details.

Universal Life-Often called flexible premium adjustable life. In Universal life, the death benefit can be increased and decreased depending on the insurance needs of the policyowner. The policyowner also has the flexibility to increase the amount of premium going into the policy and to later decrease it again. Like whole life insurance universal life accumulates cash values, but unlike whole life policies, universal policies are interest sensitive policies. The guaranteed interest depends on the insurer. Please ask for more details.

In addition to the three major types of life insurance I specialize in, there are several additional policy riders and provisions available some free, and some for additional premium. Please ask for more details.