

What Type of Life Insurance Best Suits You?

You can use life insurance to pay for final expenses, estate taxes, or leave an estate for the use of your heirs. Here are some policy types to choose from:

Term insurance has no cash value, so its premium covers only the risk of death during that year. Many insurance companies offer level premium term insurance. Premiums may remain level for a period of 5, 10, 15, 20, 25 or even 30 years. These policies are inexpensive and can provide relatively long-term coverage.

Some level premium term policies contain a guarantee of level premiums, while others do not. Without a guarantee, the insurance company can surprise you by raising your premiums even during the time you expected your premiums to remain level. Make sure you understand the terms of your policy.

Return of premium term insurance (ROP) is a new type of coverage that generally combines low, term-like premiums with a guaranteed refund of the premiums paid during the level term period, assuming the insured is still living at the end of the level term. They are often significantly less expensive than permanent types of insurance. But, like many permanent plans, they may still offer cash surrender values if the insured does not die.

Whole Life Insurance is a form of permanent insurance. It is designed to remain in effect throughout one's lifetime. Generally, the premiums for this type of policy remain the same throughout the life of the insured. During the early years of the policy, premiums are much higher than those of term insurance policies. That is because these policies develop a cash value which the policy owner can access through surrenders or policy loans.

Universal Life Insurance differs from Whole Life in that it distinguishes and itemizes the protection element, the expense element, and the cash value element. This adds more policy flexibility for the policy owner to modify the face amount or the premium in response to changing needs and circumstances.

A survivor or second to die insurance policy, offered either as Universal Life or Whole Life, pays a death benefit at the later death of two insured individuals, usually a husband and wife. That way it can pay estate taxes when they occur – at the second person's death. Most individuals arrange to pay little or no estate taxes at the death of the first person because of the unlimited marital deduction in the estate tax. This coverage is widely used because it is generally much less expensive than individual coverage on either spouse.

Gives us a call or fill out the reply coupon. We can help you pick the life insurance policy suited to your situation.